

WXPPost

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Laws Spur Nursing-Home Gouging

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"Chain" nursing homes are springing up around the country. Their aim is primarily profit, not tender, loving care.

The latest figures compiled by a Senate subcommittee on the aging show that despite industry poor-mouthing, profits are growing. One of the largest chains, for example, has increased its profits by an incredible 400 per cent since 1969. The average increase for chain operations was a more modest 116 per cent.

The profits are not evil in themselves. But Senate investigators suspect that the chains have taken advantage of lax state laws to gouge the public of Medicaid money. Worse, the laws often encourage the mistreatment of patients by rewarding homes with more Medicaid funds for ailing patients.

The chain nursing homes have grown up most heavily in states with the most exploitable nursing home reimbursement plans. The investigators suspect that the condition of the state laws are more of a factor in selecting nursing home sites than the size of the local elderly population.

Each state picks its own method of reimbursing the homes for care provided. The reimbursements come out of state and local medical-aid funds. Unfortunately, the three major reimbursement formulas used are easily abused. Nursing home operators who are so inclined can manipulate them to run up profits at the expense of the taxpayer's pocketbook and the patient's health care.

Here's how it's done:

- Under the "flat rate" system, the nursing home is paid a set fee for each patient it cares for. This encourages the operator to cut back on nursing care, drugs, food, linen and other services in order to save money.

- Under the "point system" method, the nursing homes get a flat fee and \$6 more for every "point." This system unwittingly encourages patient mistreatment. If a patient is allowed to sit in his own waste, for example, and becomes bellicose, he can be labeled a "behavioral problem." That's worth eight points, or \$48. If he then has to be injected with a sedative, six more points are added. If the

patient then lies in bed too long, eight points are added for bed sores.

- Under the "cost related" system, the nursing home operator is reimbursed for his costs. This encourages padding. In New York, for example, the subcommittee discovered nursing homes with several bogus "costs." Some even went to the extent of setting up their own linen and cleaning services at exorbitant fees, for which they were reimbursed. Sen. Frank Moss (D-Utah), the subcommittee chairman, said the cost related system "would make a defense contractor drool."

It's clear that the present system is unfair and inadequate. The care of the elderly, and not maximizing profit, should be the goal of America's nursing homes.

NIXON LIBRARY—More and more, it looks as if the new federal building in Laguna Niguel, Calif., may become the Richard Nixon presidential library.

The latest information, developed by investigators for the General Accounting Office, reveals that the amount of space reserved for the Nixon papers has tripled in the last year to 60,000 square feet.

The GAO sleuths also learned that the government has plans to install a \$30,000 vault in the building. Congress last year rejected a request to install a \$110,000 safe to store Nixon papers and tapes.

As early as March 22, 1974, we exposed the strange deal by which Uncle Sam took possession of the mammoth, pyramid-like office building located only

10 miles from Richard Nixon's San Clemente estate.

"The taxpayers are bailing out another giant corporation, Rockwell International, which had been stuck with a lavish, out-of-the-way building it couldn't use," we wrote.

"The General Services Administration has agreed to take over the unoccupied building in exchange for government-owned property which the corporation is leasing but would like to acquire."

The GSA, trying hard to push through the strange deal apparently lied to House Government Operations Committee Chairman Jack Brooks (D-Tex.) about the suitability of the space.

Brooks was told by GSA that the Laguna Niguel building "was adequately protected from fire." But investigators for GAO found that GSA has since contracted for \$346,000 worth of "space preparation," including \$158,000 for fire protection. General fire-safety items are expected to run an additional \$510,000 in the next fiscal year.

Our story of a year ago also

noted that the "government officials who eventually will inhabit the building live 30 to 40 miles away in the Los Angeles area."

The GAO probe confirmed the seriousness of this issue. The Housing and Urban Development Department, in two separate studies, flatly opposed acquisition of the buildings. But the dogged GSA chief, Arthur Sampson, went ahead with the deal anyway.

Now the building is less than 38 per cent reserved and all but 29,220 square feet are to be used by GSA and its own archives and supply services. Our sources have told us that more than 100 separate agencies and departments turned down bids to use the building for offices.

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