

"There is a general lack of concern about the elderly people of the United States, the problems they face and the problems they create. America today is a culture fascinated with youth and vitality, and not an easy place in which to grow old. But the number of old persons in the United States is increasing steadily. At the turn of the century, 4% of our population was 65 years of age and older; today, that figure is nearly 10%. It is estimated that we will have 25 million people over 65 years of age by 1980. Millions of these elderly persons continue to lead normal lives in familiar surroundings, pursuing interests and jobs they enjoy. But some are sick, feeble, poor, depressed and alone and far too many of them end up forgotten in nursing homes. These old people are a major challenge for medicine and for society, a challenge whose answer will help define America in the 1970's." (pp. 20-21)

AND WHEREAS, the Board of Inquiry considered the causes of the rapid development of the nursing home industry and reported as follows:

"Nursing homes in America and Maryland are big business. Most nursing homes are proprietary, which means they are private, profit-making organizations, whose primary reason for existence is to make money for their owners or stockholders. Nursing homes, at the same time, are financed for the most part by city, state and federal government funds. In 1969, Medicaid programs paid to nursing homes in this country some \$1.3 billion. Medicare, in 1969, paid to nursing homes another \$320 million. Add to these figures the many millions of dollars paid to nursing homes by the approximately 25 percent of nursing home patients who do not qualify for government aid, or by their families. *Nursing homes, in fact, are an industry.* Last year there were 23,013 nursing homes in the U.S., with a total of 1,014,510 beds. These homes employ more than 500,000 persons.

"Councilman Robert Douglas of Baltimore told this panel, in his testimony, of the high prices nursing homes' common stocks have until recently brought upon the national stock exchanges. The reasons, he said, are simple: Medicare and Medicaid. There is a 'guaranteed paycheck for each patient,' Mr. Douglas said. If you can care for that patient that cheaply, he testified, 'you will make a profit out of it.'

"Nursing homes have developed into an industry from so-called 'Mom and Pop' homes \* \* \*. Ten years ago construction of nursing homes accelerated, and in Maryland alone in the past six years, 5,000 nursing home beds have been built. But today, however, the chain organization so common in banks, hamburger drive-ins and drug-stores, is a growing phenomenon in nursing homes, and in Maryland three corporations own 22 homes.

"It is a normal pattern in American business for a corporation to grow bigger and bigger. \* \* \* In business terms such growth is rational and, perhaps, even desirable. The question we in this society must ask, however, is: Will our elderly people benefit?" (pp. 21-23)

AND WHEREAS, the Board of Inquiry concluded its report with *General Recommendations Regarding Nursing Homes in Maryland*, which are quoted below:

"1. *The potential problem of profiteering in the nursing home industry.* It seems to this panel that there is a fundamental contradic-