



2024 Legislative Agenda

Background

As Iowa begins its adaptation to a new normal following the end of the COVID-19 Public Health Emergency, few have faced more challenges than providers of Aging Services. The ingenuity, optimism, and foresight demonstrated by providers of aging services over the last 3 years has not waned as they have navigated increased and rapidly changing rules and regulations, unprecedented turnover and workforce recruitment issues, and significant financial strife and inflation. Though unfortunately, as other sectors and members of the health care community begin to see the light at the end of the tunnel, aging services providers across the continuum continue to fight against challenges out of their control.

Not-for-profit and mission-driven aging services providers in Iowa are dedicated to delivering a range of quality care and services to meet the needs and preferences of older Iowans. These include home-delivered meals, home care, adult day, transportation, housing, PACE (Program for All-Inclusive Care for the elderly), Assisted Living, Skilled Nursing, Long-Term Care (LTC), and hospice. They are driven by a passion to deliver high-quality care to Iowa's older adults, while navigating a growing gap in funding and cost of delivering care, a worsening workforce crisis, and ever-changing regulatory hurdles.

As Iowa's aging population is on the precipice of reaching historic levels, their range of needs continues to diversify. Yet, the current environment threatens the availability of these necessary services across the state. Workforce shortages have continued to impact aging services providers more than any other sector according to Iowa Workforce Development data. In fact, as other sectors have stabilized, workforce numbers for Nursing and Residential Care Facilities have decreased since the beginning of 2022. The additional funding allocated during the 2023 legislative session for the SFY 2024 Nursing Facility Rebase was a great start and came just in the nick of time for many LTC providers in financial turmoil, but most aging services providers are still seeing unsustainable gaps in Medicaid rates versus the cost of delivering the services.

At a time when Iowa's aging services sector should be growing and modernizing to meet the emerging needs of our state's aging population, we're losing ground. Since the beginning of 2022, at least 32 nursing homes in all parts of the state have closed. Workforce in the aging services sector continues to lag well below pre-pandemic levels and projected demand. Now more than ever, it is imperative that Iowa invests in the future of aging services to ensure access for this vulnerable community. Iowa's aging services providers across the continuum deserve fair reimbursement rates that cover the cost of care and state-supported workforce solutions to stabilize the sector. If these problems continue unaddressed by Iowa's Lawmakers, there is great potential for a drought of availability of care to meet the needs and preferences of all of Iowa's older adults.

Medicaid

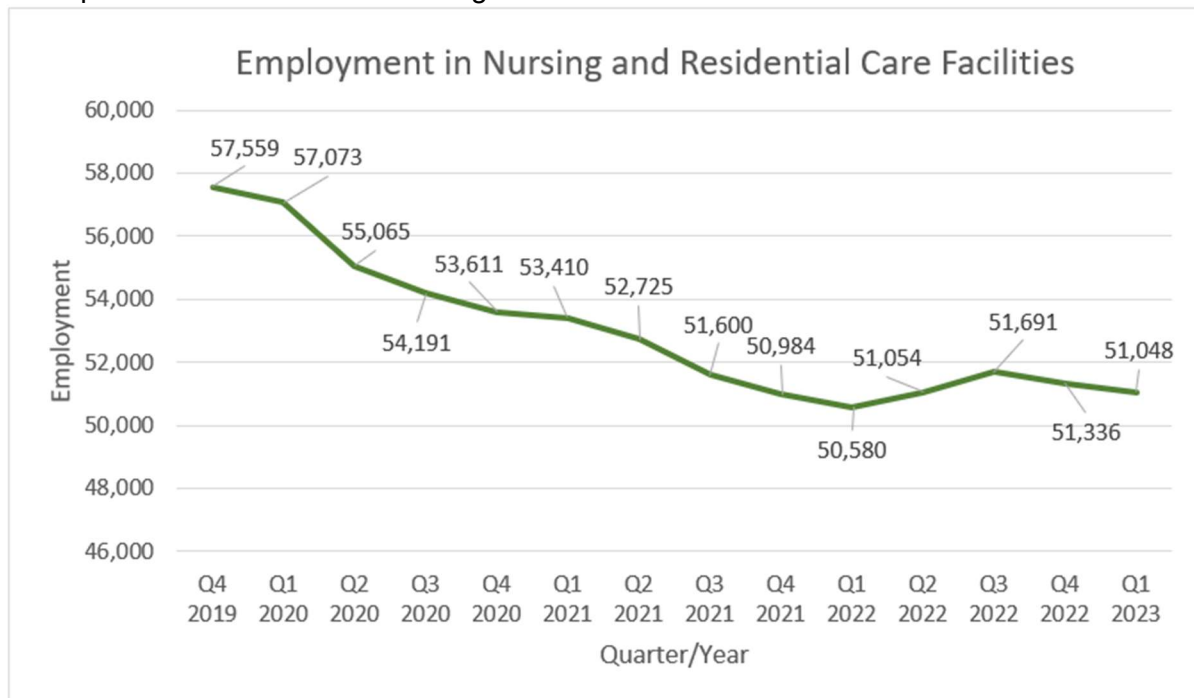
To ensure the health and prosperity of older lowans in communities all across the state, a robust Medicaid program across the continuum of care is necessary. However, time and time again, Medicaid rates for aging services in Iowa fail to keep pace with the cost of providing this important care. Even with the additional funds allocated for the SFY 2024 Nursing Facility Medicaid rebase, there was a gap of 8% to 11% for LTC providers.

Though cost growth has stabilized somewhat, costs have still grown over twice as fast as revenues since the start of the pandemic. Medicaid rates must increase across the continuum of care to address the cost of delivering care and boost aging services providers' ability to hire and retain caregivers vital to providing these services.

As Iowa works to redesign the Medicaid waiver programs and create more HCBS options for Medicaid members, the availability of staff and the affordability to deliver the services will be keys to success. LAI urges the legislature to fully fund the Home Health rebase and LUPA rates in FY2024 and increase the HCBS Elderly Waiver for assisted living and adult day service providers. This support is necessary to address the cost of delivering care and boost aging services providers' ability to hire and retain vital caregivers. Funding across the care continuum is necessary to support and ensure older lowans across the state have access to care based on their needs and preferences.

Workforce

As Iowa's aging population continues to grow, all lowans share a goal for the highest quality care to be accessible regardless of where you live in the state. But as the need for aging services grows in our state, Iowa's nursing homes are struggling with a workforce crisis that has jeopardized access to care for older lowans, backed up the healthcare system, and resulted in an unprecedented number of nursing home closures.



The Public Health Emergency may have ended, but workforce data clearly shows that the long-term care sector continues to have the greatest impact with employment rates more than 11% less than before the pandemic. In fact, employment numbers for Nursing and Residential Care Facilities have gone down in 2023 from the end of 2022. By comparison, hospitals have seen a decrease of 0.07% since the pandemic. The lack of qualified workforce has and will continue to jeopardize older Iowans' access to quality care in the means and place of their choosing.

According to the Iowa Board of Nursing, there were 61,759 Registered Nurses in FY 2022. The projected numbers for FY 2023 show 58,346 Registered Nurses, a loss of 3,413. That means in just one year, Iowa will have lost more than 5% of its Registered Nurse workforce. Aging services providers need the legislature's help to increase access and bring more nurses and caregiving professionals into the field through expansion of healthcare training programs, tuition assistance and loan repayment, and the establishment of wrap-around supports like affordable housing, transportation, childcare and family services.

Though our state has been a leader in state-supported workforce solutions like the Registered Apprenticeship program, healthcare specific workforce solutions are necessary to ensure access to care for aging Iowans. Specifically, these legislative actions will help work toward solutions:

- Increase Medicaid reimbursement for aging services providers including HCBS waiver, home health, and nursing facilities to allow them to offer competitive wages and benefits.
- Increase access to education and training to bring more nurses, certified nurse assistants, and other caregiving professionals into the field.
- Reduce cost barriers by expanding reimbursement programs like the Iowa Loan Repayment for Health Professionals program to include more caregiving professionals and different types of nurses along the career ladder who work in aging services.
- Establish and better connect health care students and caregiving professionals to wrap-around supports like affordable housing, transportation, and childcare and family services.

LTSS Financing

By 2040, the 85+ population in Iowa is expected to grow by over 90%, and most will need long-term services and support during their lifetime. Since the Medicaid program is the largest payer of those services today, the state of Iowa needs to begin planning now through a LTSS Financing Taskforce of key stakeholders to study the issue and propose solutions on how to finance LTSS services over the coming decades.

Funding for aging services is vital to the health and safety of the people they serve. Iowa is the largest payor of Long-Term Support and Services (LTSS), with Medicaid paying for approximately half of the residents in nursing facilities. As the 65+ demographic grows at an unprecedented pace, it is necessary that Iowa is prepared to ensure access to care to meet all healthcare needs of aging Iowans.

LAI supports the creation of a LTSS Financing Taskforce of key stakeholders to study the issue and propose recommendations and solutions for financing LTSS over the coming decades.