

AGING SERVICES IN IOWA

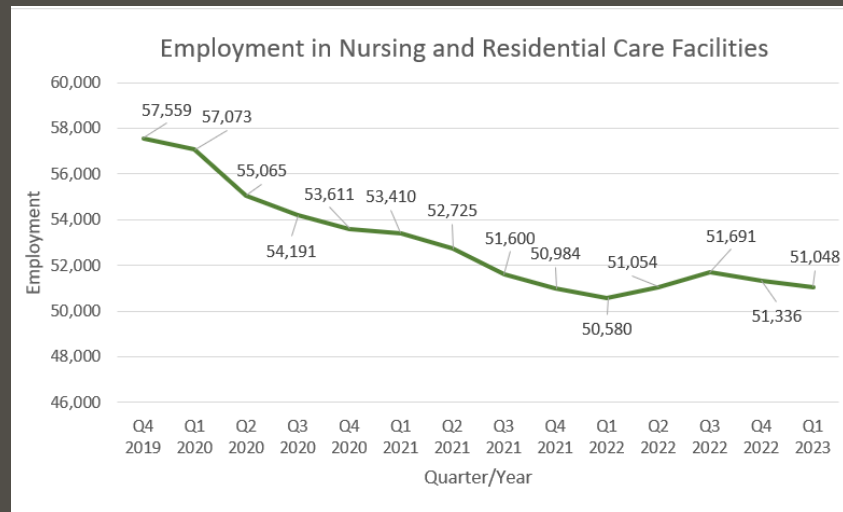
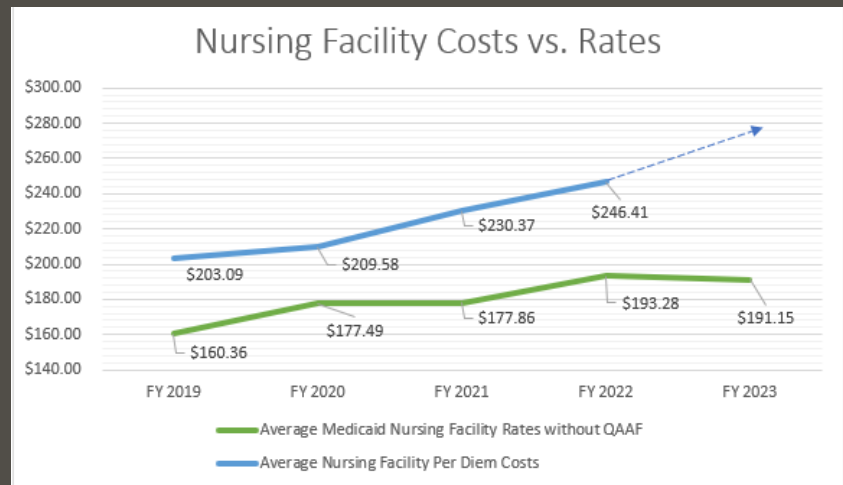


As Iowa's aging population continues to grow, aging services are vital to older adults and their families. Yet, the current environment threatens the availability of aging services across the state. Workforce shortages have impacted aging services, and the sector has yet to bounce back. This has caused dramatic increases in labor costs between increased wages and reliance on costly staffing agencies. Reimbursement rates have failed to keep pace with soaring inflation.

Iowa's nursing homes have seen a 11.31% decrease in employment since the start of the pandemic. Simply put, Iowa's aging services providers are struggling to find workforce which has jeopardized access to care for older Iowans, backed up the healthcare system, and resulted in nursing home closures. 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 Iowa's older adults.



These trends are unsustainable. At a time when Iowa's aging services should be growing to meet the emerging needs of our state's aging population, we're losing ground. Since the beginning of 2022, at least 29 nursing homes in all parts of the state have announced they will close.



Iowa's Demographic facts:

- Around 553,000 older Iowans today make up 17.5% of the state's population.
- By 2050, the 65+ population in Iowa is expected to grow to 709,000, or 20.3% of the state's total population.
- By 2040, the 85+ population in Iowa is expected to grow by over 90%. This is the age group that is most likely to need aging services, particularly nursing homes.
- All of the fastest growing age groups in Iowa between now and 2040 are over age 65.
- Older Iowans will make up more than 20% of the population in 74 of Iowa's 99 counties by 2030

Since the start of the pandemic...

WORKFORCES HAVE SHRUNK:

Aging Services, Overall	-11.33%
Residential Care	-11.83%
Home Care	-11.71%
Assisted Living	-3.73%
National, Overall	+1.58%
Iowa, Overall	+1.98%

LABOR COSTS ARE UP:

Assisted Living	+24.3%
Residential Care	+8.1%
Home Care	+0.2%



HIGHER MEDICAID REIMBURSEMENT RATES

Medicaid rates for aging services have not kept pace with the rapid increase of labor costs and inflation. Even with the additional funds allocated for the 7/1 Nursing Facility Medicaid rebase, there is still a gap of approximately 9% to 12% for most providers. Cost growth has stabilized somewhat, but 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**



REIGN IN RESTRICTIVE LABOR PRACTICES OF TEMPORARY STAFFING AGENCIES

With action in 2022, the legislature prohibited the restrictive labor practices of temporary staffing agencies. We need accountability for healthcare staffing agencies who continue to charge Medicaid providers rates far in excess of the going wage for essential healthcare workers. The average nursing facility paid over three times as much (314% more) for agency nurse staffing in 2022 than in 2020. Without further reforms, the out-of-control costs will continue to drain taxpayer dollars and the assets of older Iowans.

FOCUS ON WORKFORCE DEVELOPMENT AND WORKFORCE-FRIENDLY POLICIES

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.



STUDY LONG-TERM SERVICES AND SUPPORTS (LTSS) FINANCING OPTIONS

Iowa's aging population continues to grow, 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.