



LeadingAge Iowa 2025 Legislative Agenda

By 2030, Iowa will reach an historic demographic milestone: for the first time, more Iowans will be 65 years old or older than those under 18. This dramatic shift underscores the urgent need for a robust and sustainable aging services sector, yet current conditions threaten the stability and availability of care for Iowa's seniors. Aging services providers are operating in an increasingly unstable environment, marked by low Medicaid reimbursement rates that fail to cover the true costs of care, severe workforce shortages that leave critical positions unfilled, and a predatory environment that strains already-limited resources.

Not-for-profit and mission-driven aging services providers in Iowa are essential partners in supporting the health, safety, and dignity of our state's older adults. These providers deliver an array of critical services—home-delivered meals, home care, adult day programs, transportation, housing, PACE (Program for All-Inclusive Care for the Elderly), assisted living, skilled nursing, long-term care (LTC), and hospice—that address the diverse needs of Iowa's senior population and allow them to age with dignity. They are motivated by a commitment to providing high-quality care to Iowa's older adults, all while navigating a rapidly evolving landscape filled with complex obstacles.

These challenges have created a precarious situation for the aging services infrastructure just as demand is about to peak, raising serious concerns about whether Iowa's aging population will have adequate access to the essential care and services they need. At a time when Iowa's aging services sector should be expanding and innovating to meet the needs of a growing elderly population, the reality is quite the opposite. Since 2020, at least 40 nursing homes across Iowa have closed. Without decisive action to support aging services, Iowa risks a shortfall in care availability for its growing senior population, impacting their health, well-being, and quality of life.

As we approach the 2025 legislative session, it is critical for Iowa's leaders to invest in the future of aging services to secure continued access to care for older Iowans. Without legislative action to address these issues, Iowa's aging services sector will be unable to keep up with the demands of a rapidly aging population, placing access to essential services at risk for seniors in all parts of the state. It is crucial that Iowa's leaders prioritize fair reimbursement rates, sustainable workforce solutions, and regulatory support to enable these providers to continue serving as lifelines for our state's most vulnerable seniors.

Increase Funding for Long-Term Care Services

In Iowa, 1 in 2 nursing home residents rely on Medicaid. However, aging services providers are facing a 16% gap between the cost of providing care and the average FY 2025 Medicaid reimbursement rates. This funding disparity places immense financial strain on nursing facilities, jeopardizing their ability to keep their doors open to continue providing high-quality care to older Iowans. With rising healthcare costs, workforce shortages, and an increasing demand for skilled nursing services, the gap exacerbates operational challenges, threatening facility sustainability. Fully funding the rebase would ensure nursing homes can cover actual care costs, attract and retain qualified staff, and maintain essential services, ultimately safeguarding the health and well-being of Iowa's elderly population.

Iowa's lawmakers must prioritize fully funding the 2025 Nursing Facility rebase to address the critical needs of our state's aging population and ensure the stability of long-term care providers. Nursing facilities are the backbone of elder care, yet many struggle with underfunding that threatens their ability to operate and provide compassionate, high-quality care. Fully funding the rebase is not just a fiscal responsibility but a moral imperative to honor the dignity of our seniors and support the dedicated professionals who care for them.

Reign in Predatory Practices of Health Care Employment Agencies

Health Care Employment Agencies, many based outside Iowa, have exploited the workforce crisis exacerbated by the COVID-19 pandemic, placing an immense financial strain on healthcare providers. Of the 361 Health Care Employment Agencies registered with DIAL in Q3 of 2024, only 13% provided agency workers to Long-Term Care Communities and of these, and only 16 were based in Iowa. These agencies charge exorbitant premiums to facilities desperate to fill staffing gaps, often doubling or tripling normal rates, funneling Medicaid dollars out of the state. Yet, despite these inflated costs, caregivers-such as nurses and CNAs- receive only a fraction of what is billed. This profiteering undermines Iowa's healthcare system, drains resources from facilities, and destabilizes workforce morale. Action is needed to regulate these agencies, ensure fair compensation for caregivers, and protect providers from unsustainable costs.

Iowa must implement a rate cap on Health Care Employment Agencies and increase scrutiny on their quarterly reporting to create a fairer and more sustainable environment for healthcare providers. Without rate caps, agencies can continue to charge exorbitant fees, exploiting providers that have no alternative but to rely on agency care to maintain adequate staffing levels. Enhanced transparency through more uniform quarterly reporting

would shine a brighter light on how much of the charged fees actually go to caregivers, exposing and curbing exploitative practices. Additionally, holding healthcare employment agencies accountable for the actions of their workers would significantly improve the quality and continuity of care delivered by agency staff. These measures would protect providers from financial exploitation, ensure caregivers are compensated, and stabilize Iowa's healthcare system for the benefit of all stakeholders.

Support for Workforce Development and Retention

Iowa's legislature must enact policies to support and grow the state's direct care workforce, as the COVID-19 pandemic has exacerbated workforce challenges in nursing and residential care facilities. Employment in these facilities has declined by 4.7% since 2019, even as hospital employment has increased by 1.4%, highlighting a stark imbalance. Alarming, Iowa also experienced a 5% loss of nurses from FY 2022 to FY 2023, further straining the healthcare system. With a rapidly aging population, the state faces an urgent need to build a robust healthcare workforce to ensure older Iowans receive the care they deserve. 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.

Iowa must prioritize healthcare-specific workforce policies to address the growing demand for qualified care professionals and ensure high-quality healthcare for its residents. Implementing strategies that focus on workforce retention, education access, and creating more opportunities for career advancement, will help ensure that healthcare workers are well-equipped to meet the complex needs of patients, particularly in the aging-services sector. Additionally, enhancing wrap-around supports for direct care workers, such as childcare, transportation assistance, and access to mental health resources, would help address workforce retention and reduce burnout in this critical field. These targeted policies would strengthen the healthcare workforce pipeline, improve patient outcomes, and ensure a robust system of care for Iowans now and in the future.

A Better Future for Iowa's Essential Providers

As Iowa approaches this critical demographic shift, the need for a well-supported and resilient aging services sector has never been more urgent. The challenges facing long-term care providers demand immediate and sustained action. The state's growing senior population requires a healthcare system that can not only meet their immediate needs but also ensure that they can age with dignity and receive high-quality care for years to come. Without decisive action from Iowa's legislature, the state's ability to provide adequate services to its elderly residents will be severely compromised, undermining the well-being of Iowa's older adults.

The policies outlined above- fully funding the 2025 Nursing Facility rebase, regulating health care employment agencies, and supporting workforce development- are necessary to secure the future of Iowa's aging services infrastructure. These reforms are essential for creating a sustainable, fair, and effective system that supports providers, caregivers, and the older Iowans they serve. As the state moves into 2025 and beyond, it is imperative that Iowa's leaders take the necessary steps to ensure that the aging services sector can meet the demands of a growing senior population. By prioritizing these legislative actions, Iowa can create a healthcare environment where seniors are cared for, providers are supported, and the state's healthcare system remains resilient in the face of demographic change.

LeadingAge Iowa represents not-for-profit and mission-driven aging services providers across the state, dedicated to advocating for policies that promote quality care, housing, and services for older adults. In 2025, we will continue to champion legislative priorities that strengthen Iowa's long-term care system, support the continuum of care, and address the evolving needs of our senior population. LeadingAge Iowa will work with policymakers, community organizations, and stakeholders to ensure that Iowa's aging services providers are adequately funded, staffed, and equipped to meet the needs of our growing senior population. By advancing these legislative priorities in 2025, we aim to create a more sustainable, equitable, and effective aging services system that supports older adults in living with dignity and independence.