



## Member Call Summary

August 29, 2025

### Register Now for the Medicaid Provider Townhall – September 18

LeadingAge Iowa members are invited to join the upcoming **Medicaid Provider Townhall on Wednesday, September 18**. This townhall will provide important updates on Medicaid services, policies, and priorities that directly affect aging services providers across the state.

The session will offer members the chance to:

- Hear the latest information from Iowa HHS and Medicaid leadership.
- Gain clarity on current program changes and upcoming initiatives.
- Ask questions and share feedback on the challenges facing providers.

This is a valuable opportunity for members to engage in dialogue with state leaders, stay ahead of policy changes, and ensure your organization's voice is heard.

#### Event Details

Date: Wednesday, September 18

Time: 4:00- 5:30 p.m.

Location: Virtual

[Register here.](#)

Don't miss this important conversation that will help shape the future of Medicaid services in Iowa.

#### Help Us Tell Your Story: Impact of Medicaid Cuts on Nursing Homes

Our work to address harmful provisions from July's budget reconciliation bill continues. The new law will cut more than \$900 billion from federal Medicaid spending over the next 10 years. As part of our advocacy, we are eager to hear from nursing home providers on what kinds of changes you might have to make if your Medicaid funding is cut. We will use this information in our advocacy—and also share it with you for use in yours! Nursing home provider members, please take a moment and fill out [this quick survey](#) by September 8.

## **Nursing Home Staffing Mandates: What You Need to Know**

As reported [previously](#), the lawsuit filed by LeadingAge state partners and state Attorneys General challenging the CMS nursing home minimum staffing rule had a successful outcome, as Judge Leonard Strand of the U.S. District Court for the Northern District of Iowa issued an opinion and order on June 18 striking down the 24/7 registered nurse and the hours per resident day requirements. On August 15, the U.S. Department of Justice (DOJ) filed notice that it is appealing the June 18 decision to the U.S. Court of Appeals for the Eighth Circuit. A DOJ appeal of the separate order vacating the rules, issued April 7 by the U.S. District Court for the Northern District of Texas in the lawsuit in which LeadingAge is a party, is also pending. LeadingAge does not have any further information at this time about the government's position on the underlying issues.

## **Shake Up Among Leadership at CDC**

Three key officials at the Centers for Disease Control & Prevention (CDC) have resigned and multiple news outlets report that the Trump Administration has attempted to fire newly-confirmed CDC Director Susan Monarez. Resignations and attempted firings stem from disagreements around the Administration's approach to public health and the role of the CDC, which is expected to be a topic of discussion at a Senate Finance Committee [hearing](#) scheduled for September 4.

LeadingAge has worked closely in the past with two of the officials who resigned, Dr. Demetre Daskalakis, Director of the National Center for Immunization and Respiratory Diseases, and Dr. Daniel Jernigan, Director of the National Center for Emerging and Zoonotic Infectious Diseases, on efforts related to vaccination against respiratory illnesses and infection prevention and control of respiratory illnesses in long-term care.

LeadingAge had also recently [reached out](#) to Director Monarez urging her to review and renew work on respiratory illness guidance that sits stagnant since Health & Human Services (HHS) Secretary Robert Kennedy, Jr. [disbanded](#) the Healthcare Infection Control Practices Advisory Committee (HICPAC) earlier this year. The loss of these leaders will have broad impacts on public health and long-term care and is indicative of the relative instability and uncertainty at HHS at this time.

## **LTSS Center Research Sheds Light on Effects of Medicaid Cuts**

What are the likely effects of the huge Medicaid cuts included in the Budget Reconciliation bill, HR 1? Using their analysis of U.S. Census Bureau data on retirement status, health status, and the use of government benefits, two LeadingAge LTSS Center @UMass Boston researchers have been educating policymakers, advocates and the public about how the loss of federal funds will impact beneficiaries. Their findings—including one article on Medicaid cuts for those over 65 that has been read more than 100,000 times and reprinted widely—[demonstrate long-term downsides to care access and health outcomes, likely to affect far more people than the policy is aimed at.](#)

## History Repeats? Faced With Medicaid Cuts, States Reduced Support For Older Adults And Disabled People

As Republicans in Congress continue to flesh out their plan to cut \$880 billion in health care spending – most of it from Medicaid – two things are clear: historic cuts to Medicaid are looming and the ripple effect of these cuts will spread across state programs. [Much](#) has been written on their ideas to impose work requirements on low-income adults (the [vast majority](#) of whom are already working), reduce federal funding levels for Medicaid, and “tackle Medicaid [fraud, waste, and abuse](#).” These ideas are often presented as “commonsense” changes needed to preserve the program for seniors and people with disabilities —those who need it “the most.” But in reality, these ideas, if acted upon, are anything but commonsense. They will have devastating effects on the most vulnerable populations who will experience loss of coverage, cuts to their benefits, and lower quality of care.

Medicaid is a critical source of coverage for older adults and people with disabilities, serving as the primary payor for long-term care, including the home and community-based services (HCBS) that help people remain in their own homes and communities. With nearly [21 million enrolled](#) through disability and aging eligibility pathways, or about 25 percent of total Medicaid enrollment, over half of Medicaid spending is on these populations. In some states, like Alabama, Florida, Kansas, Mississippi, and North Dakota, the share of care dedicated to disabled people and seniors accounted for *at least* two-thirds of overall Medicaid spending. (These percentages are even higher when disabled people and older adults eligible through other pathways are included.)

Cutting federal Medicaid spending would have such negative consequences on older adults and people with disabilities because reductions in Federal reimbursements to states would leave states with tough choices: use more state dollars to pay for Medicaid (hard to do if the use of provider taxes is eliminated or severely cut), or cut Medicaid spending. If they cut Medicaid spending, that means covering fewer people, reducing covered benefits, cutting provider payment rates, or a combination of these. For each of these choices, Home and Community Based Services (HCBS) is a highly threatened area, despite assurances otherwise from Republicans in Congress.

### **HCBS In The Crosshairs**

How can seniors and people with disabilities be harmed if assurances have been made to protect them? The answer is simple: HCBS are optional services and likely to be the first to see cuts if states receive less federal Medicaid spending. To be sure, many Medicaid benefits, such as nursing home services, are required by Federal law. But there are also a whole host of other benefits, including HCBS, that are available only at the discretion of the states. Because states have the *option* to cover HCBS, they can make changes based on available funding, meaning that they can easily limit enrollment, reduce benefits, or get rid of them entirely if they face spending pressures. To say it bluntly: States *must* pay for nursing home care, but they do not *have to* pay for HCBS.

This puts HCBS squarely in the cross hairs. In 2017, [MACPAC](#) found that just over half (51%) of state spending on optional Medicaid services goes to HCBS. Optional services for older adults and people with disabilities, including HCBS, comprise the vast majority (86%) of all optional Medicaid spending and nearly one-third (32%) of total Medicaid spending.

It's not just benefits either. States also have the *option* to cover people who need HCBS but would not otherwise qualify for Medicaid, such as children whose parents work but still need help to pay for HCBS. The so-called [Katie Beckett waiver provides exactly that kind of support in many states](#). But just like with *optional* benefits, states can reduce the number of people who qualify for HCBS programs, increase eligibility levels, or eliminate these optional eligibility pathways altogether.

### **Past Spending Cuts Foreshadow What's To Come**

When states have faced budgetary pressures in the past, they respond by cutting Medicaid eligibility, benefits, and provider payments. These cuts affect all facets of the Medicaid program, particularly HCBS programs. In 2009, Congress responded to the Great Recession with a stimulus package that included a [large increase in Medicaid matching funds](#) to help states balance their budgets in the face of sharply reduced revenues. In 2011, even though the economies of many states had not fully recovered, Federal funding returned to its pre-recession level and many states [struggled to cope](#) with large increases in their share of Medicaid spending.

An analysis of HCBS [expenditure](#) and [participant](#) data, conducted by the third author at the University of California San Francisco, indicates that every single state and the District of Columbia cut spending to one or more of its HCBS programs between 2010 and 2012, either by reducing inflation-adjusted, per-beneficiary spending or by reducing the number of beneficiaries. States were more likely to cut per-beneficiary spending, sometimes by capping or cutting benefits, than to limit enrollment, such as by reducing the number of “slots” for HCBS waiver services. Spending cuts averaged 11 to 12% for waiver and personal care services programs and 22% for home health, and reductions in the number of people served ranged from 2 to 15%, depending on the program.

While serving fewer people, or otherwise halting program expansion, many states saw large increases in [waiting lists for HCBS Waiver programs](#). For services for people with intellectual and developmental disabilities, 23 states (out of the 34 that both maintain waiting lists and supplied [data](#) to researchers) saw a median 54% increase in the number of people on the waitlist. For waiver programs targeting other populations, 12 states (of 20 with available data) saw increased waiting lists, with a median growth of 138%.

If Republicans in Congress move forward with their plans to cut federal Medicaid funding, states will once again have to make hard choices on who to cover under their HCBS programs, what to cover, and how much to pay providers. For example, nearly every state has expanded optional income eligibility for people who use HCBS, covering about [7 million](#) seniors and people with disabilities who would lose coverage if states eliminated these eligibility pathways.

States would also face pressure to eliminate coverage of specific [optional services](#), such as home modification, adult day care, home-delivered meals, and transportation. Other optional services that play a key role in helping people with significant disabilities to live outside of institutions, such as support for [family caregivers](#) and services in [assisted living facilities](#), would also likely be on the chopping block.

Rounding out the trifecta of harmful reductions are cuts in provider rates, which are already so low that states are facing a [workforce crisis](#), with providers declining referrals and closing down services despite high demand. States would face pressure to cut payment rates for HCBS providers, in part because over the last five years, states have used extra federal funds from the American Rescue Plan to [increase payment rates](#) for HCBS providers. The exhaustion of the extra federal funding will put pressure on payment rates even in the absence of new federal cuts, so any additional spending cuts would further exacerbate state spending burdens.

Finally, it is notable that the HCBS provider community is less well-funded and organized than other provider types, making payment rate cuts more likely for this group.

### **Sliding Backwards: Pressure To Move Back To More Nursing Home Care**

Despite the optional nature of HCBS, we have seen a significant shift in the funding of long-term care away from nursing homes and towards HCBS; HCBS not only is more cost effective, but the [vast majority](#) of older adults and disabled people strongly prefer to remain in their homes and communities and age in place. As shown in Exhibit 2, HCBS spending exceeded institutional care spending in 2013, with 65 percent of all long-term care spending going towards HCBS in 2022.

If Republicans in Congress ultimately cut federal Medicaid spending, we're likely to see a reversal of the significant progress made over the last decade in the use of HCBS. Helping people stay in their homes and communities has been a bipartisan issue for decades: in fact, it was President Reagan who established the Katie Beckett option, allowing children in middle class families to afford HCBS for their children. But according to a [recent analysis](#) by the fourth and fifth authors at the LeadingAge LTSS Center @UMass Boston, federal Medicaid cuts could force up to three million people aged 50 or over to seek institutional care rather than being able to get the HCBS they would otherwise receive in their homes.

The LTSS Center's recent analysis shows how critical HCBS are to keeping people out of institutional care. In 2020, people over 50 who met criteria for nursing home level of care but did not receive HCBS were nearly five times more likely to have a nursing home stay and spend nearly five days more in a nursing home than similar individuals who did receive HCBS. The researchers estimated that even a 15% reduction in HCBS spending would result in over 1.5 million additional nursing home days and \$467 million in additional costs. This jumps to more than three million additional days and \$943 million in additional costs if HCBS spending is cut by 30%, and more than 5.6 million additional days and \$1.7 billion in additional costs if spending is cut by 45%.

## Progress At Risk

Medicaid is the primary payor of long-term care in this country, making it a critical source of coverage for seniors and people with disabilities. States have steadily provided more HCBS over the last decades, but this progress is at risk given the optional nature of HCBS, the potential for significant cuts to federal Medicaid funding, and states' struggle to finance their Medicaid programs. Despite assurances that older adults and disabled people will not be harmed, the plan that the Republicans in Congress have put forward will do just that, and the so called "savings" will actually be experienced as *real* costs to the most vulnerable Americans.

## Open Your Doors: Invite a Legislator to Visit Your Community

Building strong relationships with policymakers is one of the most effective ways to advocate for aging services. When legislators see firsthand the care, dedication, and innovation that happens in your community every day, it helps them better understand the needs of older Iowans and the providers who serve them.

That's why LeadingAge Iowa is encouraging members to host a legislative visit this fall. Inviting your legislator into your community provides a powerful opportunity to:

- Showcase your mission-driven work and the people behind it.
- Highlight workforce challenges and funding realities with real-world examples.
- Share stories of residents and families whose lives are positively impacted by quality care.
- Build long-term relationships that can influence legislative priorities.

To make hosting easy, we've developed a [Host Your Legislator Toolkit](#), which includes:

- Step-by-step instructions for planning a visit.
- A customizable invitation template.
- Talking points on key policy issues.
- Tips to ensure a smooth and impactful experience for both your team and your legislator.

Your voice and your community matter. Legislators consistently tell us that the most impactful advocacy experiences are the ones where they connect directly with providers, staff, and residents. By opening your doors, you not only strengthen those relationships but also help shape policies that support aging services across Iowa.

[Access the Host Your Legislator Toolkit and start planning your visit today.](#)

For any questions or for help getting started, reach out [sheibel@leadingageiowa.org](mailto:sheibel@leadingageiowa.org).

## Upcoming Events

**Reimagined Fall Event: Investing in Ourselves - Why Leaders Need Retreats Too**  
**Leadership Retreat** (in-person)

September 29, 2025 from 9 a.m.-4:30 p.m. and September 30, 2025 from 8 a.m.-1 p.m.

Location: DeSoto House, 230 S. Main Street, Galena, IL 61036

**Regional Networking Meeting** (in-person)

September 8, 2025 from 11:30 a.m.-2:30 p.m. (lunch included)

Location: Martin Bros. Solutions Center, 312 Viking Road, Cedar Falls, IA 50613

**Navigating OBBBA: What Senior Living Providers Need to Know** (virtual)

September 9, 2025 from 10-11 a.m.

**All those Challenges, Changes, & Completing Notifications: Creating a Comprehensive Plan to Cover all the Contingencies** (virtual)

September 10, 2025 from 1 - 2:30 p.m.