

Senior Living Trust Fund

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The Senior Living Trust Fund was established during the 2000 Legislative Session to receive nursing facility payments under the Intergovernmental Transfer mechanism (2000 Iowa Acts, Chapter 1004). Money from the Fund was to be used for programs and for delivery of long-term care services to seniors with low or moderate incomes, including:

- Medicaid Elderly Waiver and Nursing Facilities
- Programs of All-inclusive Care for the Elderly (PACE)
- Home and Community-Based Services
- Nursing Facility Conversion Grants

The goal of the Fund was to create a comprehensive long-term care system that was consumer-directed, provided a balance between the alternatives of institutionally- and noninstitutionally-provided services, and contributed to the quality of the lives of Iowans.

Background – Intergovernmental Transfers and Upper Payment Limit

In April of 2000, Iowa received federal approval to amend its Medicaid State Plan to implement a new nursing facility reimbursement methodology to maximize federal matching funds, effective retroactively to October 1, 1999. This change allowed Iowa to take advantage of a financing option with the federal government known as Intergovernmental Transfers. An Intergovernmental Transfer is a financing methodology that allowed the State to calculate expenditures for nursing facility reimbursements as if all nursing homes in the State were reimbursed at a higher Medicaid level (upper payment limit), claiming federal funds based on this theoretical expenditure and maximizing federal matching funds as a result. The State then paid private nursing facilities at their State-determined Medicaid rate. The State paid the remaining funds to government-owned facilities that then returned all but the unused Medicaid rate to the State. These funds were deposited in the Senior Living Trust Fund.

The Centers for Medicare and Medicaid Services (formerly the Health Care Financing Administration), concerned with states' perceived abuse of the upper payment limit reimbursement methodology, changed the rules to phase out Intergovernmental Transfers effective March 13, 2001. The State was given a two-year phase-out period (until September 30, 2002), to comply with the new federal rules. Between FY 2001 and FY 2005, as the Intergovernmental Transfers were being phased out, \$417.6 million in revenue was transferred to the newly created Senior Living Trust Fund.

Senior Living Trust Fund Repayment

During the 2004 Legislative Session the General Assembly approved statutory repayment language that transferred a portion of the General Fund ending balance to the Senior Living Trust Fund (2004 Iowa Acts, Chapter 1170). The transfers were to begin in FY 2006 and continue until the total amount transferred reached \$118.0 million. The statutory repayment language was amended during the 2006 Legislative Session and increased from \$118.0 to \$300.0 million (2006 Iowa Acts, Chapter 1173). This change was made retroactive to July 1, 2004, to include the FY 2005 Medicaid reversion towards the \$300.0 million repayment.

At the end of FY 2009, \$251.7 million of the \$300.0 million has been repaid. Once the \$300.0 million from the Senior Living Trust Fund is repaid, the Fund will no longer have a source of revenue.

A balance sheet detailing revenues and expenditures from the Fund is included on the next page.

More Information

LSA Staff Contact: Jess Benson (515-281-4611) jess.benson@legis.state.ia.us

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SENIOR LIVING TRUST FUND Legislative Services Agency, Fiscal Services Division

	Actual FY 2001	Actual FY 2002	Actual FY 2003	Actual FY 2004	Actual FY 2005	Actual FY 2006	Actual FY 2007	Actual FY 2008	Actual FY 2009	Estimated FY 2010
Revenues										
Beginning Balance (01B)	\$ 0	\$ 60,891,949	\$ 124,486,196	\$ 366,062,638	\$ 283,060,756	\$ 147,486,372	\$ 53,676,518	\$ 75,891,220	\$ 78,319,751	\$ 27,710,402
Balance Adjustment	0	0	0	0	0	0	0	2	0	0
Intergovernmental Transfer (501R)	95,621,331	129,880,808	120,587,491	52,876,607	5,453,818	0	0	0	0	0
Intergovernmental Transfer (Hospital Trust Fund) (501R)	0	13,203,977	0	0	0	0	0	0	0	0
Medicaid Transfer (204R)	0	5,964,781	0	0	6,881,932	10,625,889	11,961,321	0	0	0
General Fund Transfer (02B)	0	0	0	0	0	0	49,900,000	53,500,000	48,282,728	0
Economic Emergency Fund Transfer (02B)	0	0	0	0	0	0	6,284,233	18,963,036	20,333,728	0
Endowment - Taxable Bonds (204R)	0	0	0	0	0	0	25,000,000	0	0	0
Pending Fund Transfer (204R)	0	0	169,484,518	0	0	0	0	0	0	0
Interest (301R)	3,807,946	4,408,806	6,358,599	7,297,465	6,111,150	4,975,527	3,563,635	3,989,512	1,827,546	502,651
Total Revenues	\$ 99,429,277	\$ 214,350,321	\$ 420,916,804	\$ 426,236,710	\$ 301,507,656	\$ 163,087,788	\$ 150,385,707	\$ 152,343,770	\$ 148,763,753	\$ 28,213,053
Expenditures										
Iowa Finance Authority - Rent Subsidy Program	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 700,000	\$ 700,000	\$ 700,000	\$ 700,000	\$ 700,000
DHS Grants and Services										
Nursing Facility Conversion Grants/LTC HCBS Funds	20,000,000	20,000,000	0	20,000,000	20,000,000	0	0	0	0	0
Medicaid HCBS Elderly Waiver	2,240,034	40,733,406	47,198,406	1,733,406	1,733,406	1,033,406	0	0	0	0
NF Case Mix Methodology	17,750,000	24,750,000	29,950,000	29,950,000	29,950,000	29,950,000	0	0	0	0
Medicaid	0	0	0	0	0	0	0	0	0	0
Medicaid Supplement	0	0	0	101,600,000	101,600,000	69,000,490	65,000,000	65,000,000	111,753,195	17,686,828
Total DHS	39,990,034	85,483,406	77,148,406	153,283,406	153,283,406	99,983,896	65,000,000	65,000,000	111,753,195	17,686,828
Dept of Elder Affairs (DEA) Service Delivery	4,188,123	5,339,344	6,592,292	7,522,118	8,222,118	8,296,730	8,324,044	8,442,707	8,486,698	8,486,698
DIA - Asst'd. Living & Adult Day Care Oversight	0	0	0	800,000	800,000	758,474	790,751	1,183,303	1,339,527	1,339,527
Total Appropriations	\$ 44,178,157	\$ 90,822,750	\$ 83,740,698	\$ 161,605,524	\$ 162,305,524	\$ 109,739,100	\$ 74,814,795	\$ 75,326,010	\$ 122,279,420	\$ 28,213,053
Reversions										
SLT-Rent Subsidy Program	0	0	0	0	0	-52,686	-67,156	-101,269	0	0
DEA Service Delivery	-96,845	-17,821	-107,904	-33,001	-59,544	-59,407	-211,018	-291,420	-111,729	0
NF Conversion Grants	-3,645,742	0	0	-17,512,261	-7,767,507	-1,395	0	-700,000	-912,629	0
SLT Medical Supplemental, Alternative Service, Adm	-1,898,241	-940,804	-28,778,628	-494,253	-336,619	-214,342	0	0	0	0
DIA-Asst Living/Adult Day Care	0	0	0	-390,056	-120,570	0	-42,134	-209,302	-201,710	0
Total Reversions	-5,640,828	-958,625	-28,886,532	-18,429,570	-8,284,240	-327,830	-320,308	-1,301,991	-1,226,068	0
Net Appropriations	38,537,329	89,864,125	54,854,166	143,175,954	154,021,284	109,411,270	74,494,487	74,024,019	121,053,352	28,213,053
Ending Balance	\$ 60,891,948	\$ 124,486,196	\$ 366,062,638	\$ 283,060,756	\$ 147,486,372	\$ 53,676,518	\$ 75,891,220	\$ 78,319,751	\$ 27,710,402	0

Acronyms: LTC HCBS= Long Term Care Home and Community-Based Services; DIA= Department of Inspections and Appeals; SLT= Senior Living Trust.

Notes: The Department of Elder Affairs is now the Department of Aging. The boxed items in the revenues section represent total repayments of \$251,732,867.