



FINAL REPORT

Long-Term Care System Task Force

February 2005

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AUTHORIZATION AND APPOINTMENT

Senate File 2190, 2004 Session of the General Assembly, established goals and benchmarks for the Iowa long-term care system. Senate File 2190 also established a long-term care task force to provide recommendations and strategies in developing the long-term care system. The Governor vetoed the bill, and in his veto message directed the Departments of Elder Affairs, Human Services, and Inspections and Appeals to make recommendations for improvements in the long-term care system to be submitted in a written report no later than October 1, 2004.

The Legislative Council authorized the establishment of a Long-Term Care System Task Force. The Task Force was authorized to have three meetings and was given the following charge:

Develop a list of priorities to realize the goal of the long-term care system in Iowa, recommend strategies to implement the list of measurable priorities, recommend immediate and long-range steps to be taken in realizing the system goal, recommend any legislation needed to implement the task force report and system goal, and recommend strategies regarding the use of a universal assessment and counseling tool to assist individuals in making appropriate use of long-term care options.



Long-Term Care System Task Force

I. September 16, 2004, Meeting.

Overview. The Task Force members received testimony on the long-term care (LTC) system from representatives of the Department of Elder Affairs, Department of Human Services, Department of Inspections and Appeals, Iowa Department of Public Health, Iowa Finance Authority, Iowa Council of Health Care Centers, AARP Iowa, Iowa Health Care Association, Iowa Association of Area Agencies on Aging, Iowa Association of Homes and Services for the Aging, Iowa Coalition of Home and Community Based Services for Seniors, and Older Iowans Legislature.

Department of Elder Affairs. Director Mark Haverland provided information about rebalancing the LTC system to be more home and community-based rather than institution-based. He noted that rebalancing the system in Iowa has already begun through such avenues as the Senior Living Trust Fund, Medicaid waivers, and market forces. He noted a variety of solutions in attaining rebalancing, including fast track eligibility determinations under Medicaid, use of universal assessments, increases in provider rates for home and community-based services (HCBS), consumer-based programs, expansion of Medicaid waivers, establishment of a substitute decision maker program, and consumer education.

Department of Human Services (DHS). Director Kevin Concannon provided an overview of elder services under the purview of DHS, including those financed through Medicaid. Director Concannon noted a number of initiatives to enhance Medicaid services to elders, including the development of a preferred drug list for prescription drugs, expansion of the Lock-in and Disease Management Programs, use of a universal assessment tool, and several grants focused on rebalancing the LTC system, affordable housing with supports, and cash and counseling.

Department of Inspections and Appeals (DIA). Director Steve Young discussed the various services provided by DIA relative to LTC, including those provided by the Health Facilities Division, the Investigations Division, and the Administrative Hearings Division. He noted that he has devoted more dedicated staff to health care regulation, complaint investigation, and collections.

Iowa Department of Public Health (IDPH). Ms. Berdette Ogden, Community Health Consultant, provided an overview of the continuum of services provided by IDPH in contributing to long-term living and healthy aging. She emphasized the need for preventive services, early detection of disease, and the need to build healthy communities.

Iowa Finance Authority (IFA). Ms. Carla Pope, Service Enriched Housing Director, described various ways that IFA is working to provide safe, adequate, and affordable housing to elders and persons with disabilities. These efforts include providing affordable assisted living, receiving grants to build capacity and provide low-interest loans, influencing the type and design of housing development, providing technical assistance for affordable, accessible housing through a collaborative partnership between public and private entities, and redirecting existing resources to affordable assisted living and service-enriched housing for persons with disabilities.



AARP Iowa. Mr. John McCalley, Associate State Director, Public Affairs, provided information based upon AARP public opinion polling of Iowans. He noted that some results of these polls demonstrate that AARP members support funding of independent living options, six in ten Iowans age 18 and older support an increase in the state's cigarette tax of \$1 to adequately fund health and supportive services, and Iowans strongly oppose cuts in health care and LTC services for older persons and persons with disabilities. AARP supports measures that increase consumer control and decision making, support caregivers, provide assistance in finding appropriate services, and improve coordination and efficiency in the medical and LTC systems. AARP also supports the Senior Living Program, encourages consumers to more actively plan for retirement, supports tax incentives for the purchase of LTC insurance, supports community choice counseling, supports efforts to recruit, retain, and train staff in LTC settings, supports increased reimbursement for HCBS providers, supports the efforts of the Senior Living Coordinating Unit to rebalance the LTC system, and understands that budgeting issues present a challenge to the state.

Iowa Council of Health Care Centers. Mr. George Appleby provided information about nursing facilities in Iowa, noting that his organization represents some of the for-profit nursing facilities in the state. He noted that the state must provide an array of services as part of the LTC system and that today, the average resident of a nursing facility is 85 years old and has high acuity needs. He cautioned against drastically reducing the number of nursing facility beds due to the prospect of increased demand for such beds in the future as the baby boom generation ages and also because any drastic reduction in such beds would have a detrimental economic impact on the state. Mr. Appleby expressed support of the use of a universal assessment tool in general, but cautioned that the details of the assessment are very important.

Iowa Health Care Association/Iowa Association for Assisted Living. Mr. Dana Holland, President, noted that his organization represents the interests of both nonprofit and proprietary LTC providers, including skilled nursing facilities, nursing facilities, assisted living programs, senior housing communities, residential care facilities, HCBS, home health care, and adult day care and respite care. He noted that Iowa is making progress in rebalancing the LTC system by moving to more HCBS alternatives and reducing nursing facility usage, and that his organization supports these efforts as long as consideration is given to quality, access, and cost. He noted that recommendations for the future include continuing to implement the case-mix reimbursement system, enhancing consumer outreach and education about planning for LTC, continuing to provide incentives for improving LTC insurance programs and for persons who purchase LTC insurance, and providing incentives for consolidation of nursing facilities in overserved markets while considering the potential effects of the loss of facilities on access and the economy. Mr. Holland also noted that his organization supports a quality assurance fee to assist with financing the system and that Medicaid should be viewed as an investment, not a cost to the state, since the majority of the funding goes back into wages for Iowans.

Iowa Association of Area Agencies on Aging (AAAs). Ms. Donna Harvey, Executive Director, Hawkeye Valley AAA, and President of the National Association of Area Agencies on Aging,



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noted that nationwide the AAAs focus on three key areas: advocacy, coordination of services, and ensuring choice of services received, place to reside, and provider of supports. She noted that the AAAs support the concept of a universal assessment program and are uniquely positioned in all 99 counties to carry out this function.

Iowa Association of Homes and Services for the Aging (IAHSA). Ms. Kristie Oliver, Vice President of Government Relations, noted that IAHSA represents 128 nonprofit nursing facilities, continuing care retirement communities, senior housing, residential care facilities, assisted living facilities, and HCBS providers. The IAHSA supports the national program of "Quality First," which promotes quality of care and life in aging services. The IAHSA supports the goals of the Senior Living Program, consumer-directed long-term care, and consideration of the entire continuum of services in rebalancing efforts. The barriers to a diversified and integrated system are inadequate and fragmented funding, lack of services for persons with disabilities and elders, prohibitions from creating another business or activity in a nursing home, and the transfer criteria in assisted living programs. Recommendations for the future include reevaluation and upgrading of HCBS rates, continuation of the case-mix reimbursement methodology payment of nursing facilities, obtaining a Medicaid waiver for assisted living services and providing reimbursement for assisted living on a tiered-rate basis, utilizing a uniform assessment tool completed by trained professionals, enhancing consumer education, and retaining access to and the safety of nursing facilities.

Iowa Coalition of Home and Community-Based Services for Seniors. Mr. David Purdy noted that his organization strongly advocates strengthening the total continuum of long-term care options for seniors and their families. He noted that the current HCBS system is a strong platform to build upon, but that improvements could be made, including providing more options for HCBS, especially in rural areas; increasing ease of entry into the system; marketing the options available; providing increased support for caregivers; including more vulnerable populations in the system such as persons with mental health, substance abuse, or other abuse issues, and minorities; and expanding funding methods. He suggested that a key component of an improved system is use of a universal assessment tool, that fast-track eligibility should be established to access services under the HCBS waiver, that case management should be incorporated on a long-term basis under the elderly waiver, access to the system should be eased, more support should be provided to caregivers, marketing and promotional efforts should be increased, and other revenue streams should be explored.

Older Iowans Legislature (OIL). Mr. Graham Fee discussed the concerns of the Older Iowans Legislature. Mr. Fee noted that the majority of older Iowans are doing well, but that the OIL supports assisting those less-fortunate seniors. What seniors want most is to remain in their own homes for as long as possible. He emphasized that planning the rebalancing of the system is important, but that there must be discussion about funding the system. He noted that one portion of the continuum of care cannot be separated from any other, but that all must work together, and that the customer is the most important element of the system. He supported a consistent system of assessment and the setting of standards for assisted living.



He noted that OIL will soon be a separate entity from the Department of Elder Affairs and will continue to be part of and involved in the process.

Long-Term Living Vision Statement. The Task Force discussed a Long-Term Living Vision Statement that was finalized at a later meeting.

II. November 9, 2004, Meeting.

Overview. The second meeting of the Long-Term Care System Task Force was held on Tuesday, November 9, 2004. The Task Force members received information on the Cash and Counseling Program, received an update on the National Governors Association Workgroup reviewing Iowa's efforts to rebalance the long-term care (LTC) system, were provided information on universal assessment, discussed a proposal to rebalance the LTC system, and discussed the next steps in rebalancing the LTC system.

Cash and Counseling Program. Mr. Kevin Concannon, Director, Department of Human Services, discussed the status of the \$250,000 grant from the Robert Wood Johnson Foundation to allow Iowa to replicate the Cash and Counseling Program. The program allows Medicaid recipients to have more choice of and control over personal care services by allowing recipients to direct their own services and hire their own caregivers. In Iowa the program will be called "Developing Choices—Empowering Iowans" and will provide services to older Iowans and persons with physical disabilities by amending the six Medicaid home and community-based services waivers currently operating in Iowa.

Update on National Governors Association Workgroup on Long-Term Care. Mr. Mark Haverland, Director, Department of Elder Affairs, provided an overview of the work of the National Governors Association Workgroup on Long-Term Care. He noted that at least six groups are working on the issue of long-term care for Iowa, including the National Governors Association, the Iowa General Assembly Task Force, the Medicaid Crisis Intervention Team, the Senior Living Coordinating Unit, the Governor's Aging Services Cabinet, and the AARP Rebalancing II. Director Haverland noted that in Iowa the majority of older people prefer receiving services in their own homes, yet the majority of Medicaid long-term care funds are expended on nursing facility care, notwithstanding the level of acuity of care needed by older persons. Director Haverland described a survey that helped to determine how older Iowans access the LTC system. The results of the survey suggest that consumers and professionals lack the information necessary to allow them to make real choices about long-term care services and that some unwanted institutionalization may be prevented by using a standard assessment tool. Director Haverland described the principles of a universal assessment tool, specifically described the MI Choice tool and suggested integrating the MI Choice tool with the I-OASIS tool, and discussed who should perform the assessments, how to pay for the use of a universal assessment tool, and how to enforce the use of a universal assessment tool. MI Choice is the universal assessment tool used in Michigan.

Recommendation for Facility Consolidation. Mr. Ken Carlson, Iowa Council of Health Care Centers, discussed a proposal to consolidate nursing home beds in areas with excess



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capacity. The proposal is to direct \$15 million of the moneys for conversion grants under the Senior Living Trust Fund to target specific nursing facilities for closure and consolidation with remaining facilities in targeted areas. The goal would be to close 10-15 facilities and 600-900 licensed beds across the state, while maintaining quality of care and access to services.

Discussion of Universal Assessment, Rebalancing of the LTC System. The Task Force discussed the use of a universal assessment tool with Dr. Susan Reinhard, Co-Director, Center for State Health Policy, Rutgers, The State University of New Jersey; Ms. Molly Baldwin, Maine Bureau of Elder and Adult Services; and Directors Concannon and Haverland. Dr. Reinhard noted that the universal assessment tool can be used both to assist individuals in making choices about long-term care and in assisting policymakers in making policy decisions. Dr. Reinhard suggested that the Task Force publicize the vision statement developed by the Task Force as a guide to rebalancing the system. She noted that the fundamental goal is to assist people in finding options for LTC. She suggested that some of the issues that must be addressed in utilizing a universal assessment tool and rebalancing the system are:

- Should the universal assessment be mandatory for both Medicaid and private pay individuals?
- Should the universal assessment apply to only older adults or to both older adults and persons with disabilities?
- Which department should implement the universal assessment and be held accountable?
- Which universal assessment tool should be used?
- Who should do the assessing?
- What type of enforcement should apply?

Next Steps. Dr. Reinhard suggested using a single entry point to assist people in finding options for long-term care; working with hospitals to improve discharge planning to decrease the number of people discharged to nursing homes and using community choice counseling; providing more flexibility in regulations so that living arrangements match consumer needs; determining how the system is organized at the state level to provide for resolution of conflicts in the system; providing for a streamlined information system so that departments can share information and provide for streamlined eligibility; ensuring quality; and ensuring that elders are respected as individuals to make their own decisions.

III. January 24, 2005, Meeting.

The final meeting of the Long-Term Care System Task Force was held on Monday, January 24, 2005, in Room 116 of the State Capitol. The Committee members joined with the National Governors Association Workgroup on Long-Term Care to discuss the issue of the universal assessment.



IV. Recommendations.

The Long-Term Care System Task Force makes the following recommendations to the General Assembly:

- A.** Codify the vision statement for the long-term living system. A draft of the bill to codify the vision statement is attached. (Attachment 1)
- B.** Continue to work with the Division of Insurance of the Department of Commerce and the Department of Human Services to design a long-term care insurance asset disregard program.
- C.** Continue to work with the Department of Elder Affairs, the Department of Inspections and Appeals, and the Department of Human Services to develop less restrictive residential care alternatives that reflect a social model rather than a medical model.
- D.** Recommend that the legislative leadership appoint a blue ribbon task force to develop a plan for unifying the state administration of services utilized by older Iowans who are age 60 or older. Recommended membership and duties of the Task Force are included in an attached draft document. The Task Force members recommended that in addition to the members specified in the draft document, older Iowans be added and that leadership be given flexibility in filling the specified appointments in case of unavailability of certain specified members. (Attachment 2)
- E.** The Task Force supports the concept of universal assessment.

V. Materials Distributed.

A. September 16, 2004, Meeting.

- 1. Background Information on Long-Term Care – Patty Funaro, LSA
- 2. Department of Elder Affairs LTC Long-Range Plan & Powerpoint
- 3. Department of Human Services Long-Term Care Services Document
- 4. Department of Inspections and Appeals Background on Long-Term Care
- 5. Department of Public Health – Connection with Long-Term Care System
- 6. Iowa Finance Authority Long-Term Care Housing Materials
- 7. Vision for Iowa's Long-Term Living Materials
- 8. AARP Iowa Presentation
- 9. Iowa Health Care Association/Iowa Center for Assisted Living Presentation
- 10. Iowa Association of Area Agencies on Aging Presentation
- 11. Iowa Association of Homes and Services for the Aging
- 12. Iowa Coalition of Homes and Community Based Services for Seniors Presentation



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B. November 9, 2004, Meeting.

1. Rebalancing LTC in New Jersey Document
2. Long-Term Living Vision Approved by Task Force
3. NGA Workgroup on LTC Document
4. Cash and Counseling Document
5. Maine Long-Term Care Materials
6. Assessment Tools to Determine Nursing Facility Level of Care
7. Facility Consolidation Document by Mr. Ken Carlson

C. January 24, 2005, Meeting.

1. CMPFE/HCBS Elderly Waiver Application Form
2. interRAI Home Care Application Form
3. OASIS Application Form
4. Consumer Choice Support and Education Act Draft Document
5. Long-Term Care Insurance Materials
6. Nurse Practice Act Materials
7. Point of Entry Materials
8. Resident Care Models
9. Unification of Administration Materials
10. Vision Bill Draft

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SENATE/HOUSE FILE _____
BY (PROPOSED LONG-TERM CARE
SYSTEM TASK FORCE BILL)

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to the establishment of a state vision for the
2 long-term living system.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. NEW SECTION. 231E.1 VISION FOR IOWA'S LONG-
2 TERM LIVING SYSTEM.

3 1. The general assembly finds and declares that the vision
4 for Iowa's long-term living system is to ensure all Iowans
5 access to an extensive range of high-quality, affordable, and
6 cost-effective long-term living options that maximize
7 independence, choice, and dignity for consumers.

8 2. The long-term living system should be comprehensive,
9 offering multiple services and support in home, community-
10 based, and facility-based settings; should utilize a universal
11 assessment process to ensure that such services and support
12 are delivered in the most integrated and life-enhancing
13 setting; and should ensure that such services and support are
14 provided by a well-trained, motivated workforce.

15 3. The long-term living system should exist in a
16 regulatory climate that appropriately ensures the health,
17 safety, and welfare of consumers, while not being overly
18 restrictive or inflexible.

19 4. The long-term living system should sustain existing
20 informal care systems including family, friends, volunteers,
21 and community resources; should encourage innovation through
22 the use of technology and new delivery and financing models,
23 including housing; should provide incentives to consumers for
24 private financing of long-term living services and support;
25 and should allow Iowans to live independently as long as they
26 desire.

27 5. Information regarding all components of the long-term
28 living system should be effectively communicated to all
29 persons potentially impacted by the need for long-term living
30 services and support in order to empower consumers to plan,
31 evaluate, and make decisions about how best to meet their own
32 long-term living needs.

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EXPLANATION

34 This bill establishes a state vision for the long-term
35 living system in Iowa. The system is to ensure all Iowans

1 access to an extensive range of high-quality, affordable, and
2 cost-effective long-term living options that maximize
3 independence, choice, and dignity. The system is to be
4 comprehensive, utilize a universal assessment process, and
5 ensure that services and support are provided by a well-
6 trained, motivated workforce. The bill directs that the long-
7 term living system exist in a regulatory climate that
8 appropriately ensures the health, safety, and welfare of
9 consumers, while not being overly restrictive or inflexible.
10 The bill provides that the system should sustain existing
11 informal care systems, encourage innovation, provide
12 incentives to consumers for private financing of long-term
13 living services and support, and allow Iowans to live
14 independently as long as they desire. The bill directs that
15 information regarding all components of the long-term living
16 system should be effectively communicated to all persons
17 potentially impacted by the need for long-term living services
18 and support in order to empower consumers to plan, evaluate,
19 and make decisions about how best to meet their own long-term
20 living needs.

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Blue Ribbon Task Force on Unification of
State Administration of
Services for Older Iowans

1. The Long-Term Care System Task Force recommends that the leadership of the Senate and the House of Representatives establish a blue ribbon task force to develop a plan for unifying the state administration of services utilized by older Iowans who are age 60 or older.

2. Membership of the blue ribbon task force on unification of state administration of services for older Iowans shall include all of the following:
 - a. The directors of the Department of Human Services, the Department of Elder Affairs, the Iowa Department of Public Health, and the Department of Inspections and Appeals, or the respective director's designee.
 - b. The director of an area agency on aging.
 - c. A representative of the office of the Governor.
 - d. A representative of the banking industry in this state who has significant experience with reorganization or restructuring of agencies.
 - e. The chief executive officer of a United Way organization located in Iowa.
 - f. The president of an Iowa resource center for nonprofit organizations.
 - g. The president of the University of Northern Iowa.
 - h. The chairman of the board of the largest private employer in the state.

- i. An individual retired as president of the state's largest private health insurer who has served as mayor of Iowa's largest city.
 - j. The head of the AARP Iowa chapter.
 - k. The chief executive officer of an Iowa-based financial services company ranked by Fortune magazine as the sixth among life and health companies.
 - l. Four members of the General Assembly, consisting of two members of the Senate and two members of the House of Representatives. The Senate members shall be appointed jointly by the Co-presidents of the Senate, in accordance with Senate Resolution 1, adopted during the 2005 Legislative Session, after consultation with the Republican and Democratic Floor Leaders of the Senate. The House of Representative members shall be appointed by the Speaker of the House, after consultation with the Majority Leader and Minority Leader of the House of Representatives.
3. a. The plan developed by the blue ribbon task force shall address options for implementing the unification of the state administration of services for older Iowans through legislation, funding changes, or other appropriate means, and shall address the services paid for or provided to older Iowans by the Departments of Human Services, Elder Affairs, Public Health, and Inspections and Appeals.
- b. The plan shall be designed to meet all of the following goals:

- (1) Provide for a more effective delivery of services to older lowans.
- (2) Create financial efficiencies.
- (3) Increase accountability.

c. The plan shall be submitted to the General Assembly no later than April 1, 2005, and presented to the members of the 2004 Interim Long-Term Care System Task Force, to be shared with the members of the Human Resources Committees of the General Assembly.