



the power of community
the power of membership

Long Term Care in Iowa Issues & Trends

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About Us ...

The Iowa Association of Homes and Services for the Aging (IAHSA) provides advocacy, information and education to 140 member Nursing Facilities, Rehabilitation & Therapy, Assisted Living Programs, Adult Day Care Centers, Home Health Providers, Meals On Wheels, Retirement Housing, HUD Housing and Hospice. IAHSA has been serving the non-for-profit long term care profession for nearly 45 years. IAHSA's members are mission-driven, primarily religiously-affiliated providers of safe, caring, comfortable, quality homes and services.



About Us ...

IAHSA ideals

We anticipate the future of LTC services is bright. Iowa will move from a fragmented system to one that emphasizes seamless, positive transactions and healthy aging.

- Focus on wellness and healthy aging is a win-win for providers and seniors.
- Seamless transitions reduce costs and add quality
- A future driven by consumer expectations and preferences ... and that is supported by public policy.



Community Service Providers

Bethany Life Communities, a non-profit provider of senior services in Story City is a good example of IAHSa's active membership.



Community Services Providers

Bethany Life Communities provide living arrangements and care for the senior population and offers services at many different levels:



Community Services Providers

- Independent Living - apartments and twin homes at Timberland Village.
- Assisted Living - at Timberland Village
- HUD Subsidized Housing - at Cedar Place.
- Nursing (Intermediate, Skilled, Memory Care) - at Bethany Manor





Community Services Providers

Bethany Communities also offers

- Meals on Wheels
- Congregate Meals
- Home for Life Solutions is technology support for people in their homes (monitors, med management machines and cook-stop).
- Head Start Preschool



Community Services Providers

Bethany Life Communities:

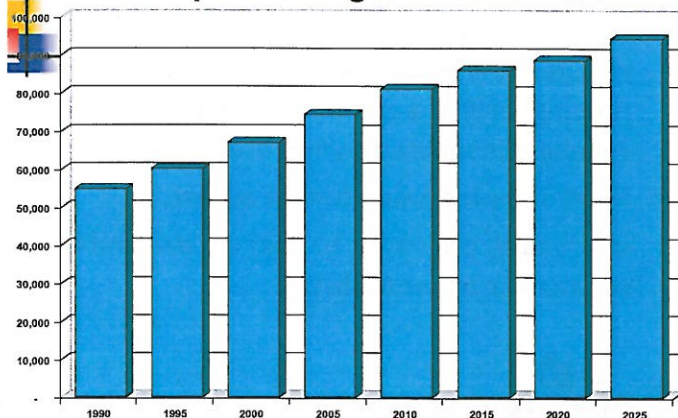
- Serves over 300 people at any one time.
- 270 employees, payroll of \$6,475,000.
- Employee benefits: \$1,342,000 or 21% of wages.
- Bethany Life (180 bed nursing home) census is comprised of approximately 40-45% Medicaid residents at any one time. Due to Medicaid, the facility loses \$22.72/day/resident for an annual loss of \$481,000.
- Bethany Life Communities also offers affordable assisted and independent living through a HUD housing project.




Rapid Expansion of 85+ Cohort

- In 2030, 22% of Iowans will be age 65 or older, and 3.6% will be age 85 or older.

Iowa Population Aged 85 and Older



Agencies Regulating LTC in Iowa



State Agencies

- Iowa Department of Human Services
 - Iowa Medicaid Enterprise
- Department of Inspection and Appeals
 - Division of Health Facilities
 - Division of Investigations
 - Nurse Aide Registry
- Department on Aging
 - Iowa Attorney General
 - Consumer Protection
- Iowa Department of Public Safety
 - Division of State Fire Marshal
 - Uniform Building Code
- Iowa Department of Public Health
 - Bureau of Vital Records
 - Bureau of Professional Licensure
 - Iowa Board of Examiners for NH Admin/Social Work
 - Iowa Board of Dietetic Examiners
 - Iowa Board of Nursing
 - Iowa State Board of Pharmacy Examiners
 - Health Facilities Council—Certificate of Need
- Iowa Department of Commerce
 - Iowa Insurance Division
 - Regulated Industries Unit - Iowa Securities Bureau
- Iowa Department of Revenue
 - Tax Division
- Iowa Workforce Development
 - Labor Services Division
- Iowa Department of Labor
 - OSHA
- Iowa Civil Rights Commission
- Iowa Department of Veterans Affairs

Health Care Facilities

Federal Agencies

- U.S. Department of Health and Human Services
 - Centers for Medicare & Medicaid Services
 - Professional Review of Organization— Iowa Foundation for Medical Care
 - Administration of Aging
- Social Security Administration
- U.S. Department of Labor
 - Occupational Safety & Health Administration
 - Office of Inspector General (OIG)
- U.S. Department of Justice
 - Enforces ADA Compliance
 - Fair Housing
- U.S. Equal Employment Opportunity Commission
- U.S. Veteran's Administration
- U.S. Internal Revenue Service
- U.S. Environment Protection Agency
- U.S. Food and Drug Administration
- U.S. Department Housing & Urban Development
- U.S. Department Home Land Security
 - Disaster Plan
 - FI's Wisconsin Physician Services Cahaba Nori


Local Agencies

- City/County
 - Health Department (Restaurant Inspector)
 - Zoning
- Law Enforcement (Police and Sheriff) (County Attorneys)

Regulatory Burden

In 2009 an overreaching Boarding Home law was passed and is a good example.

- Enacted because of Atalissa/Henry's Turkey Service.
- Requires retirement communities, including Bethany Life, register as a Boarding Home, although already a licensed nursing facility, a certified assisted living program and regularly inspected by the fire marshall.
- Must submit annual tenant report.
- In the end, only adds to cost of care and has done nothing to uncover other Atalissas.



Future Trends-HCBS Offerings

Consumer preference and health care reform's incentivizing of Home and Community Based Services means more Iowans will "age in place" outside of nursing facilities.

- Assisted living beds have doubled since 2004, while the number of beds in other facilities decreased.
- From 2004 to 2009, Iowa's Medicaid program served an additional 4,333 people age 60 or older in HCBS waivers and 1,142 fewer people in nursing facilities.



Future Trends-HCBS Offerings

IAHSA strongly believes in Seniors' rights to live where they choose and receive the services they need. Several bills currently active that will help preserve these rights include:

- **Assisted Living Consumer Protection Bill (SSB 54).** Would provide strong consumer protection for tenants in programs that decertify AND protect tenants ability to receive home health services from the provider of their choice.



Future Trends-HCBS Offerings

Several bills currently active that will help preserve Seniors' rights to live where they choose include:

- **Assisted Living Aging in Place (SSB 55).** Would allow a tenant to remain in an assisted living program and not be involuntarily transferred contingent upon the wishes of the tenant, their family, legal representative, and physician.



Future Trends-HCBS Offerings

Several bills currently active that will help preserve Seniors' rights to live where they choose include:

- **HCBS reimbursement (SF 126)** would require annual recalculation of HCBS Elderly Waiver Services reimbursement using the skilled nursing facility market basket index. It would at least allow HCBS reimbursement to keep pace with health care inflation.



Future Trends-HCBS Offerings

Underfunded: Affordable Assisted Living and Adult Day Care

Only 700 assisted living tenants who receive the CDAC waiver, although there are 10,000 assisted living units in the state. Poor utilization is due to the low reimbursement rates, which doesn't cover costs.



Future Trends-HCBS Offerings

Adult Day offers a valuable service to lowans caring for their loved ones and who need time away from their caregiving responsibilities. It's much less expensive than nursing care. Iowa has 37 certified programs caring for 960 people. This is small compared to Minnesota with 125 programs serving 3,800 individuals. Rural providers are constrained with laws that don't allow them to share staff and space.



Health Reform Supports Home Care

- **Spousal impoverishment** protects a healthy husband or wife from being forced to spend all of a couple's shared assets in order to get his or her partner access to community-based services care. Before this legislation, that protection was only available if the person who needed care was in a nursing home.
- **Medical Homes.** Establishes and funds community health teams to support the development of medical homes for people with chronic conditions. The program will increase access to comprehensive, community-based, coordinated care. States have the option of enrolling Medicaid beneficiaries with chronic conditions in these homes.



Health Reform Supports Home Care

- **Enhanced geriatric training** for primary care providers and other health professionals as well as direct-care workers.
- **CMS is directed to study** improving access to home health care for certain patients, including those with high-severity levels of illness, low incomes and living in underserved areas.



Health Reform Supports Home Care

- **Increased FMAP to “Rebalance” long term care.** Provides an increase in the federal Medicaid match to states which currently spend less than 50% of their Medicaid long-term care budgets on non-institutional care if they submit plans to rebalance their Medicaid spending toward HCBS.
- **Counseling Services.** Appropriates \$10 million in each fiscal year 2010 through 2014 for Aging and Disability Resource Centers.
- **Independence at Home demonstration** program for chronically ill Medicare beneficiaries, testing payment incentives and community-based team care approaches to reduce spending and improve health outcomes.



Health Reform Supports Home Care

- **Community Living Assistance Services and Supports (CLASS).** Enrolled individuals who have substantial daily needs would be eligible to receive at least \$50 a day to defray the costs of home care, family caregiver support, adult day-care or residential care.
- **Community First Choice** federal matching dollars for HCBS. Could change the long-term care landscape, as states have until now had to attain permission from the government through waivers to offer HCBS.



Current Reimbursement Issues

Quality Assurance Assessment Fee (Provider Tax)

Support raising the Provider Tax to fund rebasing of Nursing Facility Medicaid reimbursement costs.

- If not rebased, cost reimbursement will be based on 2008 rates.
- DHS predicts 8.6% inflation. For a 180 bed nursing facility (Bethany Life) facility receiving \$150 per day Medicaid reimbursement, this totals almost \$340,000 per year ... enough to pay the wages for 10 employees.



SFY 2012 Nursing Facility Medicaid Reimbursement

Issue

DHS' proposed budget for SFY2012 includes rebasing the Medicaid nursing facility rate based on 2010 costs for payments to be made during SFY 2012. It's critical that the budget as passed includes rebasing. If not, then facilities will receive Medicaid reimbursement for the fiscal year 2012 based on 2007 rates—a five year gap.

Background

Providers must cost-shift Medicaid reimbursement losses to private-pay residents, thus contributing to their spend-down and placement on the Medicaid rolls.

Our position

IAHSA supports the proposed DHS fiscal year 2012 proposed budget that includes rebasing the Medicaid nursing facility rate based on 2009 costs for payments to be made during SFY 2012. IAHSA supports a capital component for facility updating. IAHSA currently supports the 3% Provider Tax (Quality Assurance Assessment Fee). There's been discussion of raising the provider tax from 3% to 4% to help fill projected funding shortfalls. IAHSA still supports keeping the provider tax at 3%, but recent data shows that may not be enough to meet funding needs.

The Right of Seniors to Live Where They Choose

Issue

It's important that Iowa protect seniors' choice of living arrangements and protect their health and safety in assisted living programs. We also believe it's important to protect the right of individuals to live and receive services from the providers of their choice.

Background

Tenants in assisted living programs that decertify need strong consumer protections. IAHSA has a prefiled bill in the legislature that would strengthen tenant consumer protection for assisted living programs that decertify, while also protecting the rights of seniors to live where choose and not be forced into assisted living programs. IAHSA's bill would lengthen the period between decertification notification and the actual decertification, require greater involvement of DIA, DHS, the long-term care ombudsman and the Insurance Division. The bill would require programs that decertify to hold informational meetings with tenants and their families and assist in locating new housing for tenants wanting to move.

Our Position

IAHSA supports increased consumer protection for tenants in decertifying assisted living programs. Allowing independent living facility owners to continue providing limited personal and health-related services to their tenants if other service providers are also allowed to provide these services.

A Long Term Care Demand Study Will Help Iowa Better Prepare for an Aging Population

Issue

The demand for long term care services is changing dramatically in Iowa and across the nation as consumer preferences shift, especially towards home and community-based services (HCBS). Iowa is second in the nation in the number of nursing home beds, primarily due to Iowa's privately paying for nursing facility care at nearly four times the national average. This heavy reliance on institutional care will likely change dramatically as Iowa's urbanization trend continues, and the wealth-accumulating generation born in the 1920s and 1930s currently in long term care is replaced by the Baby Boomers.

Background

IAHSA believes that now is the time to plan for the rapid changes in long term care certain to occur by doing a "demand study". These have been done in other states including Minnesota, Florida, Massachusetts, New York, etc. Larson Allen LLC has done this work and it is available to see what kinds of questions it helps policy makers to answer. It will cost around \$100,000, but the information it would provide to assist in planning now to best meet future long term care needs would be extremely valuable.

IAHSA is one of the founding members of the Long Term Care Collaborative (other members include AARP Iowa, Alzheimers Association, IHCA/ICAL, Iowa Association of Area Agencies on Aging, Iowa Caregivers Association and the Iowa Alliance for Homecare. The Collaborative's guiding principles include "bringing together stakeholders and develop consensus on supporting shared public policy goals in Iowa's elderly and disabled long term care arena".

The Collaborative has adopted as one of its priorities completion of the Demand Study.

Funding a "demand study" could come from a number of sources, including collective funding from Collaborative members. Or, there's the possibility funding could come from the state, either through an appropriation or by using Quality Improvement Initiative grants which are proposed in new chapter IAC 441-166. This money is from civil monetary penalties collected by the survey agency (DIA) against Medicaid certified nursing facilities and is held in escrow.

Estimating future long term care in Iowa can be used to influence strategic planning, generate feasibility studies, direct public policy, and allow development of choices and options for the new consumer cohort that will be entering Iowa's long term care system.

What would a demand study produce?

- Allow stakeholders to develop a common understanding of the key drivers and an estimate of demand for aging services under different scenarios.
- Provide decision makers with information to decide where the system should go based on the research and estimated demand scenarios.
- Identify opportunities to create change--how do we move to the optimal system of aging services for older adults, and payers? Also, to gauge the limiting effect of current regulations.
- Develop a common understanding of future trends, especially demographics.
- Gain agreement on key influencers and assumptions.
- Create understanding of aging services to include current and future challenges, changes required to achieve possibilities, economic implications, trade-offs, capital requirements, and the potential impact on state and federal funding.

Long Term Care Study continued

Our position

IAHSA supports a demand study to assist stakeholders to better fill the demand for the future of aging services in Iowa.

Home & Community Based Services

Issue

Home and Community Based Services (HCBS) is changing the face of long term care in Iowa, allowing the elderly and disabled to receive services in their homes. Two HCBS programs that are particularly underutilized and need additional support are affordable assisted living and adult day care.

Background

Assisted living funding is inadequate. About 700 tenants in assisted living receive the CDAC waiver, although there are nearly 10,000 assisted living units. One reason for poor utilization is the low reimbursement rates which do not cover providers' costs. The current monthly cap needs to be increased.

Adult day providers offer a valuable service to Iowans who care for their loved ones while still employed, or who need time away from their caregiving responsibilities. The current rate in Iowa is \$42 per day, making adult day a much cheaper alternative to nursing facilities. Currently, there are 37 certified programs in Iowa with a capacity of 960 individuals statewide. This is a relatively small program compared to Minnesota with 125 programs serving 3,800 individuals.

IDA proposal for an HCBS study

The Iowa Department on Aging (IDA) plans to introduce legislation authorizing a study to examine existing and identify new HCBS initiatives, including:

- Develop a more balanced long-term living system, and consider budget feasibility.
- Maximize efficiencies related to long term living supports and services.
- Coordinate effective and efficient HCBS offerings to older individuals and persons with disabilities.
- Expedite the process to authorize the provision of HCBS services.
- Review the implementation plan for Iowa's Aging and Disability Resource Centers.
- Provide recommendations for expansion of HCBS programs.

Such a study would be very helpful in planning HCBS availability, especially in rural areas

Our position

IAHSA supports efforts to expand adult day services in Iowa to encourage greater caregiver participation by family members. We also support efforts to encourage affordable assisted living, including raising the current Medicaid reimbursement cap. We support the IDA's HCBS study proposal as a roadmap to increase efficient utilization of HCBS.

About IAHSA

The Iowa Association of Homes and Services for the Aging (IAHSA) represents over 130 nursing facilities, assisted living, adult day, home health, and other providers of long term care housing and services to Iowa seniors. Our members are mostly non-profit.

IAHSA's Mission

IAHSA inspires leadership and benevolence in its members through networking, education, information and advocacy.

IAHSA's Member Values

- Quality of life and dignity of those we serve
- Service and benevolence for the community
- Ethical responsibility and integrity in clinical and corporate decision making
- Responsible Stewardship
- Education that enhances professional growth
- Peer support through networking and information sharing
- Dedicated and caring staff and volunteers who serve with dignity and integrity

IAHSA and LeadingAge

In order to represent members most effectively, to achieve optimum utilization of membership resources, and to assure maximum benefits to members, LeadingAge, on a national level, and IAHSA, on a state level, work together to ensure successful implementation in the following areas: advocacy, communications and public relations, professional development and educational programing, data collection, and shared services.

For more information about IAHSA's public policy initiatives or other questions, contact:

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