

**SENIOR LIVING TRUST FUND
NURSING FACILITY CONVERSION
AND
LONG TERM CARE SERVICE
DEVELOPMENT
GRANT UPDATE**

IOWA DEPARTMENT OF HUMAN SERVICES

RESPONSE TO SENATE FILE 2193

DECEMBER 2000

SENIOR LIVING TRUST FUND NURSING FACILITY CONVERSION AND LONG TERM CARE SERVICE DEVELOPMENT GRANT UPDATE

Subject:

The Iowa Senior Living Trust Fund and Nursing Facility Conversion and Long Term Care Service Development Grants.

Background:

Beginning in the fall of 1999, the Iowa Department of Human Services and the Iowa Department of Elder Affairs began exploring ways to restructure the Iowa long term care system with the goal of creating a better balance between institutional (i.e., nursing facility) and non- institutional services.

National statistics reviewed by these agencies revealed that Iowa has, on the whole, too many nursing facility beds and few less costly and less medically intensive alternatives. The excess of nursing facility beds is demonstrated by declining nursing facility occupancy rates in many parts of the state.

It was discovered that the State of Nebraska is well on its way toward reorganizing its long-term care system utilizing a significant source of federal Medicaid funding.

Following a series of meetings involving nursing facility associations, associations representing service agencies serving elderly and handi- capped persons, and state agency staff, it was determined that Iowa should submit a Medicaid State Plan amendment requesting a draw- down of federal financial participation to establish a "proportionate share pool" (i.e., the Iowa Senior Living Trust Fund). The requested draw- down of federal dollars was based on the difference between what Iowa has paid nursing facilities and what federal regulations would allow Iowa to pay.

The 2000 Iowa General Assembly then enacted SF 2193 which creates language in 249H of the Code of Iowa creating the Iowa Senior Living Trust Fund, outlining appropriate use of these funds and the design for re-directing the Iowa long term care system.

The Act also provides direction to the Iowa Department of Elder Affairs and the Iowa Department of Human Services regarding administration of the Trust Fund contingent upon receipt of anticipated federal funding.

The overall goal described in this Legislation is to move Iowa toward a balanced, comprehensive, affordable, high quality long term care system. On April 13, 2000, Governor Vilsack announced that the federal Health Care Financing Administration had approved the Iowa long term care plan including approximately \$340 million in federal funding over a three year period.

Action of the Iowa Department of Human Services:

In order to implement provisions of Iowa Code 249 H the Iowa Department of Human Services promulgated administrative rules establishing the Iowa Senior Living Trust Fund and establishing a program to award grants to Iowa long term care providers wishing to develop needed services in their communities and to Iowa nursing facilities wishing to convert nursing facility beds to assisted living or other alternative uses.

Iowa Senior Living Trust Fund Grants (Review and Approval)

- On July 5, 2000, a Request for Proposals for Iowa Senior Living Trust Fund Grants” was released.
- Regional workshops were held around the state and via. ICN to provide information and answer questions related to grants.
- On the closing date for grant applications (September 1, 2000), 73 grant applications had been received by the Department.
- Preliminary review identified 7 grant applications that did not meet minimum requirements as established in Rules.
- The remaining 66 grant applications were carefully evaluated by a 4 person panel with extensive long term care experience using criteria established in administrative rules.
- Applications were then ranked from highest to lowest score and presented to the Iowa Senior Living Coordinating Unit on November 13 for their review and recommendation to the Department.
- On November 28, the State Medicaid Director accepted the recommendations of the Coordinating Unit.
- On November 29, letters were sent to 42 nursing facilities and other long term care providers notifying them of approval to proceed with an architectural and financial feasibility study. Note: Most applicants were also awarded funds of up to \$15,000 to assist with the cost of the feasibility study.
- Approved applicants have until January 31, 2001 to submit completed feasibility studies.
- These feasibility studies will be reviewed by the evaluator panel as they are received.
- Based on input from the evaluator panel, recommendations for grant awards will be made by the State Medicaid Director.

- The Medicaid Director will send letters approving or denying grant awards to applicants within 30 days of receipt of the feasibility study.

Description of Proposals Receiving Preliminary (first round) Approval:

Attachment A provides an outline of the providers submitting grant applications and the type of proposal submitted as well as, characteristics of the provider organization.

Attachment B gives a more graphic picture of where in the state approved projects are located.

Issues and Concerns Arising From The First Year of Operation of the Iowa Senior Living Trust Fund Grant Program:

- Grant applications have not been received and/or approved from areas of the state where a need for alternative services exists during the first round.
- Many of the grant applications from conversion of nursing facility beds to assisted living involve a plan for new construction (i.e., construction of a new building) rather than the remodeling/ renovation of existing space.
- Some applications for nursing facility to assisted living conversion propose new construction (i.e., a new building) even though current utilization of existing nursing facility space is low (80% occupancy or less).
- Some applications lack convincing evidence of community-wide collaboration, coordination, and support.

Possible Considerations for Changes to Legislation/Administrative Rules:

- Require additional justification for nursing facilities proposing new construction rather than conversion of existing space to assisted living—particularly if current utilization of nursing facility space is near or less than 80% occupancy.

Future of the Program:

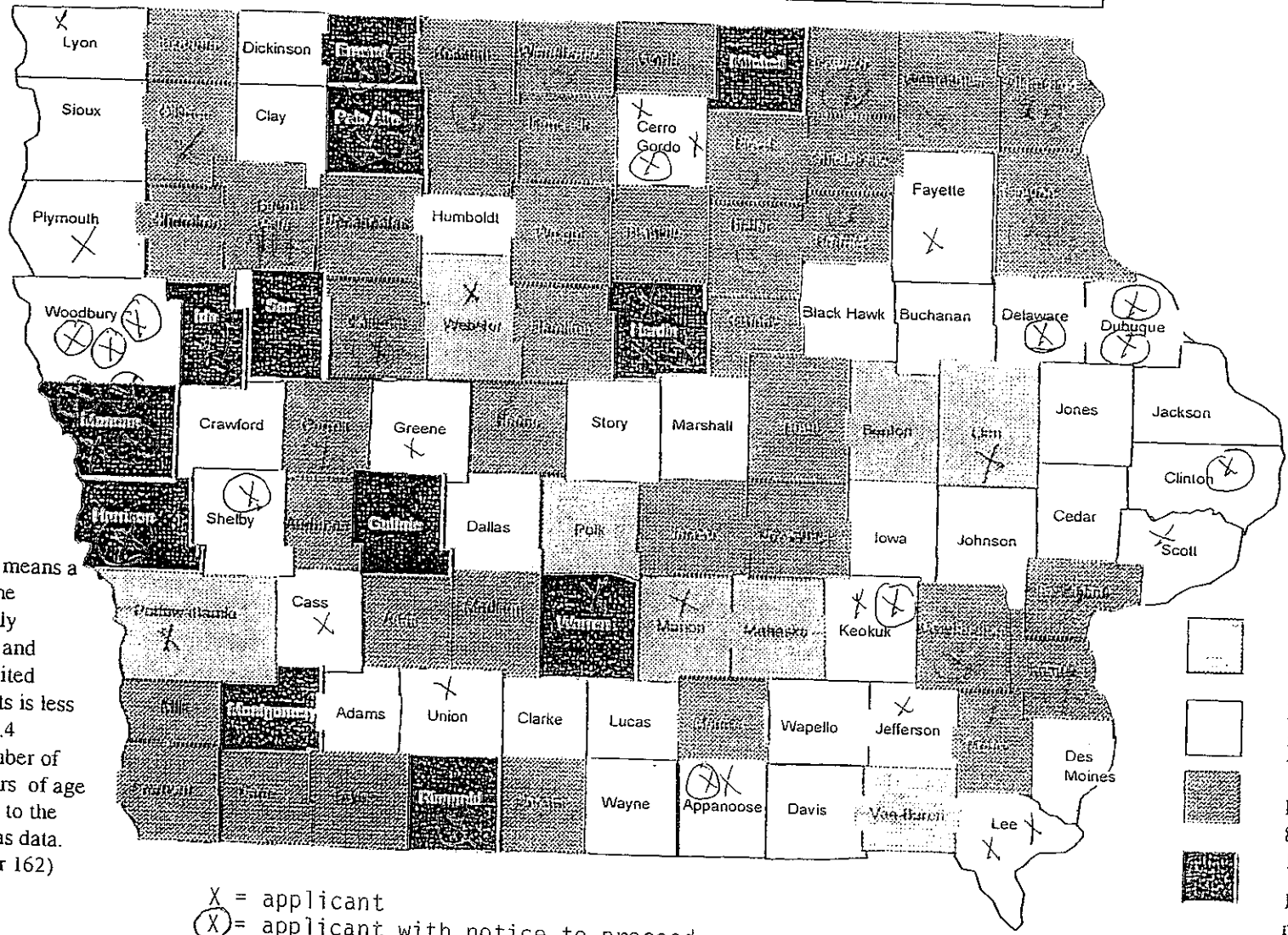
Based on the current status of federal regulations and conversations with officials of the federal Health Care Financing Administration, we believe federal funding through the intergovernmental transfer will continue through fiscal year 2002. The Senior Living legislation designated \$80 million dollars towards these conversion and service development grants, with the first \$20 million appropriated to the department in fiscal year 2001. We would anticipate subsequent \$20 million annually through fiscal year 2004 for these grants.

Prepared by Division of Medical Services

Iowa Department of Human Services
 Grant Applicants Receiving Approval to Proceed with Feasibility Study

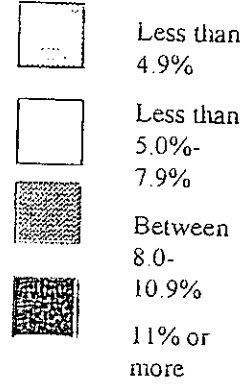
LTC Provider Name	City	County	Application Type	AL	Proposed Services								Feasibility Allowance		
					Home Care	Home Delivered Meals	Adult Day Care	Respite	Transportation	Chore	PACE	Safe Shelter		Senior Companion	
Aase Haugen Homes, Inc.	Decorah	Winnesheik	Conversion	8											\$15,000.00
Algona Good Samaritan Center	Algona	Kossuth	Conversion	14											\$15,000.00
Avera Holy Family Health	Estherville	Emmet	Service Development				1								\$0.00
Bartels Lutheran Home	Waverly	Bremer	Conversion	20		1		1							\$15,000.00
Concerned, Inc.	Harlan	Shelby	Service Development				1								\$15,000.00
Correctionville Nursing and Rehab Center	Correctionville	Woodbury	Conversion	8				1							\$15,000.00
Delaware County Senior Center	Manchester	Delaware	Service Development				1								\$15,000.00
Dumont Care Center	Dumont	Butler	Conversion	6		1		1							\$15,000.00
Eldora Nursing and Rehab Center	Eldora	Hardin	Conversion	7								1			\$15,000.00
Elkader Care Center	Elkader	Clayton	Conversion	9			1	1							\$15,000.00
Elmwood Care Center	Onawa	Monona	Conversion	10			1	1							\$10,000.00
Emmetsburg Care Center	Emmetsburg	Palo Alto	Conversion	11			1	1							\$15,000.00
Estherville Good Samaritan Center	Estherville	Emmet	Conversion	20											\$7,500.00
Forest City Good Samaritan Center	Forest City	Winnebago	Service Development				1								\$15,000.00
Golden Age Care Center	Centerville	Appanoose	Conversion	15											\$15,000.00
Good Shepherd, Inc.	Mason City	Carro Gordo	Conversion	40											\$15,000.00
Great River Care Center	McGregor	Clayton	Conversion	9			1	1							\$15,000.00
Greenbelt Home Care (Mercy Med Ctr, Ellsw	Eldora	Hardin	Service Development				1	1		1					\$0.00
Holstein Good Samaritan Center	Holstein	Ida	Conversion	7											\$15,000.00
Holstein Good Samaritan Center	Holstein	Ida	Service Development			1									\$0.00
Holy Spirit Retirement	Sioux City	Woodbury	Service Development				1								\$15,000.00
Maple Heights	Mapleton	Monona	Conversion	6											\$13,000.00
Morning Sun Care Center	Morning Sun	Louisa	Conversion	8			1	1							\$15,000.00
Mount Ayr Health Care Center	Mount Ayr	Ringgold	Conversion	6											\$15,000.00
Newell Good Samaritan Center	Newell	Buena Vista	Conversion	5						1				1	\$10,000.00
Newell Good Samaritan Center	Newell	Buena Vista	Service Development				1	1							\$15,000.00
Parkview Manor	Wellman	Washington	Conversion	20											\$15,000.00
Pleasant View Care Center	Whiting	Monona	Conversion	10											\$15,000.00
Pleasant View Care Center	Whiting	Monona	Service Development			1									\$15,000.00
Pomeroy Care Center	Pomeroy	Calhoun	Conversion	10			1								\$15,000.00
Postville Good Samaritan Center	Postville	Allamakee	Conversion	8			1	1							\$15,000.00
Riceville Community Rest Home	Riceville	Howard	Conversion	9											\$15,000.00
Rose Vista Home, Inc.	Woodbine	Harrison	Conversion	10			1	1							\$15,000.00
Ruthven Community Care Center	Ruthven	Palo Alto	Conversion	14		1		1							\$15,000.00
Shady Rest Care Center	Cascade	Dubuque	Conversion	10			1	1							\$15,000.00
Sigourney Care Center	Sigourney	Keokuk	Conversion	8			1	1							\$15,000.00
St. Anthony Regional Hospital and Nursing H	Carroll	Carroll	Service Development				1	1		1					\$0.00
St. Anthony Regional Hospital and Nursing H	Dubuque	Dubuque	Service Development				1	1							\$7,500.00
Stonehill Adult Center	Dubuque	Dubuque	Service Development				1	1							\$0.00
Sunrise Retirement Community	Sioux City	Woodbury	Conversion	8		1		1							\$15,000.00
Waukon Good Samaritan Center	Waukon	Allamakee	Conversion	12			1								\$15,000.00
Wheatland Manor	Wheatland	Clinton	Conversion	9			1	1							\$15,000.00
Willow Dale Center	Battle Creek	Ida	Conversion	10		1	1	1							\$15,000.00
				347	0	8	27	20	2	1	0	1	1		

Underserved Map Nursing Facility/Assisted Living Aged 65 and Over (2000 Population Est.)



Underserved area means a county in which the number of currently licensed NF beds and certified or accredited assisted living units is less than or equal to 4.4 percent of the number of individuals 65 years of age or older according to the most current census data. (IAC 441--Chapter 162)

X = applicant
 (X) = applicant with notice to proceed



Iowa Department of Human Services
 Grant Applicants Receiving Approval to Proceed with Feasibility Study

LTC Provider Name	City	County	Application Type	AL	Proposed Services									
					Home Care	Home Delivered Meals	Adult Day Care	Respite	Transportation	Chore	PACE	Safe Shelter	Senior Companion	
Aase Haugen Homes, Inc.	Decorah	Winneshiek	Conversion	8										
Algona Good Samaritan Center	Algona	Kossuth	Conversion	14										
Avera Holy Family Health	Estherville	Emmet	Service Development				1							
Bartels Lutheran Home	Waverly	Bremner	Conversion	20		1	1	1						
Concerned, Inc.	Harlan	Shelby	Service Development				1							
Correctionville Nursing and Rehab	Correctionville	Woodbury	Conversion	8			1	1						
Delaware County Senior Center	Manchester	Delaware	Service Development				1							
Dumont Care Center	Dumont	Butler	Conversion	6		1	1	1						
Eldora Nursing and Rehab Center	Eldora	Hardin	Conversion	7				1				1		
Elkader Care Center	Elkader	Clayton	Conversion	9			1	1						
Elmwood Care Center	Onawa	Monona	Conversion	10			1	1						
Emmetsburg Care Center	Emmetsburg	Palo Alto	Conversion	11			1	1						
Estherville Good Samaritan Center	Estherville	Emmet	Conversion	20										
Forest City Good Samaritan Center	Forest City	Winnebago	Service Development				1							
Golden Age Care Center	Centerville	Appanoose	Conversion	15										
Good Shepherd, Inc.	Mason City	Cerro Gordo	Conversion	40										
Great River Care Center	McGregor	Clayton	Conversion	9			1	1						
Greenbelt Home Care (Mercy Med)	Eldora	Hardin	Service Development				1	1	1					
Holstein Good Samaritan Center	Holstein	Ida	Conversion	7										
Holstein Good Samaritan Center	Holstein	Ida	Service Development			1								
Holy Spirit Retirement	Sioux City	Woodbury	Service Development				1							
Maple Heights	Mapleton	Monona	Conversion	6										
Mount Ayr Health Care Center	Mount Ayr	Ringgold	Conversion	6										
Newell Good Samaritan Center	Newell	Buena Vista	Conversion	5										
Newell Good Samaritan Center	Newell	Buena Vista	Service Development							1				1
Parkview Manor	Wellman	Washington	Conversion	20				1	1					
Pleasant View Care Center	Whiting	Monona	Conversion	10										
Pleasant View Care Center	Whiting	Monona	Service Development			1								
Pomeroy Care Center	Pomeroy	Calhoun	Conversion	10		1	1							
Postville Good Samaritan Center	Postville	Allamakee	Conversion	8			1	1						
Riceville Community Rest Home	Riceville	Howard	Conversion	9										
Rose Vista Home, Inc.	Woodbine	Harrison	Conversion	10			1	1						
Ruthven Community Care Center	Ruthven	Palo Alto	Conversion	14		1	1	1						
Sigourney Care Center	Sigourney	Keokuk	Conversion	9			1	1						
St. Anthony Regional Hospital and	Carroll	Carroll	Service Development				1	1	1					
Stonehill Adult Center	Dubuque	Dubuque	Service Development				1							
Sunrise Retirement Community	Sioux City	Woodbury	Conversion	8		1	1	1						
Sunrise Terrace Care Center	Winfield	Henry	Conversion	12				1						
Waukon Good Samaritan Center	Waukon	Allamakee	Conversion	12			1							
Wheatland Manor	Wheatland	Clinton	Conversion	9			1	1						
Willow Dale Center	Battle Creek	Ida	Conversion	10		1	1	1						
				342	0	8	25	19	2	1	0	1	1	