

The image features a green and white logo for LeadingAge Iowa on the left side of a banner. The banner background is a photograph of the Iowa State Capitol building, showing its iconic gold-domed tower and classical architecture. The year '2022' is printed in large green numbers in the upper right corner of the banner.

LeadingAge®
Iowa

LEGISLATIVE AGENDA

2022

The voice, support, and connector for non-profit members and the people they serve.

Each of us has something to contribute, regardless of age. Whether we want to be productive in our work, volunteer in our communities, create art or ideas, or care for our families, extra help from aging services lets us keep improving our lives and our communities. From basic help with daily chores to active lifestyle programs to critical medical care, aging services give us more control so we can better enjoy life.

Iowa's nonprofit and mission-driven aging services providers are dedicated to delivering a range of quality care and services ranging from home-delivered meals, home care, adult day, transportation, housing, PACE (Program for All-Inclusive Care for the elderly), Assisted Living, Skilled Nursing, and Long-Term Care (LTC). They are not driven by the bottom line.

The people working in aging services are unsung heroes, experts in providing the essential support we need as we grow older. Aging services professionals are compassionate and dedicated, often becoming like family for those in their care. For them, providing the support we need as we grow older is a labor of love.

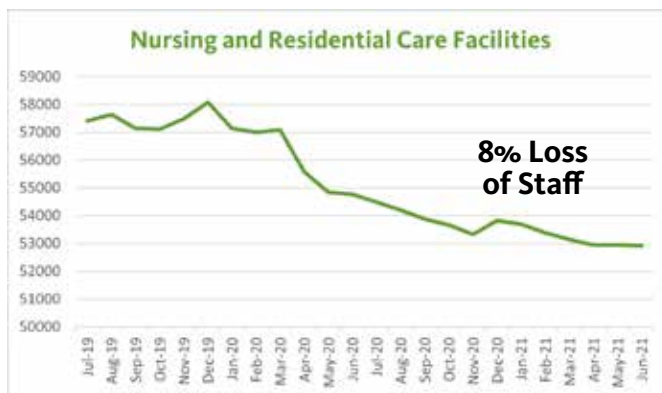
However, the pandemic has impacted aging services providers and the professionals working in the field substantially. The stress and prolonged nature of the pandemic has had a physical and emotional toll on aging services professionals and contributed to a loss of workers. The result has been an unprecedented workforce shortage in aging services settings across our state.

Aging services providers are struggling with soaring workforce costs due to the extraordinary shortages and increased costs for PPE and supplies. At the same time, revenue has contracted due to the need to limit new admissions and services based on the workforce and to preserve the quality care for the older adults currently being served. These are serious problems which jeopardize older Iowans' access to quality care and support necessary to maintain safety and quality of life and which require attention and action by our state's policy makers.

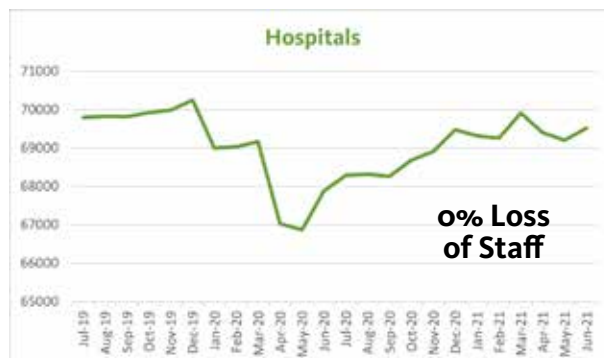
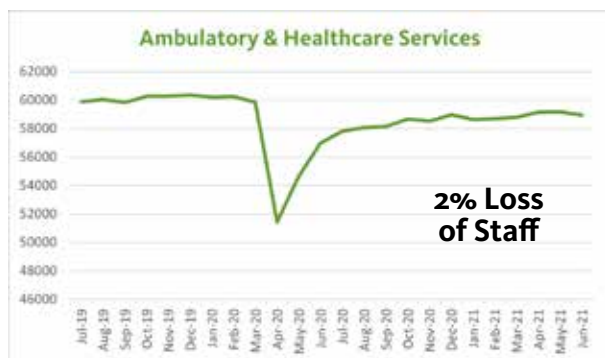
Workforce

Iowa is facing an unprecedented workforce shortage in aging services settings across the state. After months of working on the frontline of the pandemic, many caregivers have left the profession due to the physical and emotional toll. Those who remain have been stretched further without relief in sight. **With nearly 10,000 job openings for nurses and nursing assistants across Iowa, aging services providers are losing more staff than we can recruit. Data shows that nursing and residential care facilities have lost eight percent of its workforce since the start of the pandemic.** This is a crisis that requires bold solutions and state support.

- **Expand Training Programs:** Iowa needs to increase workforce training programs to ensure more Iowans are educated and enter the health care and aging services fields. This includes fostering additional apprenticeship programs in partnership with the Department of Labor to create diverse career lattices and engaging diverse groups of prospective employees.
- **Expand Loan Repayment and Forgiveness Programs:** Iowa needs to expand loan repayment and forgiveness programs and create incentives for new graduates to enter the aging services sector. The historic underfunding of aging services has resulted in pay gaps with other health care providers, like hospitals, which severely hinders recruitment efforts. Loan repayment and forgiveness programs targeting aging services would help attract critically needed professionals to the field and ensure older Iowans have access to the professional caregivers they need.
- **Unemployment Insurance System:** Iowa's employers, including aging services providers, are ready and willing to hire those seeking employment as there are more jobs available than people unemployed in Iowa. Iowa needs to evaluate the Unemployment System to not only implement changes to get Iowans back to work more quickly, but also to ensure the long-term integrity of the system.
- **Aging Services Workforce Task Force:** Similar to efforts to address childcare, Iowa needs to create an Aging Services Task Force to develop a comprehensive strategy to address the workforce shortage which creates barriers to older Iowans receiving the care and help that they need to stay independent, healthy, and lead full lives. This professional caregiver shortage not only impacts older Iowans, but also families trying to balance the responsibilities of family caregiving with their own workplace.



Number of Iowans Employed by Health Sector



Adequate Funding

The unprecedented workforce shortage has created a huge spike in labor costs that threatens the short and long-term viability of aging services providers, especially those who serve a lot of Medicaid members. These spikes result from increased wages for staff retention, reliance on overtime to address some of the shortages, and the need to utilize temporary staffing agencies at exorbitant rates to ensure care is available. Other cost drivers include PPE requirements and increased supply and insurance costs.

While the Iowa General Assembly made needed investments in 2021 into the Medicaid budget for aging services providers, the 2021 appropriations helped address historical differentials between cost of care and reimbursement levels. The current labor environment has increased costs exponentially threatening viability of aging services providers and will require additional support from the state.

- **Increase Medicaid Reimbursement:** To reflect the increased labor costs to recruit and retain a qualified workforce and to keep up with inflation, the Iowa General Assembly needs to make investment into the Medicaid program to increase Medicaid reimbursement by at least 4% for home health, HCBS waiver services, PACE, and long-term care. For context, Medicare premiums are increasing by 14.5% in 2022, the Consumer Price Index has climbed 6.2% since last year, and the social security COLA for 2022 is 5.9%.
- **Interim Labor Cost Support:** To address the immediate needs of providers with the labor cost spikes and temporary staffing agency costs, Iowa should utilize American Rescue Plan Act funds to help offset those costs for aging services providers including home health, adult day, assisted living, residential care facilities, PACE, and long-term care. The funds must be used to address spending increases in labor costs as compared to a base period of January to June 2021.
- **Control Temporary Staffing Agency Costs:** Historically, temporary staffing agencies have helped supplement staffing needs on a limited basis. However, in today's severe labor shortage, staffing agencies are charging rates of 200-300% over the traditional hourly cost of a staff member—rates of which the temporary staff employee only receives a fraction. These exorbitant fees drive-up Medicaid costs as the spikes in contracted nursing services are documented on cost reports. Between 2015 and 2020, the costs associated with contracted nursing services has tripled. The state has a responsibility to protect the viability of aging services providers and a vested interest to prevent price gouging by temporary staffing agencies.
- **Long Term Financing Solutions:** With approximately 50% of all financing for long-term care coming from Medicaid and the other waiver services covered, Iowa is the largest payor of Long-Term Support and Services (LTSS). Further, with Iowans over the age of 85 nearly doubling over the next 30 years, that share will only continue to grow. One out of every two people will require at least some level of LTSS in their lifetime, and the availability of family caregivers to offset professional caregiving needs has been declining.

At the same time of growing need for LTSS, many individuals nearing retirement are not prepared for the potential costs of LTSS. Today, the average amount someone 50 or older has in their 401k or IRA is \$10,000. However, the average cost for LTSS is nearly \$266,000 nationwide. Less than seven percent of Americans over 50 years old currently have long-term care insurance leaving few viable options to pay for LTSS except for Medicaid, Medicare (limited benefit), and out of pocket. Iowa needs to create a LTSS Financing Taskforce to study the issue and propose recommendations and solutions for financing LTSS, outside of the Medicaid program. This action is essential to ensure care and services are accessible and affordable to all Iowans as we age.

Fair Regulatory Environment

While regulations play an important role in implementing laws and protecting safety, regulations must be re-evaluated over time for relevancy and be enforced in a consistent and timely manner.

- **Reduce administrative barriers:** One silver lining of the pandemic was the opportunity to experiment with the waiver of certain regulatory requirements to shift focus on more essential tasks or to expedite processes. The waiver of many of these regulations were successful, and Iowa should make those state-based regulatory waivers particularly those that simplify entry into the workforce. Furthermore, state agencies like DHS and DIA should evaluate regulatory overlap between the federal government and the state and limit additional state regulatory burdens or expanded enforcement beyond federal requirements.
- **Ensure adequate state staff and expertise to enforce regulations:** State enforcement of regulations can have significant monetary impact particularly on long-term care providers. Iowa needs to ensure that state regulatory bodies like DIA had adequate funding for staff and hold staff accountable to timely action so that the state's failure to act in a timely manner does not result in larger daily fines than necessary. Further, state staff expertise is crucial to efficiency and accuracy. Iowa Medicaid needs to ensure Medicaid members who have elected the PACE program have access to dedicated, trained Income Maintenance staff to handle renewals.
- **Modernize Nursing Facility Case-Mix Reimbursement System:** LAI supports the recommendations outlined in the legislatively required DHS report on the Nursing Facility Case-Mix Reimbursement Study. These budget-neutral recommendations will modernize the case mix reimbursement system, increase efficiencies in the rebasing process, and significantly reduce impacts of retrospective rates. The primary recommendations of the study include:
 - o Update rates semi-annually using a day weighted average Medicaid case-mix index (CMI) to be effective July 1, 2023.
 - o Iowa Medicaid issuance of rates prior to the State Plan Amendment (SPA) approval by the Centers for Medicare and Medicaid Services (CMS) as directed by the Iowa Legislature.
 - o Iowa Medicaid issuance of rates as review of cost reports for individual providers are completed instead of waiting for all cost report reviews to be completed.



LeadingAge Iowa is a statewide membership organization of non-profit providers of aging services and supports and the champion for advancement and innovation in aging services. Our mission is to be the voice, support and connector for non-profit members and the people they serve. Our membership is diverse, representing the spectrum of non-profit long-term support and service providers including skilled nursing, assisted and independent living, PACE, home health, adult day, respite, hospice and home delivered meals. Our members serve over 25,000 older adults in Iowa each day.