



PRESS RELEASE

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REPORT: As Iowa's elderly population grows, aging services providers close at an alarming rate

Several legislators attend briefing on rising costs, workforce shortages and inadequate Medicaid reimbursements are a "perfect storm" of issues that need immediate attention.

Ahead of National Caregivers Day, "State of Aging Services" report released by LeadingAge Iowa documents the need for immediate action in the wake of the COVID-19 pandemic.

DES MOINES, IA - Iowa's aging services providers face a perfect storm of rising costs, workforce shortages and mounting closures. That has put access to essential care and services for the state's aging population at significant risk, according to a "State of Aging Services" report released by LeadingAge Iowa yesterday afternoon.

The report -- [Losing Ground Amid Closures](#) -- was released as part of a briefing to state lawmakers and comes in the wake of an unprecedented number of nursing home closures across the state. **At least 23 facilities have announced their closing since the start of 2022, including six so far this year.**

As part of a stepped up campaign to help policy makers understand that reimbursement rates must equal the cost of care, a [companion video](#) is also being released to aging services providers across the state for distribution to their networks of families and community leaders.

"I really can't stress enough how unusual and alarming the number of closures is," said Shannon Strickler, President and CEO of [LeadingAge Iowa](#). "The system is incredibly fragile right now. Where are these people going to go? Are we going to break up families? Are we going to have people driving hours across the state to receive care?"

The growing gap between the cost of providing care, and what Iowa's Medicaid program pays providers for these essential services is what drives the closures, Strickler added.

"Today, the gap between **the cost of care and reimbursement is 3.5 times larger than before the pandemic**," Strickler said. "This has left providers in the difficult position of having to do more with less. In some cases, providers are unable to provide the care and support that older Iowans need."

Some explanation for the cost increase is the ongoing workforce challenges facing Iowa providers.

According to the report, which relies heavily on data from the federal Bureau of Labor Statistics, while Iowa's total workforce has grown almost 2% since before the pandemic, the aging services workforce has shrunk more than 11%. This comes as the number of Iowans over 85 is expected to grow by 90% in the years ahead.

"At a time when Iowa's aging services workforce should be growing to meet this rising demand, we're losing ground," Strickler added.

The shortage of nurses presents a particularly critical challenge, and 83% of members use temporary agency staff. This drives up costs and puts a strain on the financial viability of providers. The report reveals **the average residential facility in Iowa is paying 85.3% more per resident day for contract nurse staffing than it paid in 2019**.

"We spent over \$800,000 on agency staffing in 2021 alone" said Paula Geise, President of Bartels Lutheran Retirement Community in Waverly. "That's just not sustainable."

At the briefing, aging services providers across the state painted a bleak picture of the nursing home closures' impact on Iowa's seniors.

"We had a situation where a daughter called us, and she was upset and crying. She knew she wasn't going to be able to take care of her dad at home by herself," said Geise. "It was awful. She was just left scrambling [when her father's nursing home closed]."

"We certainly want to serve and help as many people as possible. But our priority is the people that we're already serving," said Julie Thorson from Friendship Haven in Fort Dodge. "We're anxious to reopen some of our units, but doing so very slowly due to the staffing needs. **That's why reimbursement is so important.**"

"We have a waitlist... we're trying to serve more residents, and hopefully reopen some of the units that are currently closed," said Matt Jahn from Stonehill Communities in Dubuque. "**But because of staffing shortages, and reimbursement challenges, we're at a standstill.**"

“We need better reimbursement to help us take care of the people who so badly need our help, and they need us to help take care of them,” Geise added.

In addition to releasing the report, LeadingAge also issued a call to action to their members, telling them to engage with their elected officials, share their stories about the challenges they face, and make their voices heard.

“If providers are struggling, imagine the fear and frustration of our older neighbors, family members and friends who are not able to care for themselves and rely on a caregiver everyday,” Strickler added. “It is our duty to stand up and say to the people with the power to do something: **“Act now, before it is too late.”**”

Materials from the briefing along with a full copy of the "State of Aging Services" report is available at <https://www.leadingageiowa.org/IowaAgingServicesSituationReport>.

About LeadingAge Iowa. For more than 50 years, LeadingAge Iowa, together with our national partner [LeadingAge](#), has been the strong and distinct voice for not-for-profit aging services providers in Iowa as we strive to be the champion for advancement and innovation in aging services. Our members provide care to older adults across the care continuum and lead in innovative practices to serve the needs and preferences of the aging population. LeadingAge and LeadingAge Iowa membership provide an exclusive range of benefits that give members the tools, resources, business intelligence, and collaboration needed to help their organization thrive.