

SKILLED NURSING FACILITIES (aka "Nursing Homes")

NURSING HOME REBASING

This year, nursing home rates will be rebased by the Department of Human Services per Iowa law. Rebasing essentially recalibrates providers rates based on their actual cost and other facility specifics compared to other providers in Iowa. This recalibration is done every two years. The legislature is tasked with appropriating funding to ensure Medicaid rates are adjusted as costs rise over time. Over the last several years, the system has not been adequately funded, which has created a significant shortfall in the rates nursing facility providers are receiving from Medicaid.

THE STATE SHARE OF THIS SHORTFALL IS \$54.9 MILLION.

Because of the gap in funding, nursing facility providers are being reimbursed at 2012 rates. These low rates are causing private pay residents to pay more (cost shift). Facility closure has become an acute threat across Iowa as a result.

MEDICAID LOSS PER BED ANNUALLY



ASK

IHCA asks the Iowa Legislature to appropriate \$54.9 million in Medicaid nursing home rebasing to ensure providers can continue to provide services for Iowa's most vulnerable.

NURSING HOME RENOVATION FUNDING

The General Assembly has historically set aside Rebuilding Iowa Infrastructure Fund (RIIF) funding for renovation of older nursing facilities and those caring for high numbers of Iowans on Medicaid. These facilities have limited access to capital. Renovation of aging facilities is vital to meeting regulatory and quality improvement requirements. Since its inception, this funding has helped average over \$100 million in new nursing facility construction.

ASK

IHCA asks the Iowa Legislature to appropriate \$500,000 to use to renovate nursing facilities in order to stay compliant with state and federal regulations.

CASE ADJUSTMENT PERIOD

Currently, the Department of Human Services calculates nursing facilities "case mix," which represents acuity of the patients a facility serves and effects the facility's Medicaid rate, every quarter. The calculation of rates is time consuming and is completed every quarter. IHCA is supportive of changing the calculation of case mix adjusted rates to two times a year, rather than every quarter. This modification would give DHS and the managed care organizations a lead time of six months to calculate rates and input the new rates in their systems prior to provider claim submission. The added lead time should allow for more accurate and timely rate implementation by the managed care organizations.

ASK

IHCA asks the Iowa Legislature to change Iowa code to allow the Department of Human Services to calculate case-mix adjusted rates two times per year, rather than quarterly (i.e. four times per year) to ensure rates are prospective and reduce the burden on the department, the managed care companies and providers.

HOSPICE BILLING MODERNIZATION

IHCA was involved in a DHS-led workgroup to study options on how to remove the Hospice room and board pass-through. Those options will be given to the legislature through a report created by DHS. IHCA supports providers receiving 100 percent of the base rates (current rates are 95 percent) from the managed care companies and making Hospice days subject to the quality assurance assessment fee.



Iowa Health Care Association
Iowa Center for Assisted Living
Iowa Center for Home Care

LEGISLATIVE AGENDA 2019

DEPARTMENT OF PUBLIC SAFETY BACKGROUND CHECKS

Currently providers are required to utilize the Department of Public Safety's background check system for current and prospective employees. The DPS system only provides a background check for Iowa crimes, charges, etc., and is not expedient—requiring providers to wait to hire prospective new employees. IHCA supports modernizing the system to conduct a more thorough, national background check, as well as utilizing a real-time system that is more expedient. IHCA would support a private third-party running the system.

CERTIFICATE OF NEED

The Iowa's Health Facilities Council (HFC), the five-member council that votes to approve or deny applications for expansion or new institutional health care facilities, has historically prevented over-construction of expensive health care facilities (hospitals and nursing homes) by applying an objective test to each application it reviews. This has helped keep health care cost increases in check by reducing duplication in services across the state. However, each year the legislature is presented with proposals that would weaken Iowa's current Certificate of Need (CON) system. Weakening the requirements for a CON, especially the project cost threshold, would allow new classes of providers to "cherry-pick" patients/residents from higher reimbursement categories, and would tilt the playing field against providers that were required to seek CON approval.

ASSISTED LIVING PROGRAMS (ALPs)

ASSISTED LIVING DAILY RATE INCREASE

The Iowa Center for Assisted Living proposes to increase the Assisted Living Service rate floor to \$35 and corresponding three-percent increase to the HCBS Elderly Waiver rate. The Assisted Living Service is unique to assisted living providers and would allow for an additional reimbursement for assisted living providers only. The revised reimbursement would incentivize these providers offering Medicaid Elderly Waiver to no longer bill through the Consumer Directed Attendant Care (CDAC) program. CDAC requires AL Elderly Waiver providers to document care and services in 15-minute increments. This onerous reporting requirement is needless administrative burden for providers and DHS.



Iowa Health Care Association
Iowa Center for Assisted Living
Iowa Center for Home Care

LEGISLATIVE AGENDA 2019

MORE PROMPT APPROVAL OF ASSISTED LIVING SERVICES

ICAL supports legislation or rules that push the Department of Human Services and/or the managed care companies to promptly approve assisted living services. These services include but are not limited to: Personal Emergency Response System (PERs), Assisted Living Service (AL On-Call) and meals. Currently, Medicaid eligibles moving from nursing home or acute settings to home and community-based service settings (like assisted living) are hampered with lengthy approval times and processes.

CONTINUANCE OF ASSISTED LIVING SOCIAL MODEL

The ICAL supports allowing tenants to make their own choices of how to live and supports any state initiative that continues this practice. As Iowa's elderly population begins transitioning to models like assisted-living and/or nursing facility care, it is important that the care is provided in settings that yield good outcomes and high patient satisfaction. The social model foundation has been proven to improve outcomes and deliver high-quality care.

HOME HEALTH AGENCIES

FULL COST COVERAGE FOR HOME HEALTH

The Iowa Center for Home Care (ICHC) requests \$4.17 million of state funds to increase the Medicaid funding for low-income elderly and disabled Iowans receiving care in their own home. This amount would reimburse HHA providers at 100 percent of the LUPA low utilization payment adjustment rate, which is the rate calculated by the Centers for Medicare and Medicaid Services (CMS). This funding request is vital to ensure that home care providers are able to continue to serve Iowa Medicaid patients. Home health providers are vital to ensure Iowa has a robust health care continuum. Additionally, home health care providers offer the most affordable service in Iowa's Medicaid care continuum.

ALL PROVIDER ISSUES

WORKFORCE

IHCA, ICAL and ICHC all support public policies or appropriations that support workforce development and retention to Iowa's health care field. Providers are continually burdened by an inadequate pool of trained health care providers to meet the demands of the patients they serve every day.

CMS/DIA SURVEY & CERTIFICATION

Continue to monitor and modify CMS and DIA survey and certification proposals.

MANAGED CARE REFORM

Exempt from mandatory Medicaid managed care enrollment elderly/disabled Iowans that are approved for Nursing Facility Medicaid, not including those individuals receiving rehabilitation and/or are expecting a change in care settings. These people would be offered the option to return to the regular state Medicaid Program.

ANY WILLING PROVIDER

Ensure that any provider who is an enrolled Iowa Medicaid provider is allowed to be a network provider with all of the MCOs the provider chooses to contract/credential with.

NO PRIOR AUTHORIZATIONS FOR LTSS

Statutorily prevent the installation of prior authorization requirements for LTSS patients. This would include Nursing Facilities patients and Assisted Living/Home Health patients who are on the elderly waiver.