



**Weathering the Storm: The Impact of the Great
Recession on Long-Term Services and Supports**
State Profile: IOWA

Jenna Walls
Kathleen Gifford
Catherine Rudd
Health Management Associates

Rex O'Rourke
Martha Roherty
Lindsey Copeland
National Association of States
United for Aging and Disabilities

Wendy Fox-Grage
AARP Public Policy Institute

INTRODUCTION

Weathering the Storm: The Impact of the Great Recession on Long-Term Services and Supports is the most comprehensive analysis to date on the budget cuts to both Medicaid and non-Medicaid funded long-term services and supports (LTSS) in each state. It also illustrates state-by-state how LTSS are financed. In addition, this study provides a very early snapshot of the likelihood of states pursuing some of the LTSS provisions within the Affordable Care Act (ACA).

Weathering the Storm contains several components:

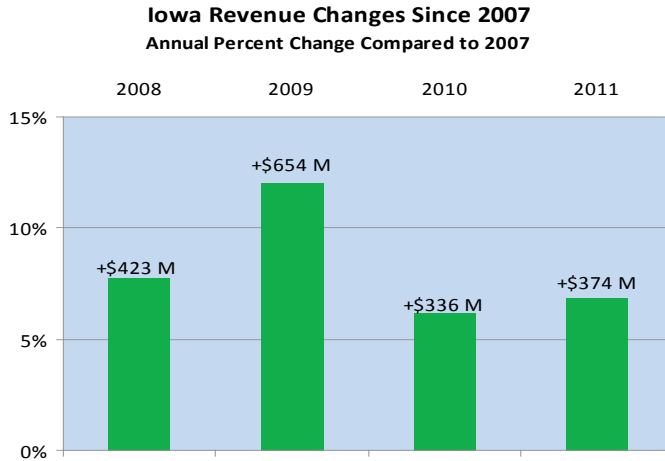
- The full report with an overview of findings and state-by-state tables;
- State profiles, which are 4 to 5 pages in length, for each state that participated in the study;
- An In Brief, which is a short synopsis; and
- A videotaped interview about the key findings.

Hard copies of *Weathering the Storm* are available free of charge. To order, please call the AARP Public Policy Institute at (202) 434-3890 or email jgasaway@aarp.org.

All of the components of *Weathering the Storm* are also available on the web and can be found at www.aarp.org/ppi, www.nasuad.org, and www.healthmanagement.com.

IOWA

TAX COLLECTIONS



Source: HMA analysis of state tax collection data from the National Association of State Budget Officers (NASBO), Spring Fiscal Survey of States, 2008 (for baseline 2007 data); Spring Fiscal Survey of States, 2009 (for 2008 data) and Spring Fiscal Survey of States, 2010 (for 2009 actual, 2010 estimated, and 2011 projected). Revenue represents the following taxes if collected by the state: **Personal Income, Corporate, and Sales**. Percent change and change in amount collected (in millions) represents the divergence between the state fiscal year noted and baseline SFY 2007.

ARRA FUNDING

IMPACT OF ARRA ENHANCED MEDICAID FMAP EXPIRATION

- The state budget which passed assumed the extension would occur.
- The SFY 2012 budget may see reductions after the enhanced FMAP expires.

PREDICTED IMPACT OF THE EXPIRATION OF THE ARRA NUTRITION FUNDING

- Services will be reduced.

STATE UNIT ON AGING AND DISABILITY (NON-MEDICAID) SERVICES

STATE UNIT ON AGING NUMBER SERVED (UNDUPLICATED)

SFY 2009 (actual)	SFY 2010 (projected)	SFY 2011 (projected)	% Change SFY 2009–2011
73,932	70,605	68,000	-8%

STATE UNIT ON AGING TOTAL EXPENDITURE REDUCTIONS – ACTION TAKEN

SFY 2009–2010	SFY 2010–2011
5% or less	5% or less

STATE UNIT ON AGING SERVICE DEMAND AND EXPENDITURE CHANGES

Program	Change in Expenditures		Change in Service Requests
	SFY 2009–2010	SFY 2010–2011	SFY 2009–2010
Adult Foster Care			DK
Adult Day Care			+
Adult Protective Services			DK
Assisted Living			DK
Behavioral Supports			DK
Case Management			+
Chore			-
Community Transition			DK
Congregate Meals			-
Day Habilitation			DK
Disease Prevention/Health Promotion			+
Elder Abuse Prevention			+
Environmental Modifications			DK
Equipment and Supplies			DK
Family Caregiver Support			+
Food Stamps/Supplemental Nutrition Assistance Program			DK
Foreclosure Counseling			DK
Homemaker			-
Home-Delivered Meals			+
Housing Assistance			DK
Information and Referral			-
Legal Assistance Development			+
LIHEAP			DK
Long-Term Care Ombudsman			+
Nutritional Supplements			DK
Occupational Therapy			DK
Personal Care/Assistance			-
Physical Therapy			DK
Recreational Therapy			DK
Residential Habilitation			DK
Respite			+
Senior Community Service Employment Program			+
Senior Centers			-
Speech Therapy			DK
State Adult Guardianship Program			DK
State Pharmaceutical Assistance			DK
Supported Employment			DK
Supported Living			DK
Transportation			+
+ Expenditure/demand increase	0	No change in expenditure/demand	DK Don't know
- Expenditure/demand decrease	NA	Program not administered by SUA	

STATE UNIT ON AGING NON-MEDICAID HCBS EXPENDITURES

SFY 2009 (actual)	SFY 2010 (projected)	SFY 2011 (appropriation)	% Change SFY 2009–2010
\$6,669,993	\$8,107,420	\$7,375,076	22%

MEDICAID LONG-TERM SERVICES & SUPPORTS

NUMBER OF BENEFICIARIES: WAIVERS & NURSING FACILITIES

Waiver Name	Avg. Daily Caseload			% Change SFY 2009– 2010
	SFY 2009	SFY 2010	SFY 2011 (planned)	
Elderly Waiver	9,673	10,024	10,388	4%
Ill & Handicapped Waiver	1,091	1,149	1,280	5%
Physical Disabilities Waiver	651	730	933	12%
Nursing Facility Services	Avg. Daily Census 2010		Expected Change 2011	
NF Average Daily Census *	12,805		Decrease	

- On average, nursing facility bed days have been declining 2 to 3 percent annually, and the state expects this trend to continue in SFY 2011.

LTSS EXPENDITURES (FEDERAL AND STATE)

Service	SFY 2009	SFY 2010 (Estimate)	SFY 2011 (Appropriation)	% Change SFY 2009–2010
HCBS Waivers (For Older People and Adults with Physical Disabilities)	\$87,406,402	\$93,870,599	\$100,800,634	7%
Medicaid LTSS State Plan	\$245,276,844	\$277,812,700	\$302,536,086	13%
Nursing Facility	\$464,129,839	\$494,633,876	\$526,625,309	7%

LTSS PROVIDER PAYMENT RATE CHANGES

Provider Type	SFY 2009–2010 % change	SFY 2010–2011 % change
Nursing Home *	+ and -	+
Home Health	-5%	
Personal Care Services		
HCBS Waiver Services	-2.5%	
Targeted Case Management	-2.5%	+2.5%
+ Provider rate increase - Provider rate decrease 0 No change in provider rate		NA Not applicable

- Nursing facility rates increased approximately 7 percent due to scheduled rebasing effective July 1, 2009. The rates were subsequently reduced 6 to 7 percent due to across-the-board budget reductions. They were increased again due to funds becoming available from Iowa's recently approved nursing facility provider tax. Rates were further restored in SFY 2011 due to the nursing facility provider tax revenue. The exact percentage change is not known.

OPTIONS, OUTLOOK, AND PROMISING PRACTICES

The Medicaid agency and State Unit on Aging were asked about their intent to pursue options under health care reform, to provide their thoughts on the outlook for LTSS, and to share promising practices in their state. This section combines information from both agencies if both agencies responded. See the Overview for descriptions of these provisions.

State's Intent to Pursue LTSS Provisions in the Affordable Care Act	Very Likely	Somewhat Likely	Not Likely	Don't Know
State Balancing Incentive Program		X		
Community First Choice Option		X		
Money Follows the Person Demonstration				
1. Apply for new program				
2. Apply for extension of existing program	X			
Medical/Health Home Initiative				
1. Agency applying for planning grant	X			
2. State plan amendment to establish medical/health home services	X			
3. Apply to establish community health teams				X

STATE PRIORITIES: 18–24 MONTHS

- Implementing Minimum Data Set (MDS) 3.0 to improve data reporting and quality in nursing facilities.
- Working on training and quality improvement for providers to focus on developing community capacity to address needs of individuals with dual diagnoses and substance abuse problems.

STATE ISSUES

- Maintaining current funding and service levels.
- Building community capacity for individuals with behavioral issues.

STATE PROMISING PRACTICES

- Expanding Aging and Disability Resource Centers' (ADRC) geographic coverage and infrastructure development. In addition to its Lifelonglinks.org website, Iowa now has an ADRC presence in seven counties, with an anticipated expansion to two more by the end of the year.

The information in this profile represents information available to state officials at a point in time. Surveys were conducted from June through September 2010. Iowa's fiscal year begins July 1 and ends June 30.

