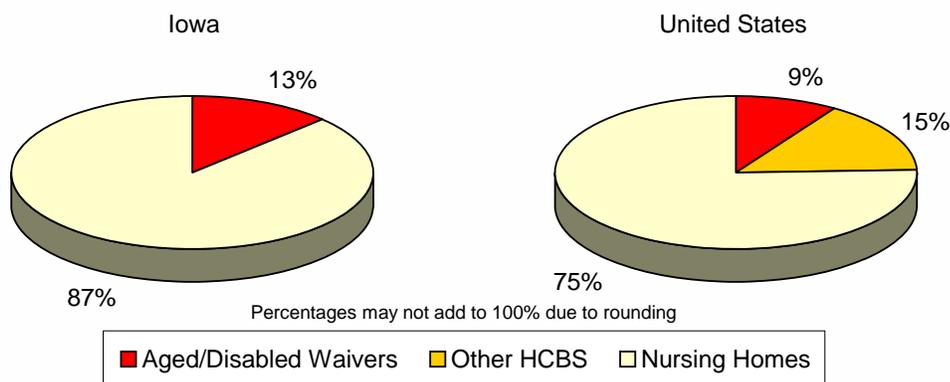


State Long-Term Care Reform in
IOWA

Medicaid Long-Term Care Spending for Older People and Adults with Physical Disabilities in Iowa and the U.S., 2006



Compared to the U.S. average, Iowa allocates a greater percentage (87 percent) of its Medicaid long-term care (LTC) spending for older people and adults with physical disabilities to nursing homes, even though most people prefer to remain in their own homes and communities. In FY 2006, Iowa spent 13 percent on waiver services.

Type of Service	Medicaid Participants ¹			Expenditures (millions)		
	1999	2004	Change	2001	2006	Change
HCBS	3,994	8,501	+4,507	\$24	\$64	+\$40
Nursing Homes	21,882	20,155	-1,727	\$505*	\$441	-\$65

Although Iowa has yet to achieve an overall balance between home and community-based services (HCBS) and nursing home spending, recent Medicaid trends for both participants and expenditures indicate that significant progress has occurred in recent years. Many more Medicaid participants received nursing home services than received HCBS in 2004. However, the number of participants in nursing homes decreased, while the participants receiving HCBS increased significantly from 1999 to 2004 (specifically, the number of people served in the waivers doubled). From FY 2001 to FY 2006, Medicaid spending on HCBS increased by \$40 million, while spending on nursing homes decreased by \$65 million.

¹ This analysis separates Medicaid participation and spending data for older people and adults with physical disabilities from the population with mental retardation/development disabilities (MR/DD) and other LTC populations. Participants and expenditures for HCBS include all 1915(c) waivers for older people and adults with physical disabilities, and the personal care services option, if the state offers it. All participants and expenditures for nursing homes are included, regardless of the participants' type of disability or reason for admission. Excluded are participants and expenditures for intermediate care facilities for mental retardation (ICF/MR), HCBS waivers for other populations such as MR/DD, home health, and individuals receiving LTC services through managed care programs. Participant numbers include all persons receiving services during the year, not the average number on a given day; the number of nursing home participants is greater than the number of nursing home beds in each state. The average number of Medicaid nursing home residents on any given day for each state appears in the *Tables* tab at the end of the full report *A Balancing Act: State Long-Term Care Reform (#2008-10)*.
* Expenditures for nursing homes were used from FY 2000—instead of FY 2001—because of state reporting irregularities.

Major Initiative

Enacted in 2005, House File 841, the IowaCare Medicaid Reform Act calls in part for balancing the state's Medicaid LTC system by improving consumer access to HCBS. This goal calls for faster eligibility determinations, so consumers have speedier access to Medicaid HCBS waiver services, and expanding choices of where and how consumers access services.

"IowaCare"

IowaCare seeks to reform Medicaid in the state. Important LTC features include higher level-of-care eligibility standards for nursing home care, case management for individuals at risk of nursing home care, and consumer direction with credit unions providing financial services.

A central component of the original legislation called for higher level-of-care standards for entry into nursing homes while maintaining the current level-of-care standard for HCBS, thus encouraging expansion of HCBS. The state had not been able to implement this provision, however, as of spring 2008, although officials were still reviewing strategies to achieve that result. The legislation also requires the state to target individuals at imminent risk for institutionalization, which includes case management services for potential HCBS clients. The Iowa Department of Elder Affairs implemented case management as a service under the Elderly Waiver program in October 2006.

Another feature of the legislation promotes consumer choice by allowing waiver participants to choose whether they wish to self-direct their services. The Consumer Choice option became available in December 2006, initially to Elderly Waiver participants in a 12-county north central area of the state, with statewide coverage in 2007. An innovative feature of the option is the use of credit unions to provide financial services; specifically, the credit unions pay for goods and services on behalf of the participants.

Other Developments

Systems Transformation Grant. Iowa received a \$2.3 million federal Real Choice Systems Transformation grant in 2005, which the state proposed using to provide financial and technical support for implementation of the balancing provisions of the IowaCare Act. The grant, which provides funding for planning, analysis, and policy and program development, is also assisting in the development of a statewide database of accessible housing.

Single Point of Entry. The Iowa Department of Elder Affairs, with funding from a federal Aging and Disability Resource Center grant, is leading a multi-agency collaborative to create a "Single Point of Entry to Long Term Care" Web-based information and referral system for Iowans seeking LTC assistance. The collaborative is linking several existing information and referral networks, expanding databases, and ensuring regular updating. "Eligibility calculator" software was being developed to help consumers and professionals determine potential eligibility for a wide range of services.