

Legislative Update, March 21, 2011

House and Senate Health and Human Services Appropriations Bills Move

As the General Assembly's 2011 session passed midpoint, the all-important appropriations bills begin to snake their way through the House and Senate. The bills determine what nursing facility Medicaid providers will receive in return for their efforts to care for Iowa's needy Medicaid elderly population. These include:

HF 469 House Human Services Appropriations bill. The HHS appropriations bill was voted out of Committee March 15th, and is expected to be considered by the full House this week. IAHSA will continue to monitor.



The bill does not raise the provider tax beyond the current 3%, and contains \$11.6 million to fund rebasing which is good news for IAHSA members. DHS estimates the full cost of rebasing to be about \$13.6 million, leaving the state about \$2 million short.

Senate Appropriations Proposal. The Senate proposes to provide funding for DIA to rehire the 10 nursing home inspector positions that were eliminated last month.

Senate Democrats in the Administration and Regulation Appropriations Subcommittee agreed March 15th to use around \$650,000 from the state's Medicaid Fraud Account to pay for the 10 inspectors and two part-time attorneys that assist with the operation.

The Des Moines Register published a number of opinion pieces calling for the rehiring. AARP-Iowa hosted a press conference last week where AARP-Iowa State Director Bruce Koeppel called for the same.

HCBS Reimbursement SF (SF 234). IAHSA supports, and commented at subcommittee to help move this bill out. It's currently in the Senate Appropriations Committee and is still alive as an appropriations bill (which survived the first funnel). The bill ties HCBS reimbursement, which hasn't increased in a number of years, to the SNF market basket index inflation factor.

Assisted Living Program Consumer Protection. One of IAHSA's bills addressing the decertification of assisted living programs, SF 465, passed the House March 14th by a vote of 91-0. The passed version was stripped of language defining any type of a relationship between the housing and services provider, leaving only the consumer protection provisions. It would also require DIA to adopt rules on the voluntary cessation and on related matters including notice to tenants and others, and for monitoring by the tenant advocate. Plus, it would require the tenant advocate to assist tenants to find services if a program does decertify. The bill now goes to the Senate subcommittee.

SF 480 (formerly SF 117) Healthcare Infrastructure. Sen. Jack Hatch's (D-Des Moines) Health Care Reform infrastructure bill. An amended version of this bill still includes a provision closing a CON exclusion for facilities replacing buildings in the same county if no new beds or services are added. The bill contains a number of other broad initiatives, including creation of a health policy office to help maintain healthcare infrastructure and workforce; calls for a strategic plan to evaluate trends and develop a Healthy Iowa initiative, and sets up a pilot program for accountable care organizations, among other provisions.

The bill is on the Senate calendar. IAHSA will continue to monitor, especially the CON language, which we oppose.

SSB 1184 Long Term Care Ombudsman. Establishes the State Office of the Ombudsman as a distinct unit attached to the Department on Aging. Also specifies duties of an advisory committee to ensure autonomy; review and provide comment on complaint investigations, and other duties.

The bill passed the Senate March 14th 48-0 and is now in the House Human Resources Subcommittee.

Quality Improvement Initiative Grants to be awarded July 1. DHS has finalized rules laying out the process for Medicaid-enrolled nursing facilities to apply for Quality Improvement Initiative Grants.

The grants will be awarded from the \$3.5 million in fines assessed on Iowa nursing facilities that is currently sitting in escrow. IME and CMS will approve grant proposals.

IME plans to award grants on July 1, 2011 and is currently developing a grant application that it will send (along with an informational letter) to nursing providers. The grant application deadline is April 30th; however, IME says it will likely extend the deadline to May 15th.

Thereafter, the grant application submission window will be Feb. 1 to April 30 of the year in which the grants will be awarded, with July 1 as the award date. IAHSA members with Medicaid-enroll nursing facilities will want to be thinking about projects eligible for the grants.

- Grants must be made on behalf of a facility or group of facilities.
- Prove the facility is capable of carrying out the project.

- Does not have any pending enforcement actions threatening closure, or sanctions from IME or CMS; or outstanding or unresolved Class I violations.
- Grants are to be used only for projects outside the normal scope of operations and cannot be used as replacement funding for goods and services the provider already offers.
- Be able to identify areas for improvement (e.g. staff education not currently available) and show the initiative will be able to improve the quality of life or quality of care of nursing facility residents.
- Duration of three years or less, can be extended if there's a collaborative effort between stakeholders and government.

Ineligible uses

- General operations and/or administrative salaries.
- Capital improvements or construction projects that increase square footage or assessed value.
- Facility maintenance activities.
- Goods or services which the applicant is already obligated to pay.
- Vendor payments or payroll that is part of a facility's normal operations; travel, bonuses or other direct employee benefits.
- Costs already included in a facility's cost report.

Assisted Living Waiver (HF 317). Although not a product of the 2011 session, this proposal could have had an impact on a number of IAHSA members offering affordable assisted living through the CDAC/Elderly Waiver. Originally passed during the 2009 session, HF 317 directed DHS to request a waiver from CMS to add assisted living services to the HCBS waiver for the elderly under the medical assistance program. The waiver would have been available for assisted living programs as an option for low- to moderate-income Medicaid-eligibles and offer 24-hour supervision as a reimbursable expense.

As a workgroup labored to draft rules, it became apparent the program would not only reduce reimbursement for many providers it would also increase their documentation and reporting requirements. IAHSA commented to the Administrative Rules Review Committee, which agreed. DHS then said it would rescind the rules. A notice of termination was in the most recent Iowa Administrative Bulletin.

IAHSA will continue to work with stakeholders on proposals to help increase the availability of affordable assisted living, and to allow aging in place for tenants choosing this option as an alternative to NF placement. Inadequate reimbursement remains the major hurdle.

Important Upcoming Dates

April 1st—Second Funnel. This is when Senate bills must be reported out of House committees and vice-versa, or be dead for the session.

April 11th-13th LeadingAge Future of Aging Conference, Washington, D.C. IAHSA Congressional visits.



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April 29th—Per diem expenses end, adjournment for Iowa General Assembly.

May 5th & 6th—Spring Conference with Legislative Update. Followed by member visits to garner input on legislative initiatives for the 2012 session.