Background
Iowa’s hospitals are vital to meeting the health care needs of the communities they serve by providing a wide range of acute care and diagnostic services, supporting public health needs and offering many other community services, including financial assistance to promote the health and well-being of the community.

While many of these services are also delivered by other health care providers, three things make the role of hospitals unique: 24/7 access to care; caring for all patients who seek emergency care, regardless of ability to pay; and ensuring that staff and facilities are prepared to care for victims of large-scale accidents, natural disasters, epidemics and terrorist actions.

Iowa’s hospitals are an asset to our communities and regions. They provide communities with easy access to a broad spectrum of essential health care services, such as primary care, surgery, laboratory services, emergency care, mental health services, hospice and diagnostic technology. Hospitals are also among the largest employers in their communities and for the state as a whole.

Position:

1. The General Assembly should expand and support programs that assist in recruiting and retaining health care professionals in Iowa.

2. The General Assembly should maintain the Certificate of Need process to ensure that Iowa’s health care system remains high quality, sustainable, and efficient.

3. The General Assembly should remove construction bidding mandates for public hospital construction projects that are NOT financed with public funds.

Iowa Hospital Facts

- Iowa has 118 hospitals across the state
- Iowa hospitals employ 74,000 people and create an additional 57,000 jobs
- The economic impact in Iowa’s health care industry totals $7.1 billion dollars
- In 2017 Iowa hospitals cared for 1.7 million patients with 39,000 babies being delivered
Action Needed

Hospital Workforce

The General Assembly should expand and support programs that assist in recruiting and retaining health care professionals in Iowa.

Across Iowa, hospitals face health care workforce shortages. The Bureau of Labor Statistics estimates by 2022 there will be over one million job openings for nurses in the United States. This statistic is especially concerning considering registered nurses are within the top five occupations in Iowa categorized as high-demand. And nursing is not the only health care occupation facing a shortage in Iowa. Across occupations, skill sets, and pay grades, hospitals are struggling to hire and keep medical professionals. Iowa should make every effort to ensure hospitals have the resources they need to pay competitive wages and attract high-quality candidates for employment. This can be done by investing in workforce initiatives that provide incentives to Iowa health care professionals, loosening current restrictions that prohibit health care professionals from staying engaged in the workforce, and bolstering telehealth opportunities in Iowa.

STATE WORKFORCE INITIATIVES - There are several programs that exist within Iowa to foster and develop Iowa’s health care workforce. These programs include loan repayment programs that assist in reducing student loan debt, Future Ready Iowa’s initiative to develop more nurses, the federal Conrad State 30 J-1 Waiver Program that sponsors international medical graduates, and the Medical Residency Training Account that provides matching grants for medical residency training.

All of these resources are valuable, but there is not currently a coordinated effort to assess and evaluate these programs and how they can be further leveraged to ensure a robust recruitment and retention program in Iowa. Programs that demonstrate improved recruitment and retention should be further developed and funded by Iowa’s General Assembly.

J-1 WAIVER PROGRAM – Physician shortages across the country are also being recognized by the federal government. To help address these shortages, the Conrad State 30 J-1 Waiver Program was created. This program allows each state’s department of health to sponsor up to 30 international medical graduates each year for waiver of the two-year home residency requirement if they serve in federally designated shortage areas.

As it stands now, Iowa prioritizes primary care physicians in the J-1 Waiver Program and requires physicians with sub-specialty training show that their services are essential to the unmet health care needs of the underserved in Iowa in order to be considered. The General Assembly should direct the Department of Public Health to work with the federal program to recognize and prioritize specialty providers that can serve an unmet community need.

Though each state is eligible to sponsor up to 30 medical graduates, some states do not fill each of their slots. This results in unused physician slots in some areas when there is a need for more slots in others areas. The General Assembly should direct the Department of Public Health to seek ways to allow the slots that are not used by some states to be distributed to states, like Iowa, who have greater need.
IPERS – Health care professionals who are IPERS covered and want to remain in Iowa’s health care workforce currently face regulatory prohibitions that create barriers to continued contributions to the workforce. State law mandates that an employee who retires from an IPERS-covered workplace cannot return to that workplace, even part-time, within four months of their retirement without compromising their IPERS retirement distribution. Furthermore, Iowa law mandates a $30,000 annual salary cap upon reemployment, a threshold that has not been increased since 2002.

These mandates keep nurses, physicians, psychiatrists and other skilled professionals from continuing to serve within their community upon retirement. An exemption from the waiting period was previously granted, but this exemption has since been repealed. Exemptions to the mandatory waiting period and salary cap should be granted for medical professionals who wish to continue to serve Iowa community hospitals.

TELEHEALTH – Telehealth technology can assist with health care workforce shortages in many ways. Telehealth can enable a quicker diagnosis, increase access to specialty care, and decrease patient travel time. Legislation that supports the growth of and access to telehealth services will provide relief in workforce shortage areas and should be supported by Iowa’s General Assembly. Reimbursement policy must recognize the substantial initial capital investment required to successfully deploy telehealth services and providers should be afforded a technology adoption payment to recoup the initial costs. Ongoing payments rates for telehealth services should not be set below current reimbursement rates paid for equivalent treatment of similar services delivered in-person to incent adoption of telehealth and ensure that providers receive adequate compensation for provided care.

Certificate of Need (CON)

The General Assembly should maintain the Certificate of Need process to ensure that Iowa’s health care system remains high quality, sustainable, and efficient.

Iowa maintains state oversight of institutional health care services (hospitals, nursing homes, ambulatory surgical centers, etc.) under Iowa’s Certificate of Need (CON) process. Thirty-five states including Iowa have some form of operational CON laws.

The CON process requires health care providers to demonstrate that a true community need exists prior to establishing certain new facilities, new services, or purchasing high dollar equipment. States that have abandoned CON laws have experienced a surge in the establishment of for-profit health care enterprises.

These organizations rarely provide 24-hour emergency care and charity care services, instead focusing on only those procedures that provide the highest profit, leaving all other care to the local community hospital.

Removal of CON would put Iowa’s existing hospitals and community services at risk, jeopardizing their continued existence and the thousands of jobs they provide in their communities, especially rural communities.
Public Construction Bidding

The General Assembly should remove construction bidding mandates for public hospital construction projects that are NOT financed with public funds.

Iowa’s public hospitals are distinguishable from all other public bodies. Unlike most government entities that are fully funded through government funding, Iowa’s public hospitals utilize minimal tax appropriations in their overall budget.

Public hospitals are currently prohibited from utilizing alternative project delivery methods in construction projects. Such arrangements are commonly used in the private sector, where they have proven to be cost-effective and more efficient than traditional sealed bid contracting methodologies. Traditional public contracting is also both administratively cumbersome and expensive, failing to account for current construction practices. Because public hospitals receive the majority of their financing from non-tax revenues, they should be allowed to utilize the same construction methodologies as their private not-for-profit peers.