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Governor’s Proposed Budget Cuts Housing, Health Care for Vulnerable Populations, Older Adults

Long-Term Care advocates raise alarm following attempted claw back of Medicaid funding allocated by the 2025 Legislature

Governor Ferguson’s Proposed Supplemental Budget reduces Medicaid funding for skilled nursing and assisted living

Olympia, WA - Following the release today of Governor Ferguson’s proposed Supplemental Budget, long-term care advocates raised the alarm that the governor’s proposed cuts to Medicaid reverse investments made by the 2025 Legislature to protect health care and housing for older adults and other vulnerable populations in Washington State. Specifically, the 2025 Legislature aligned Medicaid funding for skilled nursing and assisted living with the cost of providing that care in 2024 – previously, Medicaid funding only reflected 2022 costs, well behind record inflation for goods, caregiver wage increases and other higher costs for providing care. Governor Ferguson is today proposing that care providers in 2026 rely on Medicaid support that is calculated based on 2022 costs – the proposed cut represents \$147,684,000 in Medicaid reductions when the lost federal match is taken into account.

“A budget is an illustration of choices, and the picture that Governor Ferguson is choosing to paint of our state is one where significantly more Washingtonians will go without the care they need - especially if they are older, low-income or have behavioral health needs,” said **Carma Matti-Jackson, CEO of the Washington Health Care Association**. “This budget’s attack on our health care system puts our hospitals under increased strain, raises barriers for accessing care in assisted living and skilled nursing,

undermines our state’s ability to maintain a high-quality workforce of caregivers and threatens basic maintenance of long-term care facilities. If we cut funding for assisted living and skilled nursing, we undermine the entire spectrum of health care services in our state as people get stuck in hospitals and overload our emergency services.”

Washington has the 5th highest wages in the nation and we rightfully pride ourselves on progressive laws to protect workers such as paid family leave, paid sick leave, mandatory minimum wages and minimum salary thresholds that grow wages every year. These are the right things to do. Unfortunately, as our state continues its failure to invest Medicaid funding for skilled nursing facilities or assisted living, policymakers are pretending that they can place an order but skip out on the bill.

The proposal to decrease Medicaid support for assisted living and skilled nursing comes at a time of dramatically increasing need for long-term care services. Today, 16% of Washingtonians are 65 or older. By 2050, this population will double to 23% of all state residents – that’s more than half the entire population of the Seattle Metropolitan Region today. The number of Washingtonians 85 or older will increase much faster, quadrupling by 2050 – fueled by the aging Baby Boomer generation, these older adults especially rely on skilled nursing for care.

Facts on Assisted Living

Assisted Living provides 24/7 supervision that includes housekeeping, daily personal care, intermittent nursing, medication assistance, social activities, transportation support and meals. Those in Assisted Living often live in private apartments. Older adults in Assisted Living are:

- 30% are 74-84 years old, 55% are 85+
- 85% require medication assistance (avg. of 12-15 daily medications)
- 54% have Alzheimer’s/dementia
- 72% identify as female

- 18.8% rely on Medicaid (access is low due to insufficient state investment in Medicaid)
 - Private pay rates are increasing in order to subsidize low state Medicaid investments

Facts on Skilled Nursing Facilities

Skilled Nursing Facilities provide post-surgery therapies, transportation for on-going treatments (e.g. chemotherapy, dialysis), care for intense needs related to chronic medical treatment, diet (liquid, soft, tube), complex wound care, bowel/bladder programs, oxygen therapies and condition management (e.g. cancer, kidney failure, tracheotomy). Adults in Skilled Nursing Facilities are:

- 77 years old, on average
- 59% have moderate/high cognitive impairment, 42% diagnosed with Alzheimer's/dementia
- 32% are obese, 85% are bladder incontinent, 70% are bowel incontinent, 75% have hypertension and 28% have congestive heart failure
- 17% are bedfast
- 7,800 residents rely on Medicaid

About Washington Health Care Association (WHCA)

Washington Health Care Association is a nonprofit professional association for the long-term care community in Washington, and represents 400 assisted living and 158 skilled nursing providers. In partnership with these member facilities and business partners, WHCA promotes and advocates for healthy, affordable, and ethical long-term care at the state and federal levels. For more information, visit whca.org.

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