



Long-Term Care Issues in Brief

2025 Legislative Session

WASHINGTON ASSISTED LIVING RATES

Background

Assisted Living Facility (ALF) Medicaid rates in Washington State are critically underfunded, with current levels falling substantially below the benchmarked rates established by the Aging and Long-Term Support Administration (AL TSA) to cover actual labor and operational costs.

This funding shortfall has persisted since 2018, when the Legislature established a data-driven payment system to capture actual care costs. Currently, the labor component of the assisted living rates only covers 82% of costs. Operations costs, including costs for staff training and development, insurance, and essential supplies, including nursing, laundry, housekeeping, and laundry supplies, are only funded at 68 percent. As a result, assisted living providers face mounting financial strain, making it increasingly challenging to sustain operations, compete for workers, and increase and improve worker wages.

The funding disparity is stark compared to other residential settings providing long-term care services. ALFs receive a significantly lower percentage of estimated costs, putting them at a disadvantage despite serving a population with complex needs, including individuals requiring memory care or other specialized services, including behavioral health care. This inequity undermines the financial stability of ALFs and risks reducing access to care for vulnerable populations who rely on these facilities.

BENEFITS

Investment in Sustainable Care

Increased funding ensures the financial stability of ALFs, prevents closures, and maintains access to care.

Workforce Retention and Recruitment

Competitive wages and improved working conditions will attract and retain qualified caregivers, addressing the workforce crisis.

Equitable Access to Care

Increased Medicaid funding expands access to services for Medicaid recipients, especially in underserved areas.

SOLUTION: Increase in Medicaid Reimbursement Rates

Without immediate action to address this funding gap, the viability of ALF providers is at risk, leading to closures, an inability to compete for labor, and a reduction in care options for Washington's low-income citizens who require care and support.

Support the DSHS and Governor's budget recommendations for funding to **increase labor funding to 95 percent of benchmarked costs and increase operations funding to 75 percent**. These are dollars invested in the workforce and in meaningful and important support, including 24/7 supervision, activities, limited nursing care, coordination of health care services, medication assistance, and assistance with the most intimate and essential personal care. It is an important and valuable investment.

**For additional information,
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