

March 17, 2025

Members of the Washington State Legislature:

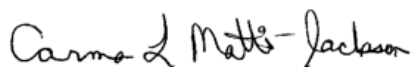
I am reaching out today on behalf of the Washington Health Care Association and our 155 skilled nursing and 401 assisted living provider members. Our members employ over 50,000 workers who provide crucial long-term care services and supports to citizens throughout Washington state. Our members are a vital part of the health care system.

Washington Health Care Association fully recognizes the difficult job ahead of you over the next few weeks. As you engage in the task of choosing line items for your committee budget, WHCA offers its member priorities for your consideration:

- **Washington's per resident staffing mandates in skilled nursing facilities are impossible to meet if rates are not rebased to coincide with wage growth.** Data shows that 76% of Medicaid dollars in skilled nursing facilities are spent on labor. Providers are already challenged in 2025 to compete for staff because Medicaid pays at 2022 costs for labor. Reductions in access are inevitable and providers with high Medicaid occupancy are at risk when rebases are delayed.
- **WHCA offers a solution-oriented proposal to build an adjustment factor into the skilled nursing facility payment law.** It would allow the legislature to dampen or increase funding levels through a simple budget proviso rather than requiring statutory amendments. The proposal includes an annual rebase and fixes issues related to funding clawbacks at the carryforward level due to the expiration of time-limited budget amendments on permanent statutes.
- **To maintain parity with the adult family home collective bargaining agreement, the assisted living Medicaid rate must be funded at 95% of the benchmarked costs.** The statutory rebase in FY27 for assisted living is essential and would at least bring rates to 82% of 2024 wages. Medicaid access to assisted living is threatened when adult family homes have significantly higher rates for the same exact clients. All long-term care sectors compete for the same pool of workers. Assisted living is currently reimbursed at 82% of Bureau of Labor Statistic's reported wages from 2022 while adult family homes are funded at 95%.
- **There are 55 assisted living providers that operate almost solely on Medicaid revenues.** The 2024 legislature provided temporary "bridge funding" to subsidize the Medicaid shortfall for these providers. If base rates are raised to 95% of the model, the bridge is not needed. Anything less than that requires a bridge to be reinstated or many of these providers are at high risk of going out of business. These 55 providers are a place of last resort, particularly for residents with behavioral health complexities.
- **Any increase in fees or taxes needs a Medicaid rate add-on to keep providers whole to currently funded levels.**
- **We are particularly concerned with any layering impacts that potential federal Medicaid modifications may have on our sectors.**

Thank you much for your public service. We recognize this is a very difficult job and appreciate the Legislature's effort to watch over our seniors by investing in sustainable care.

Sincerely,



Carma Matti-Jackson, President/CEO  
Washington Health Care Association