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## Long-term care advocates fight for cash, not cuts

The Washington Health Care Association, representing providers at roughly 160 skilled nursing and 400 assisted living facilities throughout the state, raised the alarm about the House's proposal to delay planned spending increases to long-term care programs while saluting the Senate's plan to preserve them.

The biggest concerns among long-term care advocates are delayed increases to the Medicaid reimbursement rates at skilled nursing facilities and postponed pay increases for providers at assisted living facilities until the next biennium. The Senate version of the budget would spend about \$100M more to preserve those increases.

Carma Matti-Jackson, president of the Washington Health Care Association, said if the House version of the budget is adopted, Medicaid rates would remain outdated and skilled nursing facilities, which offer the highest level of intervention on the long-term care continuum, could struggle to stay afloat. Skilled nursing facility closures, particularly among those who serve Medicaid patients, could cause a ripple effect throughout the health system, impacting hospital occupancy, wait times, and more, she said.

Meanwhile, assisted living facilities, which offer 24/7 access to services such as transportation, housekeeping, personal care, medication management, etc., may face staffing struggles if provider wages fail to stay competitive in the labor market. An assisted living workforce shortage could reduce access to this form of long-term care.

The situation just got even dicier with Gov. Bob Ferguson's [opposition to a large wealth tax](#), which could force lawmakers to make deeper cuts.

### Nursing home advocates warn closures could follow spending delays

If the House's long-term care plan were enacted, Medicaid reimbursement for skilled nursing facilities would be [stuck at 2022 levels](#) until the next biennium, despite a [law on the books since 2016](#) that mandates Medicaid rates be updated every two years based on the most recently available cost data. The routine cost evaluation and rate increase correspond to legislation that set [mandatory minimums on staffing](#) for skilled nursing homes. The [February 2025](#)

[forecast](#) predicted that the number of Medicaid-eligible patients using nursing homes could reach about 7,877 this month.

When the state fails to align Medicaid reimbursement to the true cost of care, facilities shutter, workforce shortages are exacerbated, and access to care diminishes, the association wrote in a letter addressed to House Appropriations Chair Timm Ormsby, D-Spokane, also signed by LeadingAge Washington and SEIU 775, which represents some nursing home workers. The health system strain hits hospitals, too, where patients ready to be discharged continue filling hospital beds as they wait for spots in nursing homes, which is typically where hospitalized patients who still require long-term medical care are discharged.

The House's operating budget proposal aligned with Ferguson's budget, which also postponed the increases. The Senate would keep the statute intact and update the Medicaid reimbursement rate for nursing homes to align with the 2024 cost data.

If the state's goal is to cut spending in the upcoming biennium to backfill the \$15 billion deficit in the four-year budget outlook, delaying planned increases for Medicaid patients at skilled nursing facilities does little to impact the next four years, Matti-Jackson said.

In terms of state general fund dollars for the 2025-27 biennium, the difference between the House and Senate budget proposals is about \$11-12M, the operating budget shows. When it comes to Medicaid, state investment drives federal investment, unlocking matching dollars. By omitting the \$11-12M from the House operating budget, nursing home operators would lose out on about \$23M, including the federal match dollars, in the upcoming biennium.

During the House floor debate on the budget last week, Rep. Michelle Caldier, R-Gig Harbor, introduced an [amendment to reinstate the \\$11-12M](#) to cover the Medicaid rebase for skilled nursing homes, but it was not adopted.

### **Assisted living is left behind, advocates say**

The House budget also proposed [changing existing statutes](#) to postpone a pay increase for providers working at assisted living facilities serving 75% or fewer Medicaid patients. The state currently pays for the wages of assisted living providers working at these facilities. The wages are benchmarked at about 82% of the Bureau of Labor Statistics' 2022 wage data. State law says assisted living provider wages must be rebased based on the best available cost and wage data—which is from 2024—every two years. This means assisted living providers with 75% or fewer Medicaid patients are due for a raise from the state in the upcoming fiscal year.

The Senate version of the operating budget invests enough money to pay for a rebase to assisted living providers' wages based on the 2024 wage data from the Bureau of Labor Statistics.

Long-term care providers who have union representation get a different deal from both the House and the Senate budget writers. Both chambers' budgets would fund up to 95% of the base pay for those contracts.

The House budget writers' selective increases to the base pay for some long-term care workers, but not others, could create substantial workforce challenges for the industry. Every long-term care facility hires from the same pool of workers, Matti-Jackson said. Less state money to pay wages for assisted living providers and nursing home workers could lead to a two-tiered system and facility closures.

By delaying the planned pay bump for assisted living providers working at facilities with a 75% or fewer Medicaid payor mix, the House would save the state about \$21M in next year's supplemental budget year. But, assisted living operators would lose out on about \$45M because of the aforementioned federal match issue.

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