



Preserve & Strengthen Skilled Nursing Care in Washington

Washington's Leadership in Skilled Nursing and the Challenges Ahead

Washington is recognized as a national leader in skilled nursing home quality, ranking **#6 in overall quality, #7 in top-rated facilities, and #4 in staffing**. We should be proud of these achievements, but in the face of a rapidly growing older adult population, we cannot take them for granted. These rankings often mask the significant **financial and workforce pressures** threatening the stability of the sector.

Medicaid underfunding in skilled nursing now exceeds \$60 million annually, and reliance on contracted agency staffing has added \$115 million in unreimbursed costs, which are now also subject to state taxation. As demand for skilled nursing grows, the Legislature will play a pivotal role in protecting access to high-quality care. That work begins with maintaining the funding already budgeted to update FY27 Medicaid rates to reflect actual 2024 provider costs.

An Aging Population Will Transform Demand

Washingtonians age 85+, the group most likely to require skilled nursing, will **quadruple by 2050**. That equates to roughly **9,600 additional adults over 85** every year through 2035.

Capacity Must be Preserved and Strengthened

Today, **197 licensed skilled nursing facilities (SNFs)** in the state care for **12,800 residents**, including **7,800 Medicaid beneficiaries**. The sector employs more than 18,000 workers, making it a cornerstone of Washington's healthcare workforce and long-term care infrastructure.

But even as demand accelerates, skilled nursing facilities face systemic funding gaps and ongoing workforce shortages that threaten access to care. Preserving and expanding skilled nursing capacity is essential to ensuring that Washington is prepared for the rapidly growing population of older adults.

High Acuity, High Needs

Washington's skilled nursing residents have some of the highest acuity needs in the healthcare continuum, from post-surgical rehabilitation and wound care to complex chronic conditions such as cancer, kidney failure, and congestive heart failure.



85%

are bladder and/or bowel incontinent

~60%
live with cognitive impairment



~20%
are bedfast

Skilled nursing care not only supports these medically fragile residents – it ensures Washingtonians of all ages can access the care they need by **reducing strain on hospitals and the broader healthcare system**.

Approximately 40,000 patients transition safely from hospitals to skilled nursing facilities each year, providing important relief valve to our health care system as whole.

Who Provides Care in a SNF?

Residents require significant hands-on support from trained clinicians and caregivers every day. Care is delivered primarily by **RNs, LPNs, and CNAs**, who make up **61% of all skilled nursing staff**. Washington maintains some of the strictest staffing standards in the nation, including:

- 24/7 RN coverage
- 3.4 hours per resident per day in mandatory direct-care staffing
- Admission restrictions when staffing minimums cannot be met
- Payment penalties when minimums are not met

Despite meeting these high standards, facilities face serious workforce shortages. Statewide, skilled nursing facilities experience:

- 10.5% RN vacancy rate
- 13.7% LPN vacancy rate

The staffing shortage has escalated overtime costs, pushing Washington above the national average. As facilities compete with hospitals, clinics, and physician offices – which can often offer significantly higher wages – many have been forced to rely on costly agency staffing. This is not a long-term solution and contributes to the structural funding gap.

Protect Access to Medicaid-Funded Long-Term Care

In 2025, the Legislature took important action by funding the July 1, 2026 Medicaid rebase, tying future rates to 2024 audited cost data. This action helps stabilize the sector, but it is not enough to keep pace with rapidly rising wages and workforce pressures.

- Today's Medicaid rates are based on 2022 costs.
- On July 1, 2026, rates will update to 2024 costs – while providers will be paying 2026 wages.
- This holds a persistent gap of \$2 to \$5 per hour for every hour of care delivered to Medicaid residents.
- With 68 million hours of Medicaid care delivered annually, the statewide impact is massive and unsustainable.

Washington needs a long-term policy direction to address these shortfalls and the shrinking access to care as the state enters a period of unprecedented demographic demand – especially in rural areas and high-Medicaid communities.

Why Medicaid Funding is Important

Strong, sustainable Medicaid funding allows Washington's skilled nursing facilities to deliver the level of care residents deserve. When rates keep pace with wages, inflation, and the actual cost of care, facilities are better positioned to:

- Recruit and retain a skilled, stable workforce
- Meet and exceed staffing standards
- Maintain sufficient bed availability in every community
- Continue providing high-quality, person-centered care

Sustainable Medicaid funding policy supports a system where older adults and their families can rely on timely, accessible care—ensuring that every Washingtonian receives the services they need, when they need them.