



FOR IMMEDIATE RELEASE: June 11, 2026

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2026 State Cuts to Medicaid Challenged in Thurston County Superior Court

*Lawsuit Challenges 2026 Budget Provision That Violates Washington State Constitution
and Threatens Access to Care for Vulnerable Washingtonians*

Litigation filed by the Washington Health Care Association and LeadingAge Washington

OLYMPIA – The Washington Health Care Association and LeadingAge Washington yesterday filed a complaint in Thurston County Superior Court alleging that a portion of the recently adopted 2026 Supplemental Operating Budget violates the Washington State Constitution due to substantive changes to the state’s Medicaid reimbursement methodology, silently reducing Medicaid support for those who rely on assisted living health care services by \$44.9 million.

In a joint letter shared with legislative leaders, Carma Matti-Jackson (President & CEO of the Washington Health Care Association) and Glen Melin (President & CEO of LeadingAge Washington), wrote that:

“Washington’s long-term care system serves thousands of Medicaid beneficiaries every day - those who rely on Medicaid for care are among the most vulnerable populations in our state who are most likely to confront devastating affordability challenges for their health care and housing. The Legislature has concluded that stable and transparent reimbursement policies are ‘critical’ to maintaining access to care, attracting and retaining high-quality caregivers, and ensuring assisted living providers can continue meeting the needs of an aging population that is growing and will continue to grow exponentially over the coming years as the Baby Boomer generation ages.”

Matti-Jackson and Melin continued:

“As the statewide associations representing assisted living providers, skilled nursing facilities, and other long-term care organizations, we have a responsibility to ensure that the Legislature follows the law. Our members provide care under contracts with the state and rely on predictable and transparent reimbursement methodologies to serve Medicaid beneficiaries effectively.”

Nearly 20% of all assisted living residents rely on Medicaid for their care. The legislature’s action used the budget to substantially change the statutory requirement originally established in law in 2019 that requires DSHS to update historical data to no less than two years prior to the current year. By keeping Medicaid reimbursement tied to outdated 2022 data, additional challenges are created for attracting and retaining high-quality caregivers which further undermines a critical part of the health care spectrum by increasing strain on emergency services and hospitals. This action is harmful to seniors throughout Washington because it reduces access for those on Medicaid and pushes costs up for others because Medicaid knowingly and willingly requires subsidization from other sources.

In a [recent guest column published in *The Olympian*](#) authored by former State Representative Lorraine Hine, a current

assisted living resident in Olympia, wrote:

“Assisted living has given us the dignity of doing daily activities independently in a safe environment — with the confidence that there is help here if we need it. When my husband had a fall last year, we had people we could call to help. When I had a knee replacement a few months ago, I could have meals brought to my room until I could go to the dining room. This individual support available helps us stay out of the hospital. Not only is this in our own personal interest as older adults, it is also in the best interest of the community, putting less stress on already strained hospitals.”

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. Of the older adults in Assisted Living:

- 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
- Nearly 20% rely on Medicaid (access is low due to insufficient state investment in Medicaid)
 - Private pay rates are increasing to subsidize low state Medicaid investments

About Washington Health Care Association

Washington Health Care Association is a nonprofit professional association for the long-term care community in Washington, representing 156 Skilled Nursing and 404 Assisted Living providers statewide. 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, please visit whca.org.

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