



California Association for Health Services at Home

January 6, 2026

The Honorable Governor Gavin Newsom
Members of the Legislature
California State Capitol
Sacramento, CA 95814

RE: Restore the Workforce and Quality Incentive Program for California's Skilled Nursing Facilities in 2026-27 State Budget

Dear Governor Newsom and Members of the Legislature,

On behalf of a broad coalition of skilled nursing patients, families, healthcare workers and providers, **we urge you to restore the Workforce and Quality Incentive Program (WQIP) in the 2026 - 2027 State Budget**, to ensure fair, adequate funding for Skilled Nursing Facility (SNF) patients and their caregivers.

California's more than 1,000 SNFs provide essential **24-hour medical care to over 445,000 of California's most vulnerable patients; 70% of whom rely on Medi-Cal**. Chronic underfunding, however, threatens the sustainability of this care. As the state confronts an ongoing budget deficit, looming federal Medicaid cuts, and upcoming negotiations of a new Medi-Cal rate for skilled nursing care, we urge you to prioritize sustainable funding for SNF patients and caregivers.

In July 2025, state budget cuts led to a \$300 million reduction in WQIP funds, slashing critical resources that support **high-quality care hundreds of thousands of skilled nursing patients and their families depend on**.

WQIP is a performance-based program that rewards SNFs for improving care quality, advancing health equity, and investing in their workforce — **and it has delivered results**. According to the Centers for Medicare and Medicaid Services, California ranks among the top four states in ten separate nursing home quality performance categories.

Restoring WQIP funding will directly **support SNF patients** by ensuring access to comprehensive medical, including physical, occupational and speech therapy, medication management, rehabilitation, nutrition and dietary care and end-of-life and palliative care. It will also help ensure SNFs have the staff and resources to care for those patients that need to transition and be discharged out of hospitals and emergency rooms to appropriate post-acute care settings, **reducing hospital overcrowding and saving the healthcare system billions of dollars**.

Additionally, WQIP funding will help **strengthen workforce recruitment and development** for the more than 100,000 SNF caregivers, including advanced practice and registered nurses, licensed practical nurses, certified nursing assistants, physicians, therapists, behavioral health specialists and medical directors who provide specialized medical care to SNF patients. By supporting competitive wages and training programs, WQIP helps SNFs attract and retain qualified medical professionals. Without this funding, SNFs **risk staffing shortages, reduced services and potential facility closures**.

As California's population ages and demand increases for skilled nursing care, vulnerable patients and their caregivers must be prioritized. We urge you to restore WQIP funding in the 2026-2027 State Budget to preserve access to skilled nursing medical care for California's most vulnerable patients.

Sincerely,

California Association of Health Facilities
Alzheimer's Association
American Health Care Association
Association of California Healthcare Districts
California Association for Health Services at Home
California Association for Long Term Care Medicine
California Advocates for Nursing Home Reform
California Association of Nurse Practitioners
California Hospice and Palliative Care Association
California Medical Transportation Association
California Physical Therapy Association
La Clínica de la Raza
LeadingAge California
National Association of Director of Nursing Administration in Long Term Care
Occupational Therapy Association of California