



May 18, 2026

Members of the Legislature
California State Capitol
Sacramento, CA 95814

RE: Restore Funding for Quality Care & Workforce Investments at Skilled Nursing Facilities in 2026-27 State Budget

Dear 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 Skilled Nursing Facility Medi-Cal Workforce and Quality Incentive Program (WQIP) that was omitted in the Governor’s May Revision budget proposal**, to ensure fair, adequate funding for Skilled Nursing Facility (SNF) patients and their caregivers. Omitting this critical program from the Governor’s proposal is a signal the state is leaving behind its most vulnerable patients who require around-the-clock medical care.

California’s more than 1,000 SNFs are a lifeline for families, providing essential **24-hour medical care to nearly a half million of California’s most vulnerable patients, the majority of whom rely on Medi-Cal or Medicare**. Despite their essential role, chronic underfunding by the state — driven by the state’s inadequate Medi-Cal reimbursement rate — jeopardizes the availability of skilled nursing care for

hundreds of thousands of patients. As the state confronts an ongoing budget deficit, looming federal Medicaid cuts, the coming 'Silver Tsunami' 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 care, 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 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.

While we recognize the state is facing budget constraints, removing this funding is a short-sighted attempt at a "fix" that will have more long-term costs hurting California's patients and families in the form of longer hospital stays, delays in hospital discharge and impacts to our critical healthcare workforce.

As Medi-Cal rate reform is developed it is essential that the WQIP be restored as a bridge to reform to ensure skilled nursing facility patients receive the care they need. We urge your support for fair and adequate funding for SNFs to preserve access to high-quality care for our most vulnerable patients. Without this critical funding, SNFs risk staffing shortages, reduced patient services, and potential facility closures, threatening access to care for our most vulnerable patients.

Sincerely,

Cassie Dunham, President & CEO
California Association of Health Facilities

Andrew Mendoza, Director of State Affairs
Alzheimer's Association

Cathy Martin, Chief Executive Officer
Association of California Healthcare Districts

Mark Prifogle, Chairman of the Board
American College of Health Care Administrators

Clif Porter, Chief Executive Officer
American Health Care Association

Danielle Parsons, Vice President of Government Affairs
California Assisted Living Association

Mary Lesser, Vice President of Public Policy
California Academy of Nutrition and Dietetics

Soua Vang, President & CEO
California Association for Health Services at Home

Ashkan Javaheri, MD, President
California Association for Long Term Care Medicine

Marat Sheynkman, Executive Director
California Medical Transportation Association

Oscar Gallardo, President
California Physical Therapy Association

Robin Arnicar, President
National Association of Director of Nursing Administration in Long Term Care

Dr. Samia Rafeedie, President
Karen Polastri, Executive Director
Occupational Therapy Association of California

Brian Rutledge, Executive Director
California Association for Adult Day Services

Aimee Paulson, DNP, President
California Association of Nurse Practitioners

Sheila Clark, President & CEO
California Hospice and Palliative Care Association

Jane Garcia, Chief Executive Officer
La Clínica de la Raza

Amber King, Vice President of Legislative Affairs
LeadingAge California

Holly Macriss, Executive Director
Osteopathic Physicians and Surgeons of California

Jennifer Moore Ballentine, Chief Executive Officer
Coalition for Compassionate Care of California