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May 16, 2025

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CAHF Warns Proposed Budget Cuts Will Undermine Care for California's Most Vulnerable

SACRAMENTO – Governor Newsom's recent proposal to cut Medi-Cal funding for California's 1,200 skilled nursing facilities will have severe and far-reaching consequences on these facilities and the quality of care they provide to our state's elderly and disabled population. The California Association of Health Facilities (CAHF), which represents 900 skilled nursing facilities (SNFs) and 400 intermediate care facilities for the developmentally disabled in the state, is gravely concerned about the impact these drastic cuts will have on patients and long-term care as a whole.

California's skilled nursing services are almost entirely funded by Medi-Cal and Medicare: there is no significant commercial health insurance benefit for this type of care. Medi-Cal beneficiaries receiving long-term SNF services depend on this care and generally do not have other viable care options.

Governor Newsom's proposal to eliminate the Workforce and Quality Incentive Program (WQIP) payments – a crucial funding stream to nursing facilities - will result in reduced admissions, staffing shortages, and possibly facility closures.

"CAHF recognizes the state's fiscal pressures, but targeting the most vulnerable to close the budget gap is unacceptable," said CAHF CEO/President Cassie Dunham. "These cuts will weaken the state's care infrastructure and threaten resident access to needed post-acute care services. Funding for WQIP must be preserved."

Additionally, the governor proposes to eliminate state-funded long-term care benefits for individuals with "unsatisfactory immigration status." This targeted elimination of services leaves a vulnerable subset of the population without safety net care.

Independent owner-operated and rural facilities that lack access to financial resources to maintain operations when faced with unexpected funding reductions will be disproportionately affected. This means that Medi-Cal beneficiaries in those underserved and rural areas may have to be placed in facilities with bed availability outside their home area, potentially isolating them from family and friends.

As demands increase for skilled nursing care due to our growing aging population, CAHF urges state lawmakers to reject the governor's proposal, and protect access to long-term care for our most vulnerable seniors and individuals with disabilities.

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