

**Department of Health Care Services  
Proposed Trailer Bill Language**

**Skilled Nursing Facility Workforce and Quality Incentive Program**

**Fact Sheet**

**Issue Title: Skilled Nursing Facility Workforce and Quality Incentive Program (SNF WQIP).** The Department of Health Care Services (DHCS) proposes to sunset the Skilled Nursing Facility Workforce and Quality Incentive Program earlier from December 31, 2026, to December 31, 2025.

**Background:** The Skilled Nursing Facility (SNF) Workforce & Quality Incentive Program (WQIP) incentivizes SNFs to improve outcomes and invest in workforce. SNF WQIP is authorized by Welfare & Institutions (W&I) Code section 14126.024 (added by Assembly Bill (AB) 186 (Chapter 46, Statutes of 2022)) for dates of service January 1, 2023, through December 31, 2026. SNF WQIP succeeds the former SNF Quality and Accountability Supplemental Payment (QASP) program.

**Justification for Change:** In order to address the State's budget shortfall, DHCS proposes to change the program period from December 31, 2026, to December 31, 2025 (W&I Code sections 14126.024(a) and (b)(2) and section 14126.033(c)(20)(A)(ii)). In addition, DHCS proposes to make the program inoperative on January 1, 2026, except for DHCS to conduct all necessary closeout activities, as specified, and subsequently sunset the section of law on January 1, 2027, or the date that the DHCS Director certifies to the Secretary of State that all necessary closeout activities have been completed, whichever is later (W&I Code section 14126.024(m)).

**Summary of Arguments in Support:**

- The proposal addresses the budget shortfall.