

DATE: July 15, 2025

LTC RATES POLICY LETTER 25-002

TO: FREESTANDING SKILLED NURSING FACILITIES

SUBJECT: CY 2026 WORKFORCE STANDARDS PROGRAM OPT-IN PROCESS

PURPOSE:

This Long-Term Care (LTC) Policy Letter implements the opt-in process for the Skilled Nursing Facility (SNF) Workforce Standards Program (WSP) for calendar year (CY) 2026.

BACKGROUND:

Assembly Bill (AB) 186 (Chapter 42, Statutes of 2022) amended the Medi-Cal Long-Term Care Reimbursement Act to authorize the WSP for Freestanding SNFs Level-B and Adult Freestanding Subacute Facilities Level-B. The WSP will provide an enhanced Medi-Cal per diem rate, including a workforce rate adjustment, to facilities that maintain a collective bargaining agreement (CBA), participate in a statewide multi-employer labor management committee (LMC), or meet basic wages and benefit (BWB) standards established by DHCS. The WSP was federally approved in State Plan Amendment (SPA) 24-0004¹ for CY 2024 through CY 2026.

DHCS published the CY 2026 opt-in process on the [WSP Website](#)² on June 2, 2025 and notified facilities subscribed to the AB 186 Email List.

POLICY:

The detailed requirements and rules of the WSP are described in Supplement 6 of Attachment 4.19-D of the California Medicaid State Plan Amendment. Facilities are required to opt-in for each rate year to continue in the program, and facilities that did not participate in a previous rate year may newly opt-in for subsequent rate years. If a facility opted-in for CY 2025, it must opt-in again for CY 2026 to continue to participate in the program. Facilities that choose to participate in the WSP for CY 2026 must submit an opt-in form and all required supplemental documents specified on the [WSP Website](#)³

¹ <https://www.dhcs.ca.gov/SPA/Documents/CA-24-0004-Approval.pdf>

² <https://www.dhcs.ca.gov/services/medi-cal/Pages/FFSRDD-LTC/SNFWSP.aspx>

³ <https://www.dhcs.ca.gov/services/medi-cal/Pages/FFSRDD-LTC/SNFWSP.aspx>



no later than August 1, 2025. Furthermore, facilities must agree to the terms and conditions of the [WSP Opt-In Agreement](#)⁴ that is incorporated into the opt-in form. Please note that the required opt-in documentation varies based on the facility's chosen participation pathway. Please see the [Workforce Standards Form Instructions](#)⁵ for detailed instructions on filling out the required forms and schedules. Facilities that do not opt-into the WSP for CY 2026 will default to the basic per diem rate, without the workforce rate adjustment, for the duration of CY 2026. Please note that the required opt-in documentation varies based on the facility's chosen participation pathway.

Policy Letter Adoption

This Policy Letter supersedes all prior guidance, bulletins, instructions, and regulations issued by DHCS on the matters described herein. DHCS reserves the right to modify, waive, or rescind any provision of this Policy Letter. This Policy Letter is not intended to, and does not, create any rights or benefits, substantive or procedural, enforceable at law or in equity, against the State of California, its agencies, departments, entities, officers, employees, or any other person.

A copy of this Policy Letter is posted on the Medi-Cal Long Term Care Reimbursement website at <https://www.dhcs.ca.gov/services/medi-cal/Pages/LTCRU.aspx>. If you have any questions regarding this Policy Letter, please contact the SNF WSP Inbox at SNFWSP@dhcs.ca.gov.

Sincerely,

ORIGINAL SIGNED BY ADITYA VOLETI

Aditya Voleti, Division Chief
Fee-For-Service Rates Development Division

⁴ <https://www.dhcs.ca.gov/services/medi-cal/Documents/AB186%20Workforce%20Standards/2026-WSP-Opt-In-Agreement.pdf>

⁵ <https://www.dhcs.ca.gov/services/medi-cal/Documents/AB186%20Workforce%20Standards/2026-WSP-Form-Instructions.pdf>