

Health Workforce Policy Environment in Washington

Renee Fullerton, Staff to the Health Workforce Council
June 24, 2026

Seeking signals

In the years since the start of the COVID-19 pandemic, the signal from employers has been exceptionally long vacancies and difficulty recruiting/retaining.



Tracking change, looking for signal

Healthcare sector has led all job growth in WA

- From 2022-24, the health and social assistance sector had the largest job addition of all industries.
- Health care and social assistance also made up the largest industry share with 14.6% of total employment.

Employment growth by industry, Washington state, 2022-2024, 4-Year CAAGR

NAICS Code	Industry Name	Change in employment 2022-2024	Percent change 2022-2024	CAAGR 4-Year Average annual growth rate
0	Total Covered Employment	82,156	2.3%	2.5%
11	Agriculture, forestry, fishing and hunting	(765)	-0.8%	-1.4%
21	Mining, quarrying, and oil and gas extraction	181	9.3%	0.8%
22	Utilities	1,178	6.0%	1.6%
23	Construction	(7,310)	-3.3%	1.5%
31-33	Manufacturing	5,774	2.1%	0.2%
42	Wholesale trade	202	0.1%	1.2%
44-45	Retail trade	(5,154)	-1.5%	-3.5%
48-49	Transportation and warehousing	18,555	12.0%	7.4%
51	Information	(7,831)	-4.5%	2.2%
52	Finance and insurance	(3,120)	-3.2%	-0.1%
53	Real estate and rental and leasing	921	1.5%	2.5%
54	Professional, scientific, and technical services	3,591	1.4%	4.7%
55	Management of companies and enterprises	(2,611)	-2.5%	2.6%
56	Administrative and support and waste management and remediation services	(5,640)	-3.0%	2.7%
62	Health care and social assistance	26,228	5.3%	2.0%
72	Accommodation and food services	11,793	4.3%	6.5%
81	Other services (except public administration)	4,768	4.8%	3.9%
92	Public administration	20,493	11.8%	3.3%

[The Heartbeat of Washington: Healthcare Industry Trends and Workforce Insights, September 26, 2025](#)

Layoffs showing signal or noise?

In 2025, layoff notices from healthcare employers rose

- ❑ ESD reported a large increase in layoff notices across employer types in their annual report; some but not all can be attributed to policy change.
- ❑ Education and healthcare employers filed 20 notices affecting 2,253 workers from Nov. 2024-Nov. 2025. Most were in healthcare.



Employment Security
Received 06/05/25

June 5, 2025

VIA

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Employment Security
Received 08/08/25



Delivered via email and U.S. MAIL

August 8, 2025

Employment Security Department
Grants Management Office

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Employment Security
Received 09/17/25

September 16, 2025

Sent via Email: ESDGPWorkforceInitiatives@ESD.WA.GOV

Employment Security Department
Grants Management Office
Attention: WARN Team
P.O. Box 9046
Olympia, WA 98507-9046

Re: WARN Act Notice

To whom it may concern:

Growth appears to be slowing

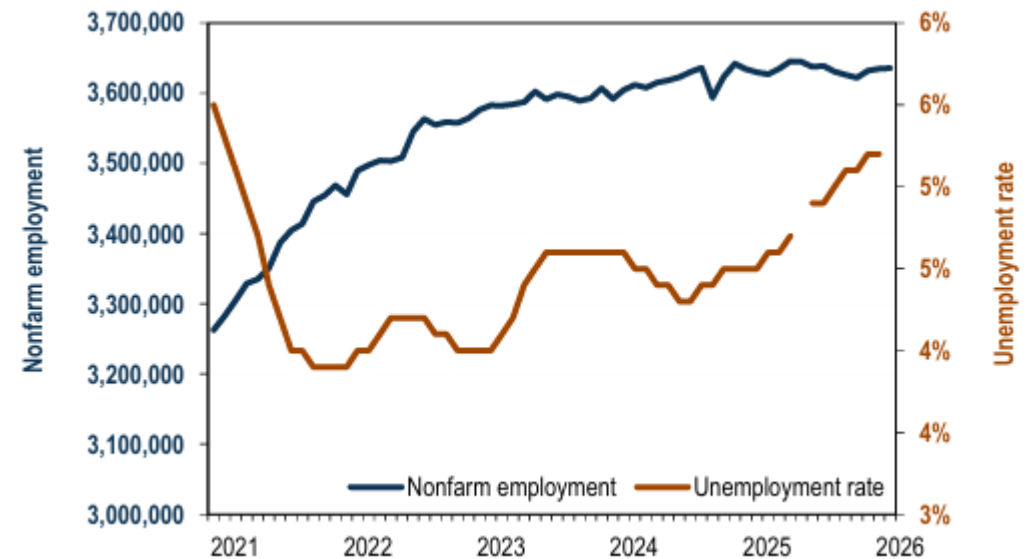
Across the whole economy unemployment is up from 2025

- Washington's May 2026 unemployment rate is 5.2% compared to 4.5% in May 2025.

Reduced growth in healthcare

- The private education and health services supersector dropped to fourth in annual gains (900 or 0.2% year over year) after a long stretch of leading employment growth.

Nonfarm employment and unemployment rates, seasonally adjusted, Washington, Jan. 2021-May 2026



[Monthly Employment Report May 2026](#)

Slowdown in job growth does not mean:

Employers don't need workers

Hiring is easy

Demand has collapsed

The signal from the healthcare sector appears to be changing from the trends of the past few years, however it's most likely that demand is still high.

Employers continue to report shortage

In 2026, employers in Sentinel Network are consistent in their descriptions of hiring needs and reasons for turnover

"Cannot find qualified individuals that want to relocate to the area. Salary expectations are higher than we are able to give." – Behavioral health agency

"Our patients are getting sicker; there are increased need to "prove" medical necessity to access needed services/resources/medications; access to specialty care is getting lesser; and administrative burden is significantly increasing. This is a combination leading to burnout and exit from primary care." – FQHC

The policy environment: Health Workforce Council

Council's role in policy

Health Workforce Council is a longstanding nexus between government, postsecondary education, labor, employer and professional groups

- ❑ Cross-system conversations and partnerships are necessary for the health workforce; this was recognized in the statute that created this body and gave us **our policy charge: annual recommendations to Gov. and Legislature**
- ❑ The Council operates as a convener and policy advisory body with funding support from the Legislature (\$240K/year, staff time and Sentinel Network)

Council's focus shifts as needed

The Council's work has changed over the years in response to the needs of the time

Most recently the Council has focused attention and recommendations on:

- ❑ Addressing postsecondary education affordability
- ❑ Supporting rural health workforce development
- ❑ Improving data collection from the credentialed health workforce
- ❑ Highlighting the need for childcare, affordable housing, and transportation.

The policy environment: Other Washington efforts

2026 has new policy energy

HR1 passed in 2025 and created the CMS Rural Health Transformation Program

Washington was awarded \$181 million, potentially additional similar amounts awarded over the next four years.

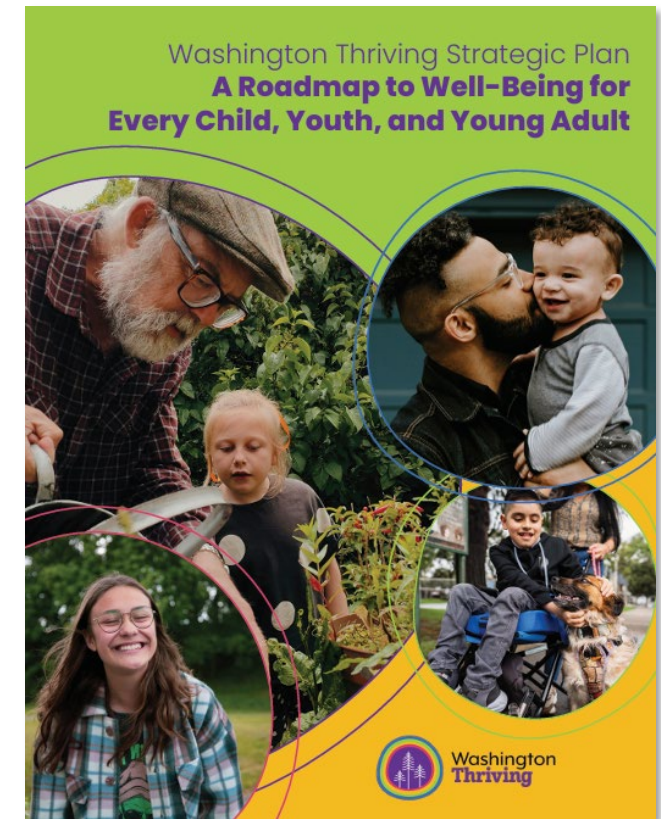
- ❑ Efforts are centered at HCA, DOH, and DSHS.
- ❑ RHTP has an advisory committee that will help prioritizes projects and funding.
- ❑ DOH will flow out significant dollars to support rural health workforce development.

2026 has new policy energy

Behavioral health strategic plan adopted by Legislature, implementation begins

“Washington Thriving” is a prenatal-to-age-25 behavioral health strategic plan that will guide the development of a system of care.

- ❑ Leadership Council coordinated by Governor’s Office is forming.
- ❑ The plan includes significant workforce development focus as part of initial work.



2026 has new policy energy

OFM is updating the State Health Plan and Resource Strategy

OFM's Health Care Research Center is supporting statewide health planning by identifying and assessing data sources, data gaps, and barriers to accessing data as well as a focus on rural health.

Five Key Objectives



Health systems assessment

Describe statewide and regional population demographics, health status, and health care needs. Identify key policy issues related to access, health outcomes, quality, and cost-effectiveness.



Facilities and providers

Inventory health care facilities and services and assess regional need. Evaluate the infrastructure, workforce, and community resources that support care delivery.



Health care data resources

Identify and assess health care data needed for planning, including existing data sources, data gaps, and barriers to accessing data. Identify opportunities to strengthen community involvement in health planning process.



Emerging trends

Evaluate emerging trends in health care delivery and technology and their potential effects on access, quality, and costs of care.



Rural health resources

Assess health care availability and unmet needs of rural communities, including workforce capacity and barriers to accessing care.

2026 also brings capacity changes

Long-term care workforce development staffing strained

- ❑ Workforce Board lost FTE in 2025 that supported long-term care work; DSHS workforce development team positions are at risk as leadership explores potential funding strategies.

Allied Health Center of Excellence will not continue

- ❑ Legislature ended funding for all Centers of Excellence during the 2026 session. The Allied Health Center of Excellence, a key ground-level connector, will cease operations in July.

New Area Health Education Center forming

- ❑ Whatcom Community College is not continuing sponsorship of AHEC for Western Washington. North Sound ACH plans to partner with Olympic Community of Health ACH as a replacement AHEC host.

2027-29 budget will be challenging

We anticipate additional budget pressure on state-funded work



STATE OF WASHINGTON

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June 5, 2026

TO: Agency Directors

FROM: K.D. Chapman-See
Director

A handwritten signature in black ink, appearing to read "KDC S".

To be direct, there will be significant budget shortfalls next biennium in both operating and transportation budgets. I want to be clear that we do not yet know precisely how significant the shortfalls will be.

Protecting core services in a sustainable and equitable way must be our priority. Simultaneously, we must ensure state government has a solid financial foundation for the long-term. To do this, the realities of our current budget must be continually kept at the forefront while you develop your decision packages.

To be direct, there will be significant budget shortfalls next biennium in both operating and transportation budgets. I want to be clear that we do not yet know precisely how significant the shortfalls will be.

Key contributing factors to our budget challenges include costs for providing essential services that are far outpacing revenue due to inflation, cuts to federal funding, population growth, ongoing economic uncertainty, and court decisions with substantial or long-term funding impacts.

The policy environment: Other forces and factors

Macro forces have strong influence

Demographic aging, declining youth population

- ❑ Washington's population is getting older, increasing demand for healthcare. Our high school graduations are forecast to peak in 2026 and then decline.

Reduced immigration

- ❑ Lower inflows of internationally trained clinicians and immigrants doing care work reduce a historically essential source of workforce supply.

AI and automation pressure

- ❑ Rapid technological change alters administrative burden, care workflows, skill requirements and how educational institutions teach.

Federal funds have delays, uncertainty

Federal health workforce grants have continued, including unexpected awards, but also delayed notices, funding gaps

- ❑ Rural Nursing Education Program benefited from a HRSA grant, while other projects have faced delays and shifts in federal priorities.
- ❑ Federal funding is available but the policy environment moving forward is challenging. Washington is involved in multiple lawsuits challenging federal actions around funding and rules.

Council can influence policy choices

There are many state policy levers potentially open to Council influence via recommendations

- ❑ Licensing/regulation of professions, regulation/funding of educational programs, state-funded incentive programs/supports, planning data, research and evaluation.

Coordination with other policy groups is also high value

- ❑ Workforce conversations happen in many forums. Tracking those efforts, connecting with their staff and coordinating work so efforts aligns adds coherence to sometimes disjointed efforts.



Thank you!

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