



Skilled Nursing Monthly Report

Data through July 2021

<http://www.nic.org/nic-map> | 410-267-0504

National Investment Center for Seniors Housing & Care (NIC)

Key Takeaways

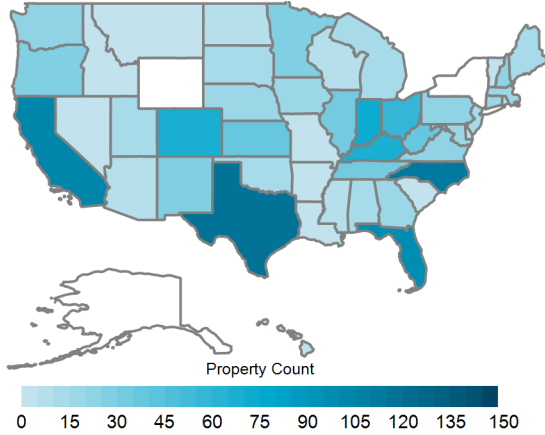
Skilled nursing property occupancy increased for the sixth consecutive month in July, gaining 58 basis points from June to end July at 75.0%. Occupancy is now up 355 basis points from the pandemic low of 71.4% reached in January. Despite the improvement, occupancy remains very low compared to the pre-pandemic February 2020 level of 85.5%. More recently, the Delta variant has challenged the occupancy recovery as some areas of the country have experienced hospital capacity constraints which in turn have caused elective surgeries to slow. This can have a direct impact on skilled nursing occupancy as referrals from hospitals may decline as a result. Staffing is also a challenge as some operators are unable to hire an appropriate number of staff to accept admissions for new patients into their properties.

Medicare revenue per patient day (RPPD) held steady from June to end July 2021 at \$560. However, it has declined throughout the year dropping 1.5% from January 2021 when COVID-19 cases were elevated at skilled nursing properties. During the pandemic there has been support from the federal government to increase Medicare fee-for-service reimbursements for COVID-19 positive patients requiring isolation. RPPD has now declined and one possible reason is lower property-level case counts. Medicare RPPD has decreased 2.2% from the pandemic high set back in June 2020. Medicare revenue mix increased from June to July. However, it has also been trending down since January 2021, dropping 431 basis points to 20.3%. This suggests that, in addition to lower RPPD, utilization of the 3-Day Rule waiver declined as COVID-19 cases declined relative to the month of January. The 3-Day Rule waiver was implemented by Centers for Medicare and Medicaid Services (CMS) to eliminate the need to transfer positive COVID-19 patients back to the hospital to qualify for a Medicare paid skilled nursing stay.

Following four months of decline, Medicaid revenue per patient day (RPPD) increased from June to end July at \$241. Medicaid RPPD was trending downward after hitting a high of \$243 in February this year. However, this latest monthly data shows a 3.7% increase from February 2020, prior to the pandemic. Medicaid reimbursement has increased more than usual as many states embraced measures to increase reimbursement related to COVID-19. On the other hand, covering the cost of care for Medicaid patients is still a major concern as reimbursement does not cover the cost in many states. In addition, nursing home wage growth is elevated, as is inflation measured by the Consumer Price Index, and staffing shortages are a significant challenge in many areas of the country. Expectations are that wage growth will remain elevated as staffing challenges persist with turnover and competition for labor from other industries.

Managed Medicare revenue per patient day (RPPD) declined further in July and was down 4.5% from a year ago. The continued monthly decline in managed Medicare revenue per patient day creates additional challenges to skilled nursing operators during the COVID-19 crisis as the reimbursement differential between Medicare fee-for-service and managed Medicare has accelerated during the pandemic. Medicare fee-for-service RPPD ended July 2021 at \$560 and managed Medicare ended at \$447, representing a time-series record differential of \$113. Pre-pandemic, in February of 2020, the differential was \$95. As Medicare Advantage enrollment now represent 46% of all eligible Medicare beneficiaries, and continues to grow, operators must find ways to adjust such as opening their own insurance plans.

Coverage

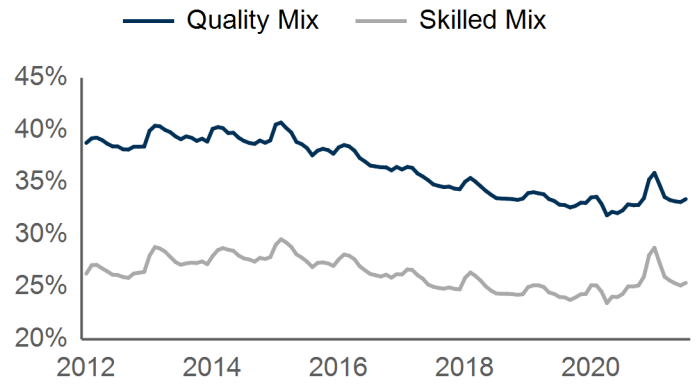
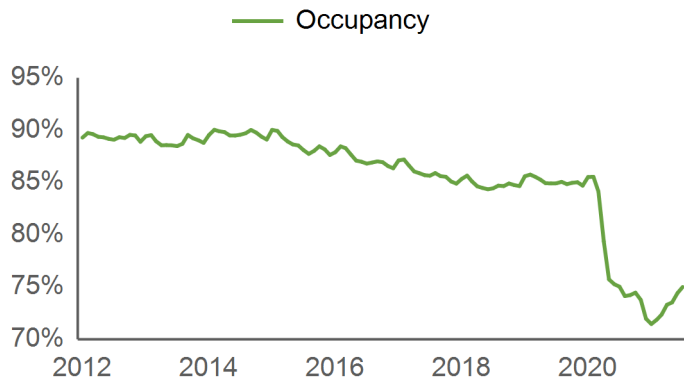


	June	July
States Represented	47	47
Number of Contributors	27	26
Total SNF Properties	1,314	1,289

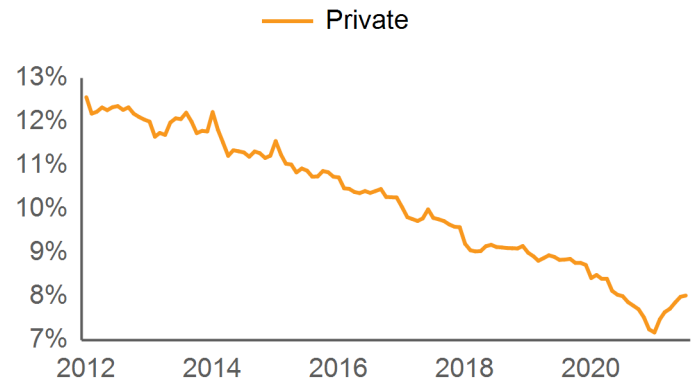
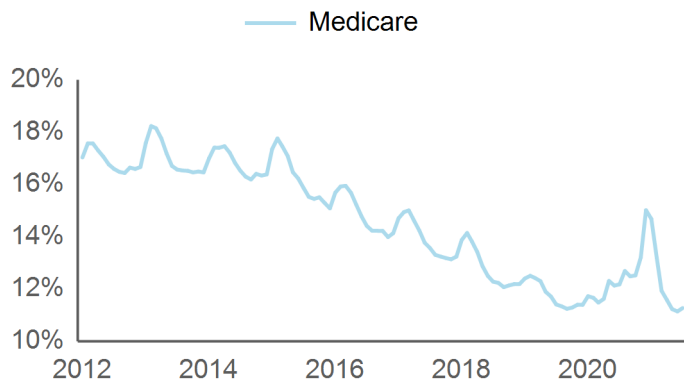
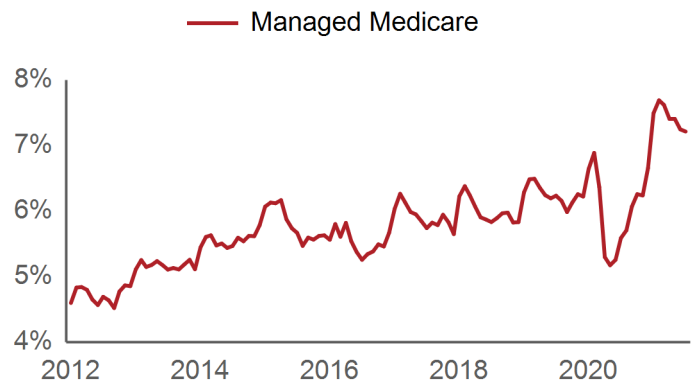
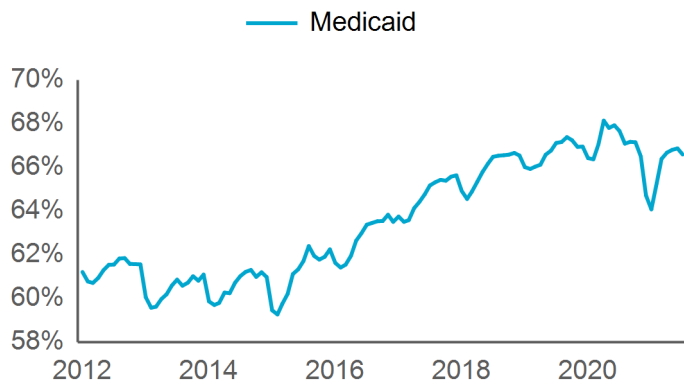
National Key Indicators

	National		Rural		Urban Cluster		Urban Area	
	Current Mo.	Mo./Mo.	Current Mo.	Mo./Mo.	Current Mo.	Mo./Mo.	Current Mo.	Mo./Mo.
Occupancy	75.0%	58 bps	73.6%	11 bps	73.1%	39 bps	75.7%	72 bps
Quality Mix	33.4%	28 bps	35.8%	28 bps	33.6%	-4 bps	33.0%	36 bps
Skilled Mix	25.4%	25 bps	22.1%	9 bps	23.0%	1 bps	26.5%	34 bps
Patient Day Mix								
Medicaid	66.6%	-28 bps	64.2%	-28 bps	66.4%	4 bps	67.0%	-36 bps
Medicare	11.3%	13 bps	10.9%	-26 bps	12.3%	-2 bps	11.1%	24 bps
Managed Medicare	7.2%	-3 bps	4.0%	16 bps	4.5%	-3 bps	8.4%	-7 bps
Private	8.0%	3 bps	13.8%	19 bps	10.5%	-6 bps	6.4%	2 bps
Revenue Per Patient Day								
Medicaid	\$241	0.7%	\$235	0.7%	\$239	0.7%	\$243	0.6%
Medicare	\$560	0.0%	\$557	0.4%	\$567	0.6%	\$558	-0.2%
Managed Medicare	\$447	-0.5%	\$424	-1.7%	\$436	-0.9%	\$450	-0.4%
Private	\$289	0.0%	\$266	-0.2%	\$274	0.0%	\$304	0.1%
Revenue Mix								
Medicaid	50.8%	62 bps	50.4%	53 bps	51.3%	149 bps	50.8%	42 bps
Medicare	20.3%	30 bps	20.4%	-18 bps	22.8%	5 bps	19.7%	44 bps
Managed Medicare	10.1%	-17 bps	5.6%	11 bps	6.2%	-30 bps	11.7%	-19 bps
Private	7.3%	8 bps	12.1%	5 bps	9.2%	-2 bps	6.1%	11 bps

National Trends

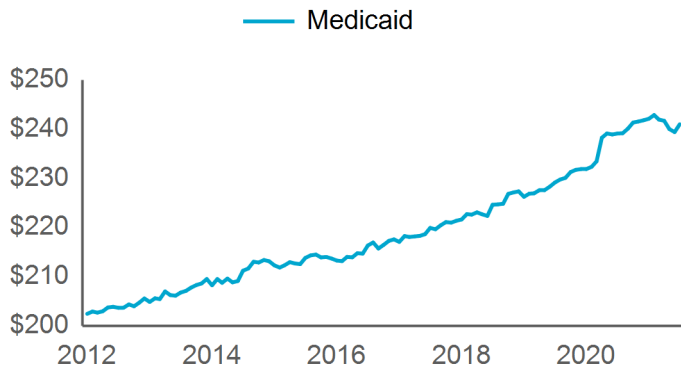


Patient Day Mix

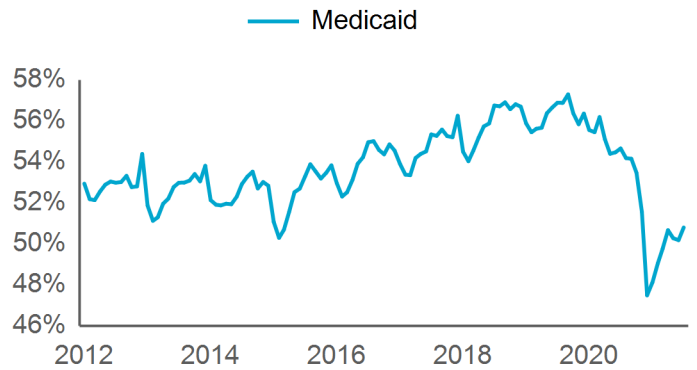


National Trends

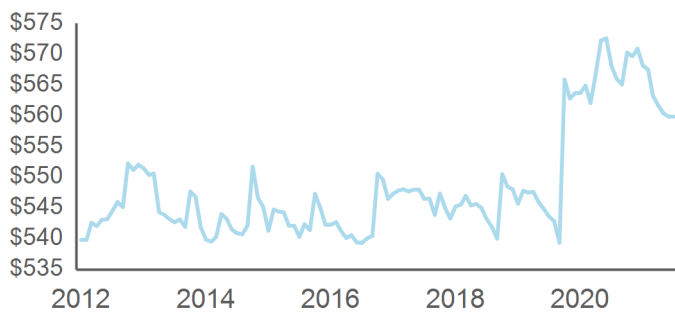
Revenue Per Patient Day



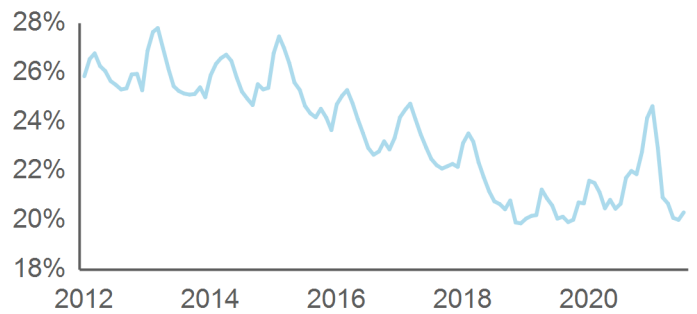
Revenue Mix



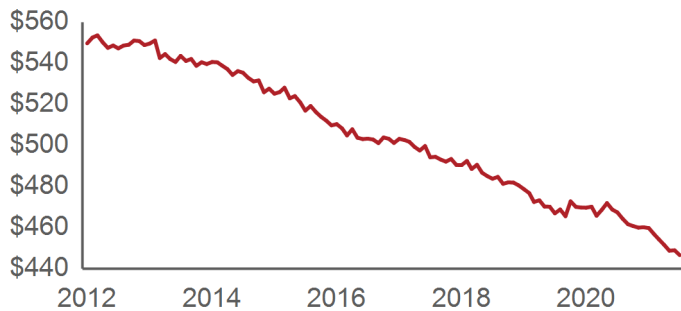
Medicare



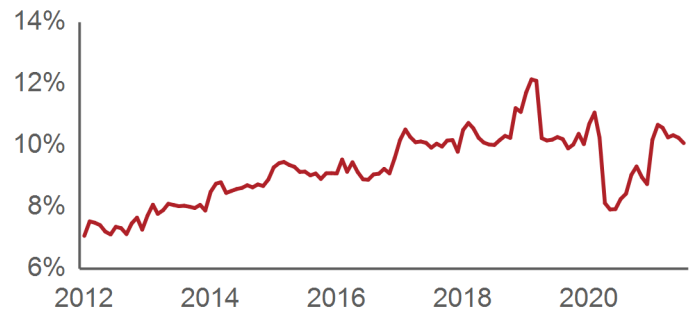
Medicare



Managed Medicare



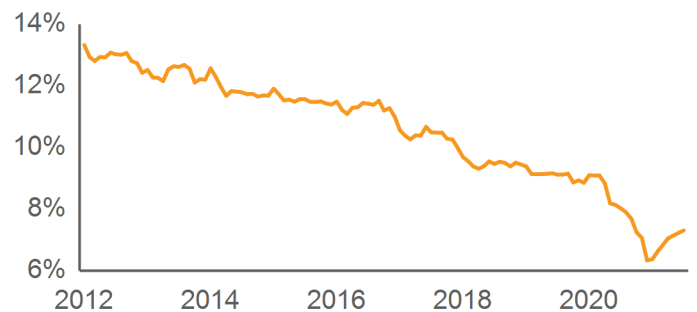
Managed Medicare



Private

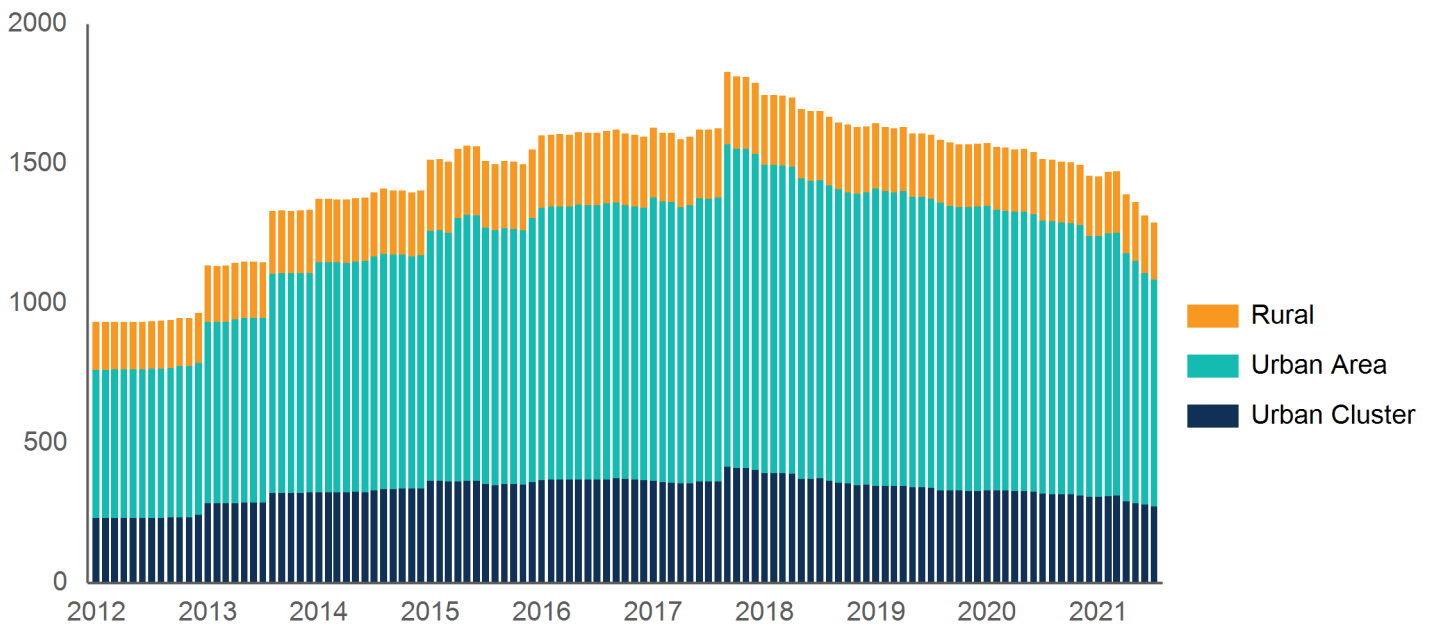


Private



Urban and Rural Trends

Reporting Property Distribution



Geographic classification is based on the 2010 US Census Bureau. All properties not considered Urban Area or Urban Cluster are classified in this report as Rural. According to the US Census Bureau:

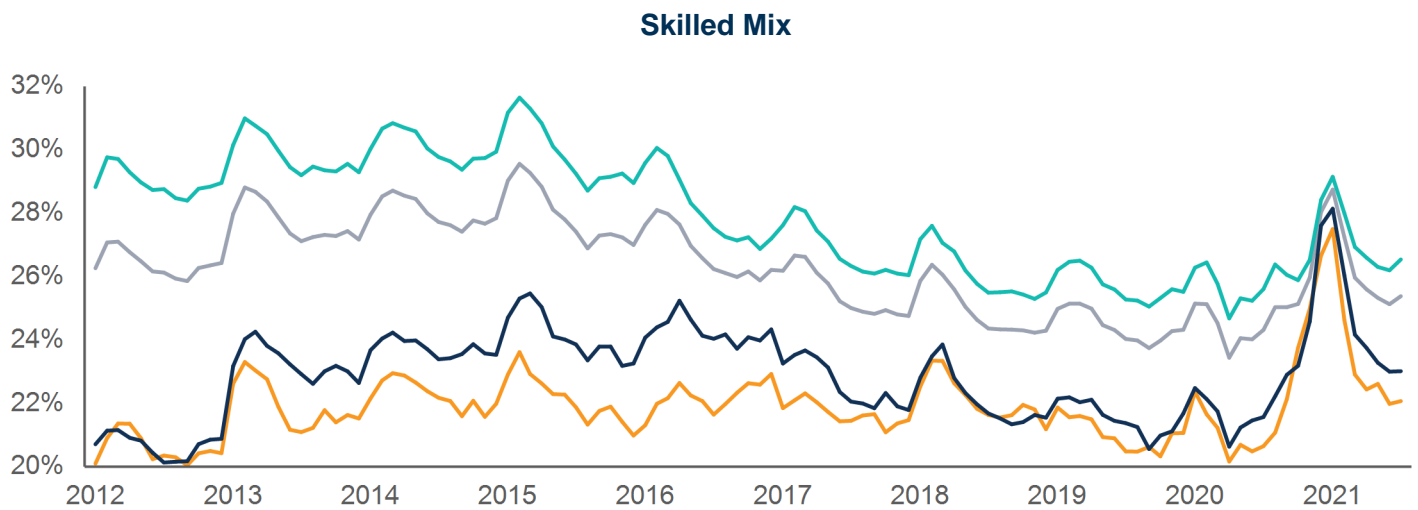
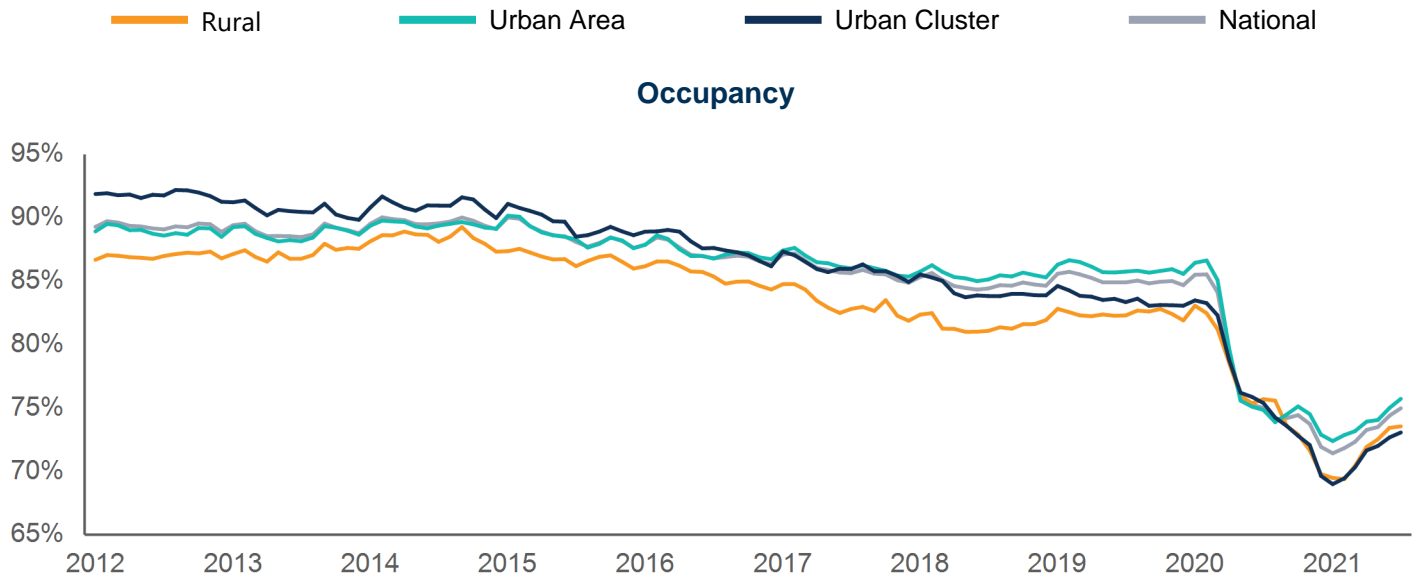
For the 2010 Census, the Census Bureau classified as urban all territory, population, and housing units located within urbanized areas (UAs) and urban clusters (UCs), both defined using the same criteria. The Census Bureau delineates UA and UC boundaries that represent densely developed territory, encompassing residential, commercial, and other nonresidential urban land uses. In general, this territory consists of areas of high population density and urban land use resulting in a representation of the “urban footprint.” Rural consists of all territory, population, and housing units located outside UAs and UCs.

For the 2010 Census, the urban and rural classification was applied to the 50 states, the District of Columbia, Puerto Rico, American Samoa, Guam, the Commonwealth of the Northern Mariana Islands, and the U.S. Virgin Islands.

Urbanized Areas (UAs)—An urbanized area consists of densely developed territory that contains 50,000 or more people. The Census Bureau delineates UAs to provide a better separation of urban and rural territory, population, and housing in the vicinity of large places.

Urban Clusters (UCs)—An urban cluster consists of densely developed territory that has at least 2,500 people but fewer than 50,000 people. The Census Bureau first introduced the UC concept for Census 2000 to provide a more consistent and accurate measure of urban population, housing, and territory throughout the United States, Puerto Rico, and the Island Areas.

Urban and Rural Trends

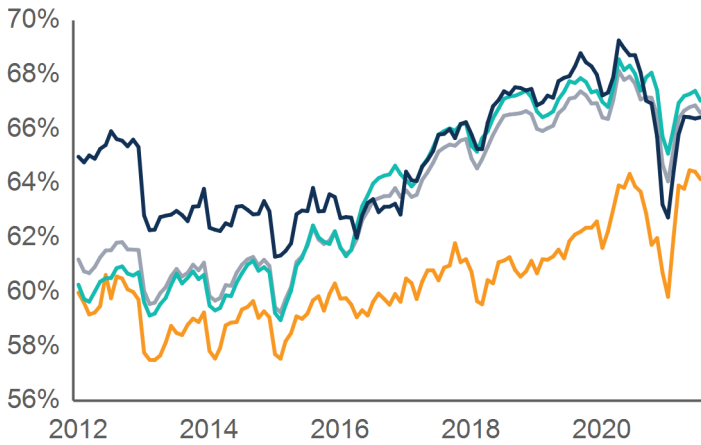


Urban and Rural Trends

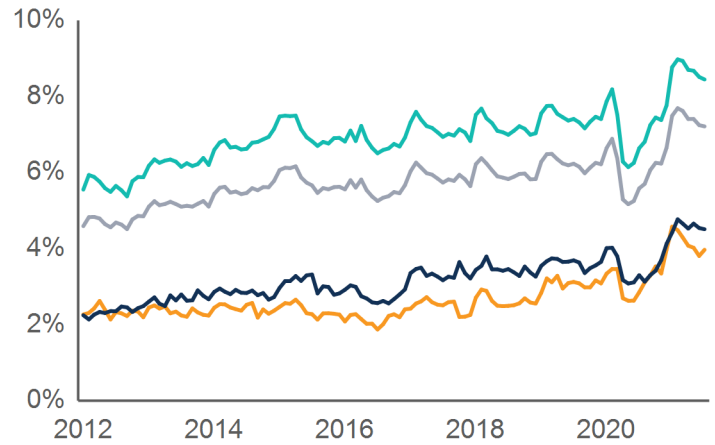
— Rural
 — Urban Area
 — Urban Cluster
 — National

Patient Day Mix

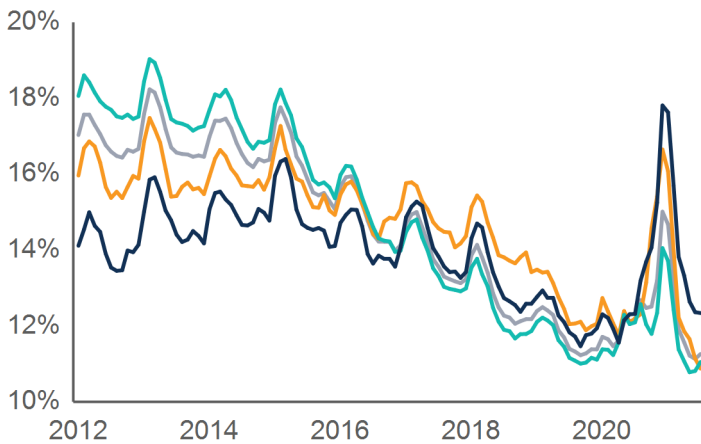
Medicaid



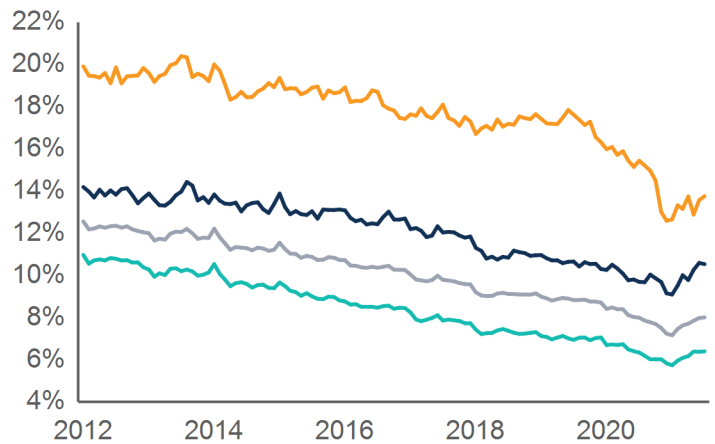
Managed Medicare



Medicare



Private

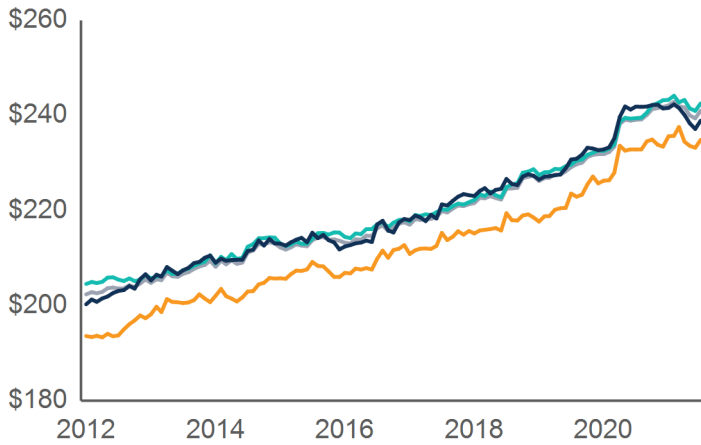


Urban and Rural Trends

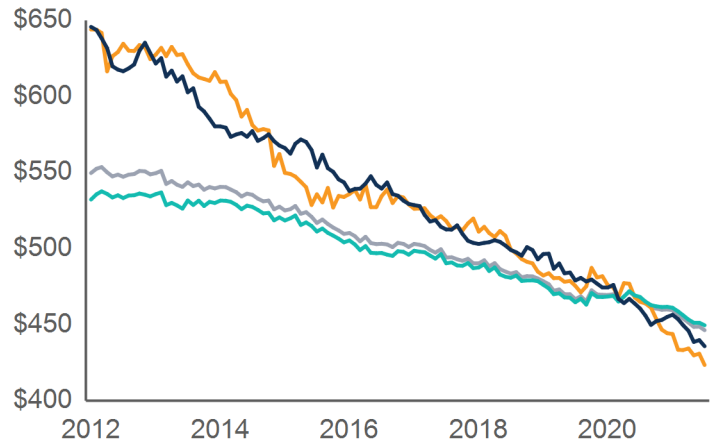
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Revenue Per Patient Day

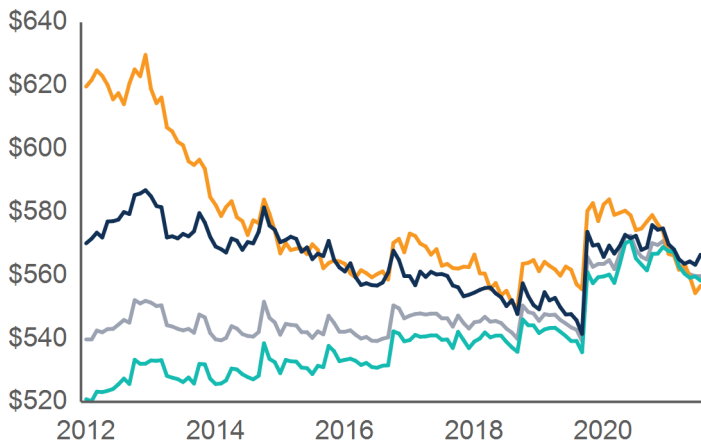
Medicaid



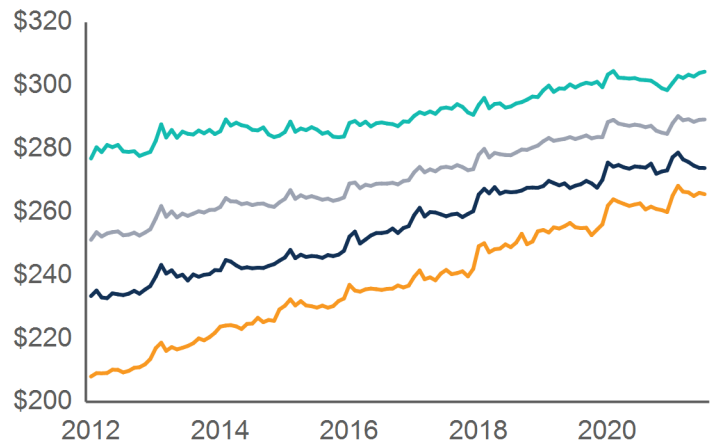
Managed Medicare



Medicare



Private

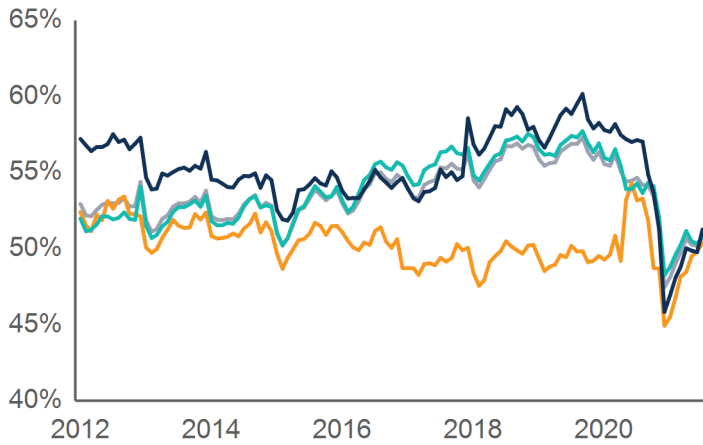


Urban and Rural Trends

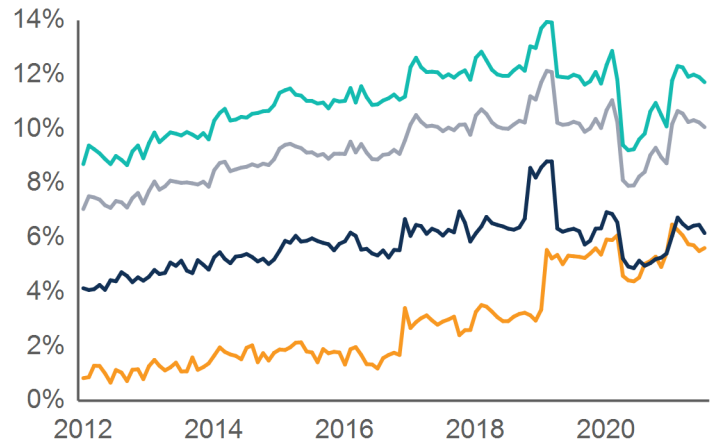
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Revenue Mix

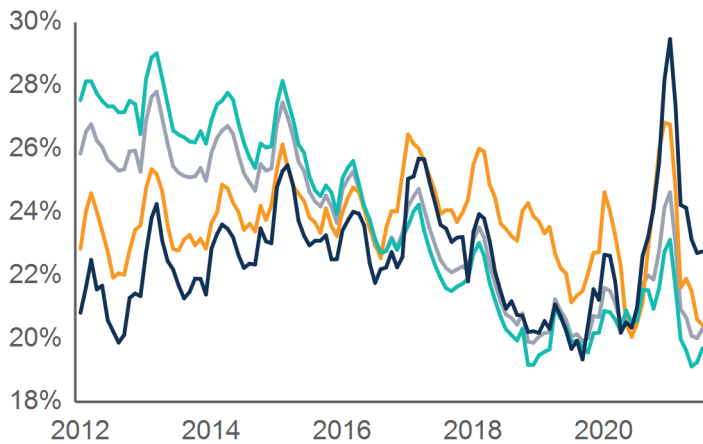
Medicaid



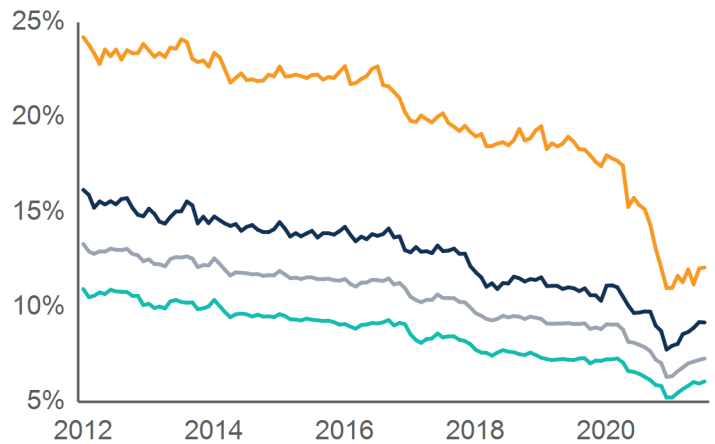
Managed Medicare



Medicare



Private



Explanation of Data

This data and its output is based on the sample population collected each month by NIC and the sample collected on an historical basis. The historical data/time-series data and month/month figures are calculated using same-store analysis. Current month includes all contributors' data to date. Historical data is deflated using same-store month-month changes.

This data should not be interpreted as a census survey for the skilled nursing properties within the United States, but only a representation of the property count and state count as shown on Page 2.

National Skilled Nursing Trends are only reflective of the data from the current sample size within the NIC Skilled Nursing Data Initiative.

Patient Day Mix and Revenue Mix may not add up to 100% because "other patient days and revenue" that cannot be attributed to Medicaid, Medicare, managed Medicare, or Private are omitted from the tables and charts in this report. Other patient days and revenue may include but are not limited to additional benefit types such as veteran's benefits, community programs, and ancillary services.

Glossary

Occupancy: Actual patient days divided by total days.

Patient Day Mix: Actual patient days of each payor source divided by the total actual patient days.

Quality Mix: Actual Medicare, managed Medicare/other, and Private patient days divided by the total actual patient days.

Revenue Per Patient Day (RPPD): Total revenue divided by actual patient days for each payor source.

Revenue Mix: Total revenue for each payor source divided by the total revenue.

Skilled Mix: Actual Medicare and managed Medicare/other days divided by total actual patient days.