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Skilled Nursing Monthly Report

Data through April 2022

http://www.nic.org/nic-map | 410-267-0504
National Investment Center for Seniors Housing & Care (NIC)

Key Takeaways

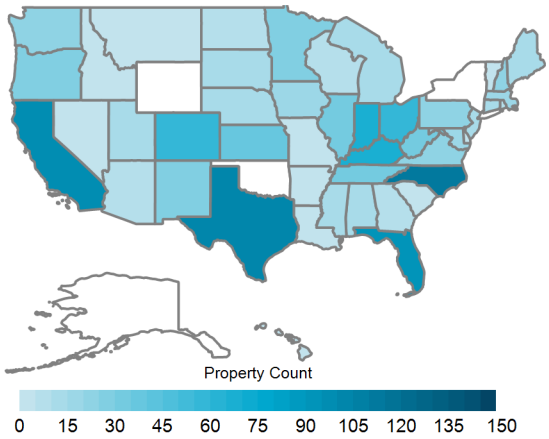
Skilled nursing occupancy was flat for the month of April. Skilled nursing property occupancy held steady at 77.3%. However, occupancy has increased 140 basis points since January 2022 as demand seemingly picked up after the Omicron variant subsided. In addition, occupancy has increased 524 basis points since the low of 72.1% in January 2021 and remains at the highest occupancy level since April 2020, in the beginning of the pandemic. Although occupancy has increased in recent months, it is still down considerably (8.9 percentage points) compared to February 2020 before the beginning of the pandemic. There are some positive signs given the increases in occupancy since the low, but many challenges remain including labor shortages, operating expense pressure, and the proposal to claw back Medicare reimbursement as it relates to the Patient Driven Payment Model (PDPM).

Medicare revenue mix declined in the month of April. Decreasing for a second month in a row, Medicare revenue mix declined 72 basis point to end April at 20.6%. After increasing to start 2022, from December 2021 (20.6%) to January 2022 (24.4%), it has now decreased 397 basis points from the 2022 high (24.6%) set in February. The increase to start 2022 was likely due to the elevated number of COVID-19 cases in January and suggests there was a significant uptick in the utilization of the 3-Day Rule waiver as COVID-19 cases increased. 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, hence increasing the Medicare census at properties. As cases declined, the Medicare revenue share has declined as well. Meanwhile, Medicare revenue per patient day (RPPD) decreased for the third month in a row to end April at $568. This suggests that due to decreasing COVID-19 cases there was less additional reimbursement needed for COVID-19 positive residents, who require additional measures of care to be implemented.

Managed Medicare revenue per patient day (RPPD) continued its decrease in April. It decreased from $456 to $454 in April and is down 2.1% from last year in April 2021. It has decreased $111 (19.6%) from January 2012 and continues to create pressure on operators' revenue as managed Medicare enrollment grows around the country. The persistent decline in managed Medicare revenue per patient day continued to result in an expanded reimbursement differential between Medicare fee-for-service and managed Medicare, which accelerated during the pandemic until January 2022. The difference between Medicare fee-for-service and managed Medicare RPPD in January 2022 was $123. Pre-pandemic, in February of 2020, the differential was $91. However, the difference has decreased since January 2022 to end April 2022 at $114. Meanwhile, managed Medicare revenue mix increased 14 basis points from March to end April 2022 at 10.8%. It is up 26 basis points from last year and has increased 269 basis points from the pandemic low of 8.1%. The increase from the pandemic low is likely due to growth in elective surgeries from 2020, which typically creates additional referrals to skilled nursing properties.

Medicaid patient day mix increased for the second month in a row. It increased 79 basis points in April to end the month at 66.0%. It has increased in a similar trend as Medicaid revenue as it also increased for second month in row. Medicaid revenue mix increased 243 basis points from March to end April at 50.7%. Some of this increase is related to what was mentioned above, regarding the decline in COVID-19 cases from January and patients have now moved from Medicare patient days back to Medicaid, after utilizing the 3-Day Rule waiver. Meanwhile, Medicaid revenue per patient day (RPPD) increased from March to end April 2022 at $247. It is up 3.3% from the pre-pandemic period (February 2020) as many states embraced measures to increase reimbursement related to the number of COVID-19 cases to support skilled nursing properties, in addition to fiscal year increases.

Coverage

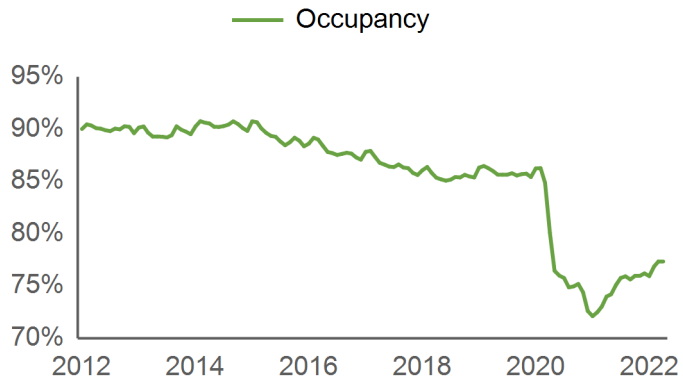


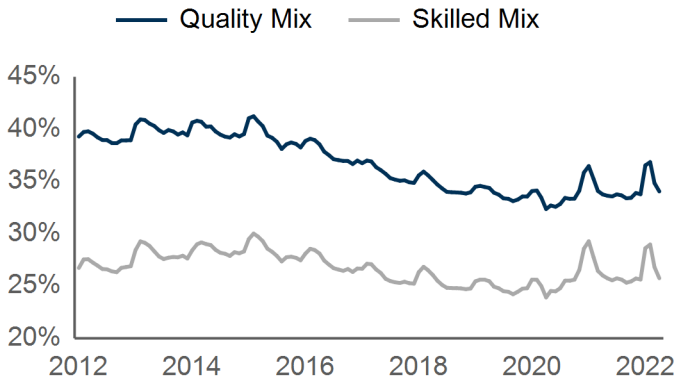
	March	April
States Represented	46	46
Number of Contributors	25	25
Total SNF Properties	1,221	1,213

National Key Indicators

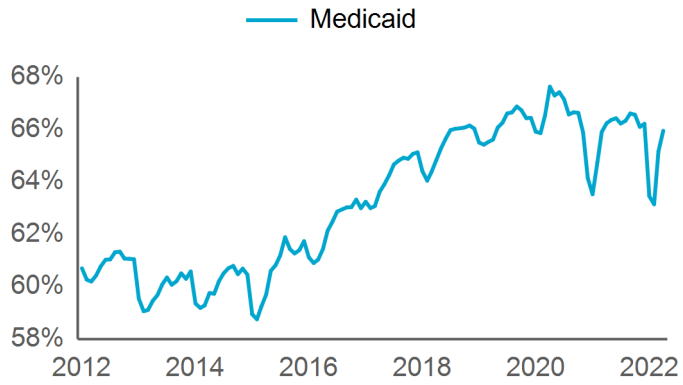
	National		Rural		Urban Cluster		Urban Area	
	Current Mo.	Mo./Mo.	Current Mo.	Mo./Mo.	Current Mo.	Mo./Mo.	Current Mo.	Mo./Mo.
Occupancy	77.3%	0 bps	75.4%	17 bps	75.4%	-7 bps	78.2%	-2 bps
Quality Mix	34.0%	-79 bps	36.1%	-51 bps	34.2%	-151 bps	33.6%	-66 bps
Skilled Mix	25.7%	-107 bps	22.2%	-131 bps	23.8%	-167 bps	26.9%	-87 bps
Patient Day Mix								
Medicaid	66.0%	79 bps	63.9%	51 bps	65.8%	151 bps	66.4%	66 bps
Medicare	11.5%	-87 bps	10.5%	-94 bps	12.6%	-163 bps	11.3%	-66 bps
Managed Medicare	7.7%	-25 bps	4.3%	-24 bps	5.1%	-32 bps	9.0%	-24 bps
Private	8.3%	27 bps	14.0%	79 bps	10.4%	16 bps	6.8%	21 bps
Revenue Per Patient Day								
Medicaid	$247	0.3%	$235	0.4%	$245	0.0%	$249	0.3%
Medicare	$568	-1.3%	$563	-1.4%	$570	-1.1%	$569	-1.3%
Managed Medicare	$454	-0.3%	$429	1.3%	$447	0.2%	$458	-0.5%
Private	$303	0.2%	$279	0.0%	$282	-0.4%	$321	0.6%
Revenue Mix								
Medicaid	50.7%	243 bps	49.9%	164 bps	50.8%	310 bps	50.8%	239 bps
Medicare	20.6%	-72 bps	19.7%	-127 bps	22.9%	-170 bps	20.2%	-38 bps
Managed Medicare	10.8%	14 bps	6.3%	6 bps	7.2%	6 bps	12.4%	17 bps
Private	7.8%	42 bps	12.9%	105 bps	9.1%	11 bps	6.7%	40 bps

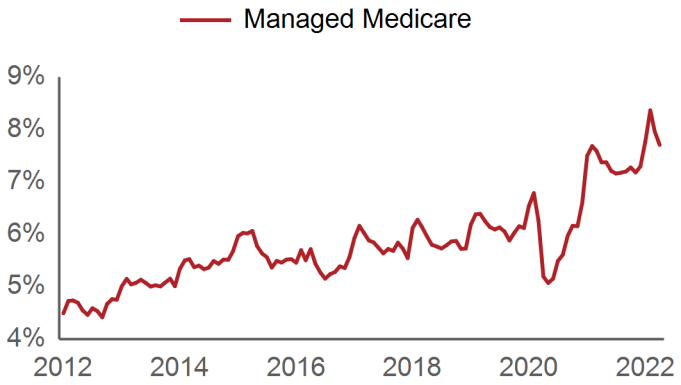
National Trends

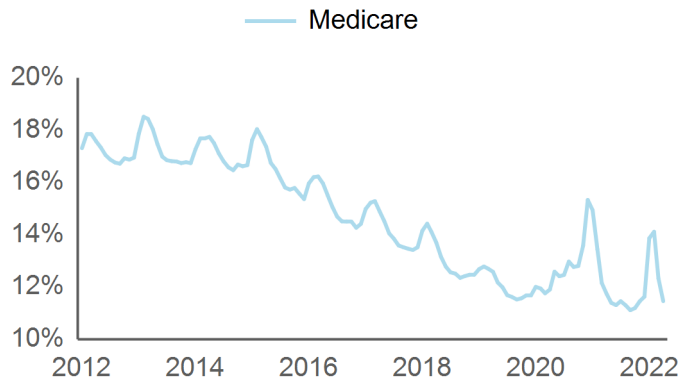


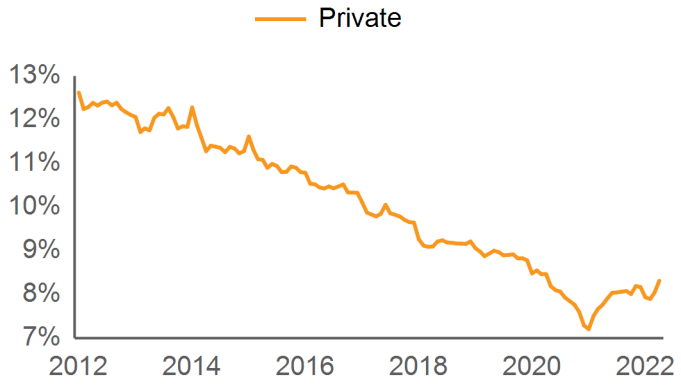


Patient Day Mix





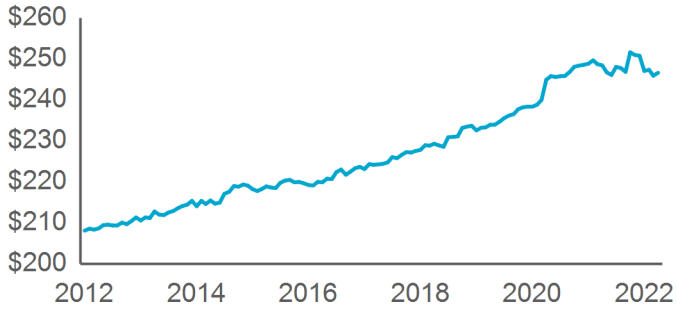




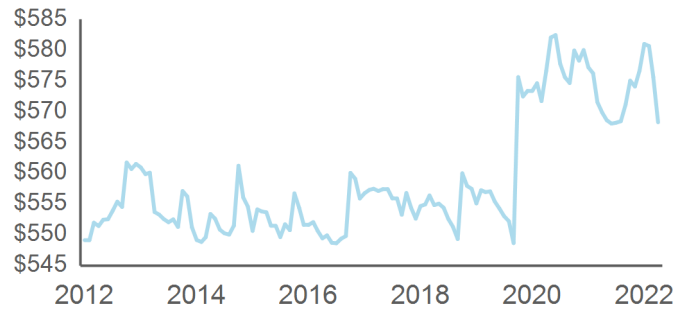
National Trends

Revenue Per Patient Day

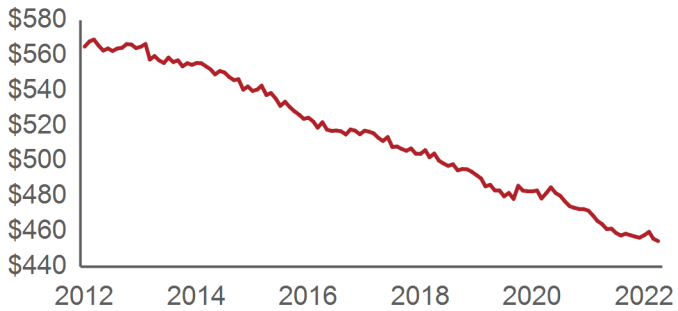
Medicaid



Medicare



Managed Medicare



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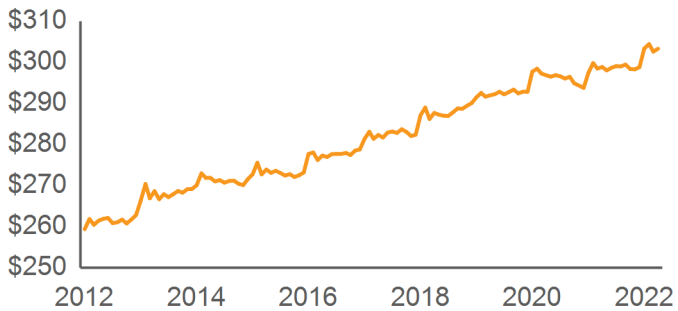
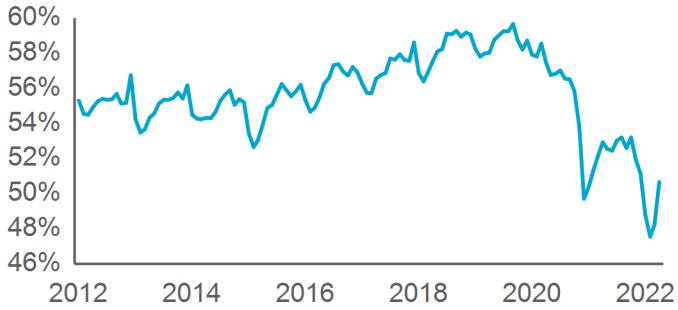
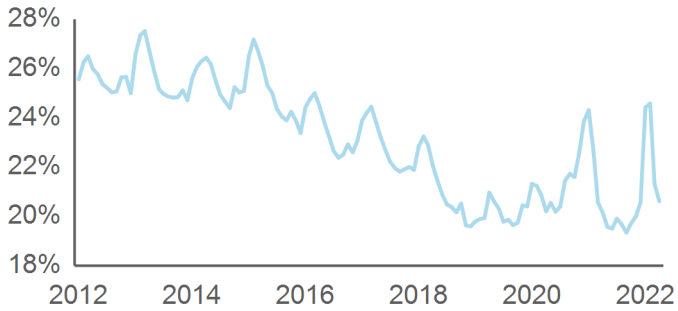


Revenue Mix

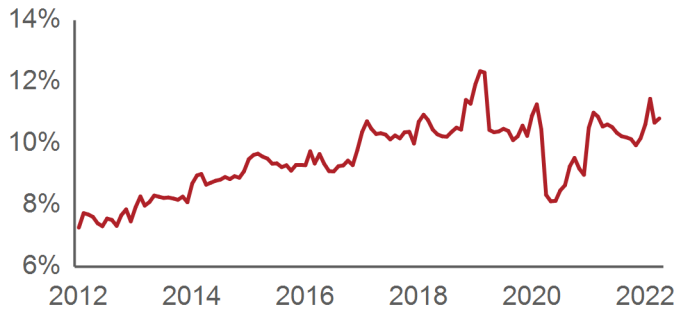
Medicaid



Medicare



Managed Medicare



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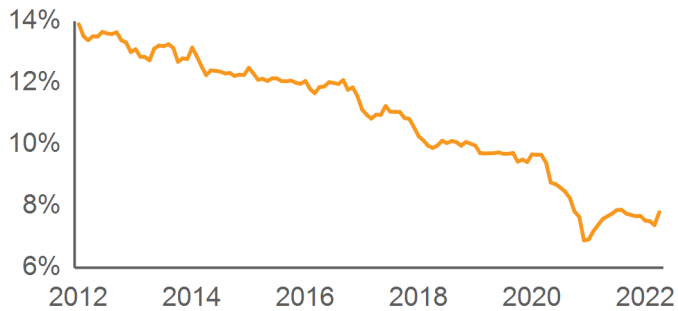
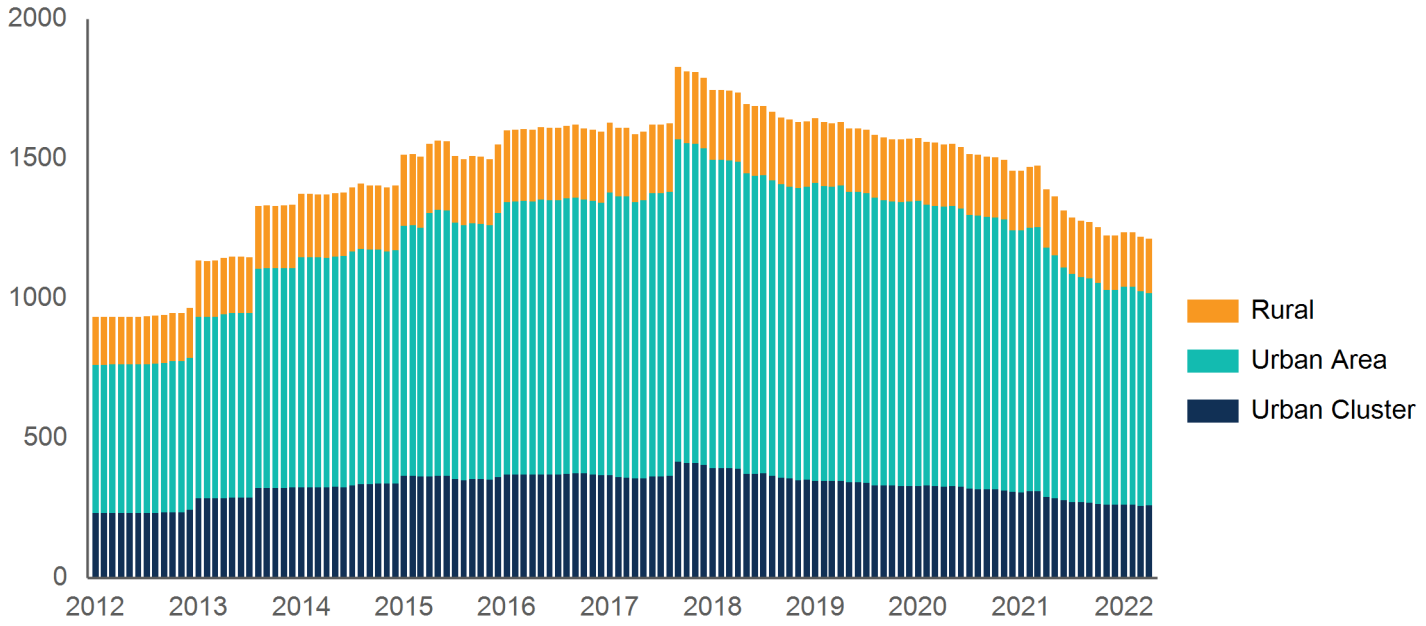


Urban and Rural Trends

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:

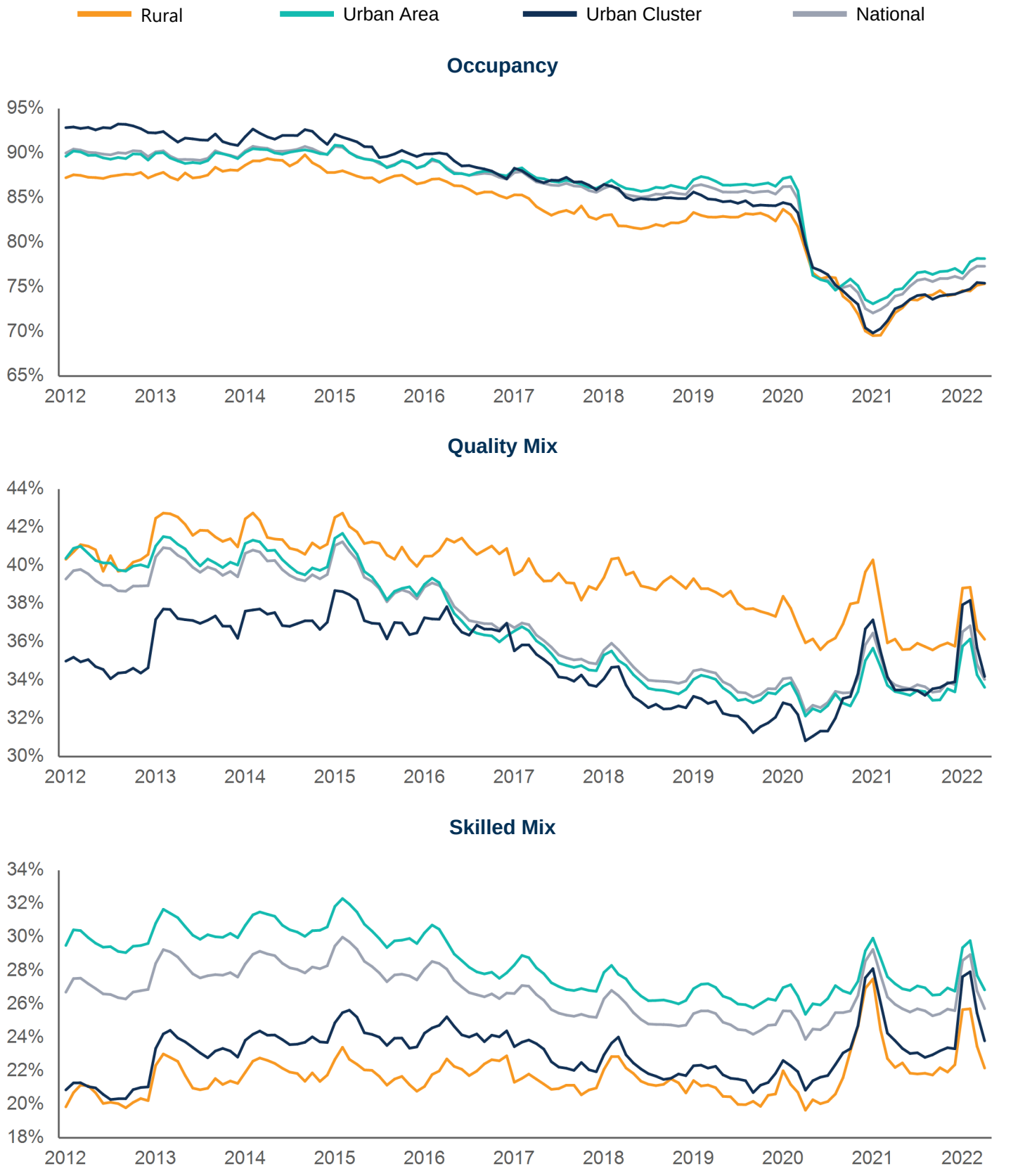
For the 2010 Census, the Census Bureau classified as urban all territory, population, and housing units located within urbanized areas (UAs) and urban clusters (UCs), both defined using the same criteria. The Census Bureau delineates UA and UC boundaries that represent densely developed territory, encompassing 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

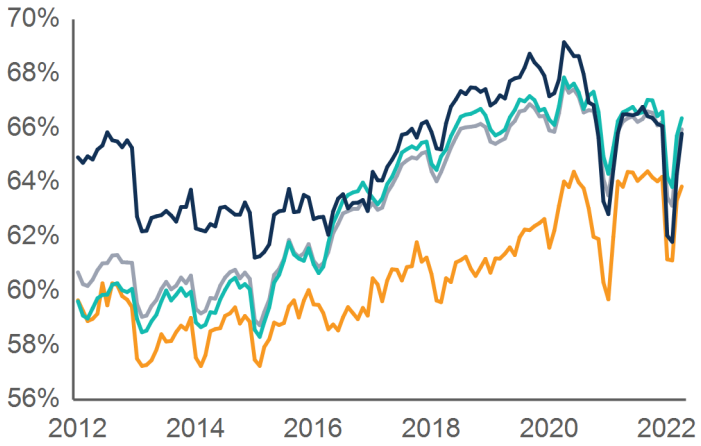


Urban and Rural Trends

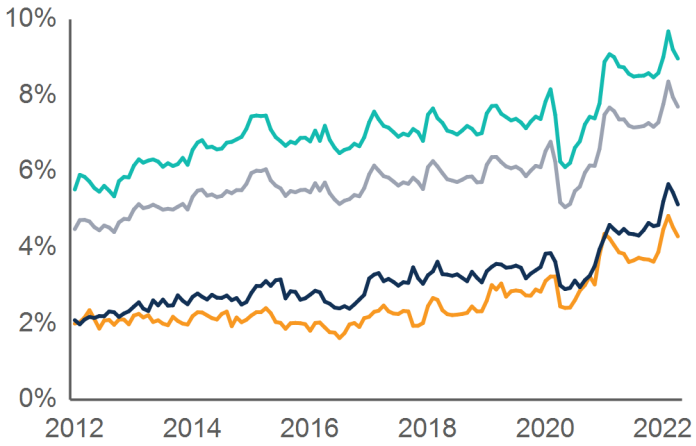
Rural | Urban Area | Urban Cluster | National

Patient Day Mix

Medicaid



Managed Medicare



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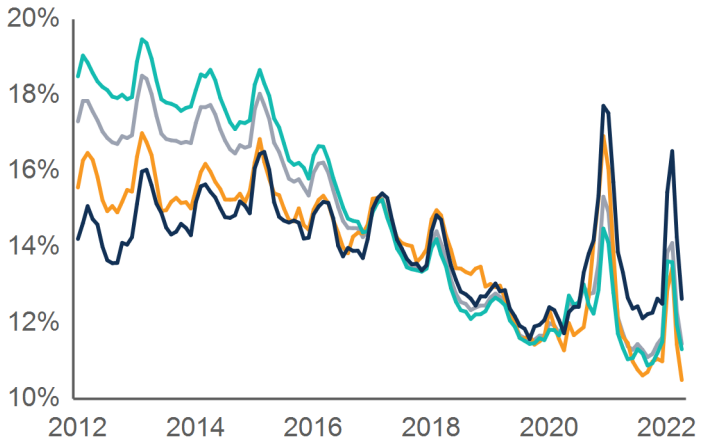

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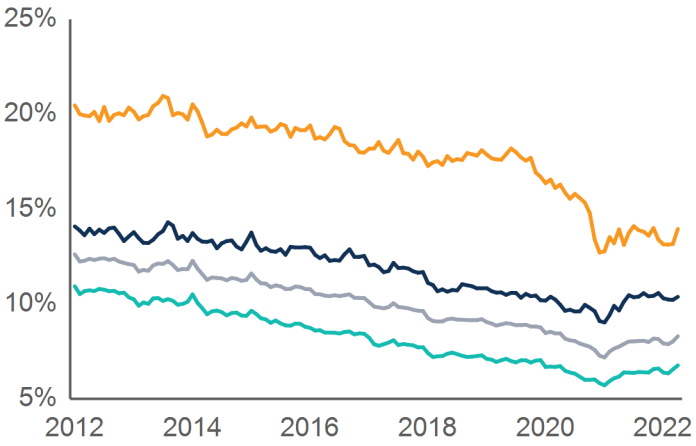
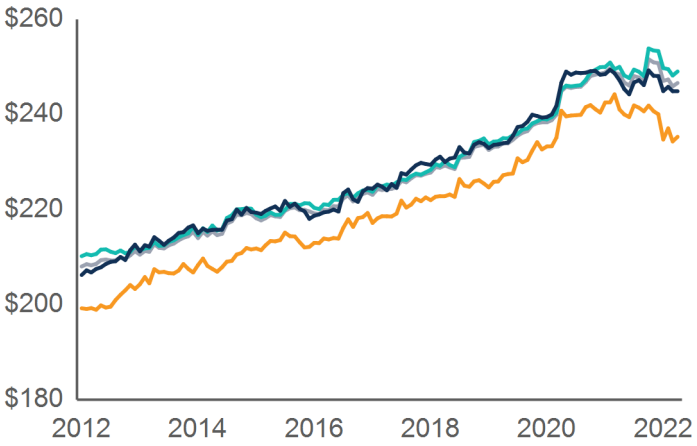


Urban and Rural Trends

Rural | Urban Area | Urban Cluster | National

Revenue Per Patient Day

Medicaid



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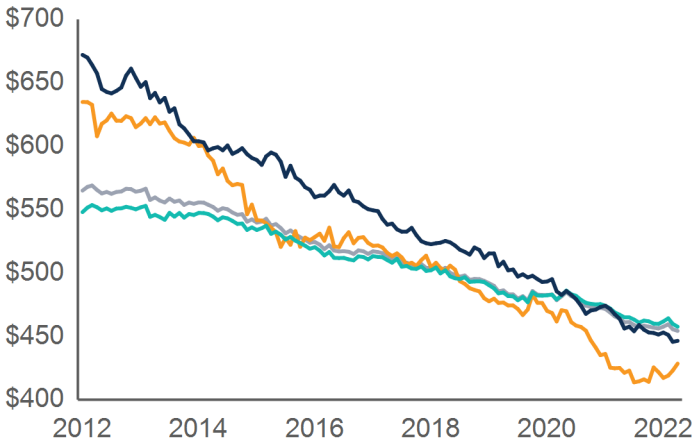

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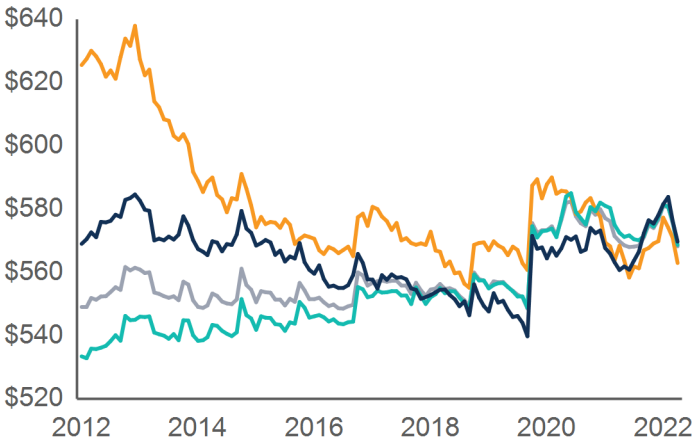

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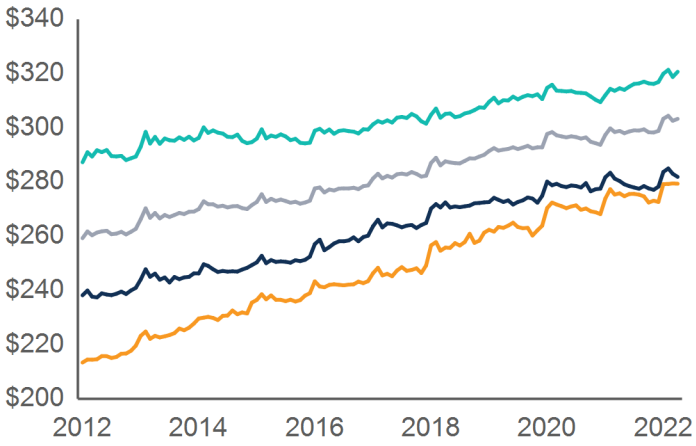
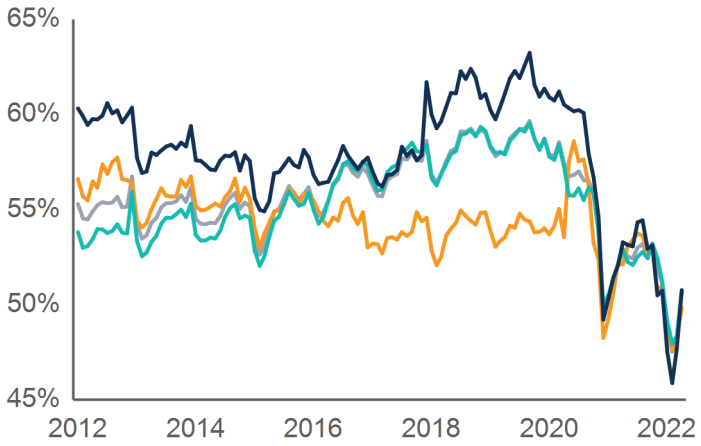


Urban and Rural Trends

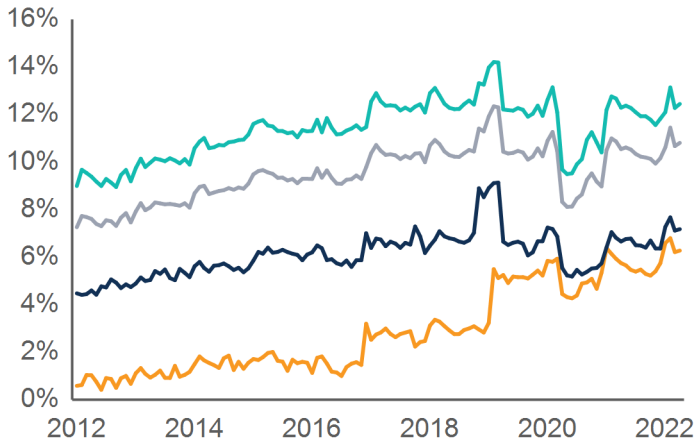
Rural | Urban Area | Urban Cluster | National

Revenue Mix

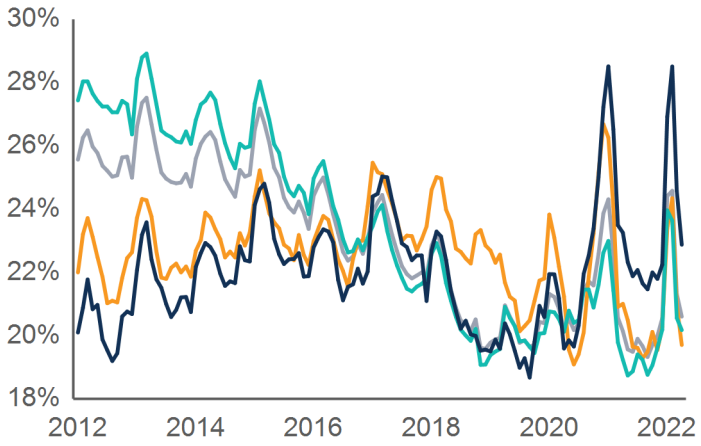
Medicaid



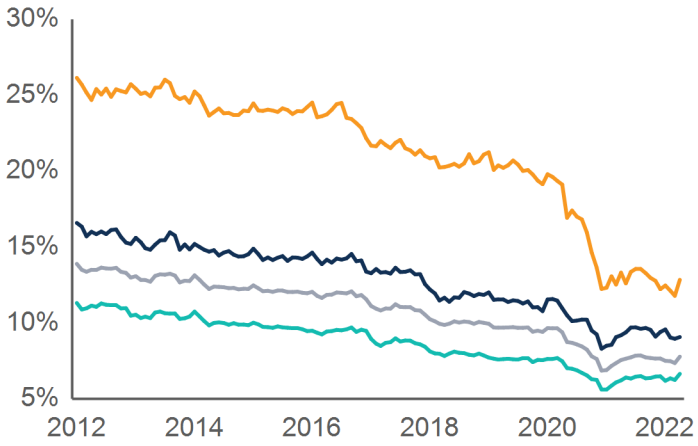
Managed Medicare



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.