NIC|MAP®
Data Service

Skilled Nursing Monthly Report

Data through July 2022

Key Takeaways

Skilled nursing property occupancy was relatively flat in July. It ended the month at 78.1%. In the last five months, skilled nursing occupancy has hovered in the range of 78% which is the highest occupancy level since April 2020, at which time occupancy began to fall rapidly due to the onset of the pandemic. Occupancy continues to recover since the pandemic low of 72.9% set in January 2021 but has encountered challenges such as new COVID-19 variants and staffing shortages. Staffing shortages continue to create difficulties within skilled nursing properties limiting the ability to admit new residents in some markets. However, the current occupancy trend does suggest that demand for skilled nursing properties is recovering, given the 148-basis point increase from January to July this year (2022). Occupancy has increased 151 basis points from one year ago and 517 basis points from its pandemic low.

Managed Medicare revenue per patient day (RPPD) continued its decrease in July. It decreased from $460 to $458 in July and is down 1.1% from last year in July 2021. It has decreased $112 (19.6%) from January 2012. 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 $127. Pre-pandemic, in February of 2020, the differential was $95. However, the difference has decreased since January 2022 to end July 2022 at $115. Meanwhile, managed Medicare revenue mix was flat from June to July at 10.5%. It is up, however, 21 basis points from last year and has increased 244 basis points from the pandemic low of 8.1%. The increase from the pandemic low is likely due to growth in surgeries that require rehab, which typically creates additional referrals to skilled nursing properties.

Medicare revenue mix declined 25 basis point to end July at 21.9%. After increasing to start 2022, from December 2021 (20.7%) to January 2022 (24.8%), it has now decreased 308 basis points from the 2022 high (25.0%) 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 to the lowest level of 2022 to end July at $574, which is down 2.6% from January. One possible explanation is there has been lower reimbursement due to relatively fewer COVID-19 cases compared to January 2022. Additional reimbursement is needed for COVID-19 positive residents, which requires additional measures of care to be implemented.

Medicaid revenue mix increased 99 basis points from June to end July at 51.0%. It has increased 307 basis points since February. Some of this increase is related to what was mentioned above, regarding the decline in COVID-19 cases since the winter months 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 June to end July 2022 at $258. It is up 4.9% 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

Property Count

0   12   24   36   48   60   72   84   96   108   120
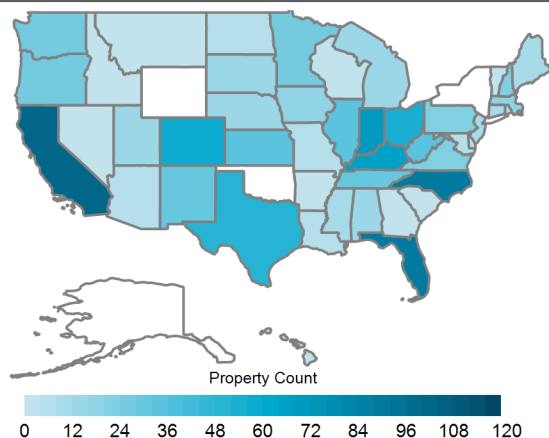
	June	July
States Represented	46	46
Number of Contributors	25	24
Total SNF Properties	1,210	1,108

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	78.1%	-4 bps	76.7%	-13 bps	76.0%	-21 bps	78.9%	2 bps
Quality Mix	35.3%	19 bps	35.8%	32 bps	35.0%	48 bps	35.2%	9 bps
Skilled Mix	26.6%	16 bps	21.5%	16 bps	24.4%	82 bps	28.1%	0 bps
Patient Day Mix								
Medicaid	64.7%	-19 bps	64.2%	-32 bps	65.0%	-48 bps	64.8%	-9 bps
Medicare	12.2%	4 bps	10.8%	6 bps	13.7%	40 bps	12.1%	-5 bps
Managed Medicare	7.7%	10 bps	4.3%	19 bps	4.7%	18 bps	9.1%	6 bps
Private	8.7%	2 bps	14.3%	17 bps	10.6%	-34 bps	7.2%	9 bps
Revenue Per Patient Day								
Medicaid	$258	1.7%	$256	2.1%	$257	2.0%	$259	1.5%
Medicare	$574	-0.9%	$570	-1.0%	$586	-0.9%	$570	-0.9%
Managed Medicare	$458	-0.2%	$429	0.2%	$461	-1.5%	$461	-0.1%
Private	$309	0.7%	$281	0.8%	$289	0.8%	$327	0.5%
Revenue Mix								
Medicaid	51.0%	99 bps	52.1%	10 bps	51.3%	89 bps	50.7%	116 bps
Medicare	21.9%	-25 bps	19.8%	-29 bps	24.9%	20 bps	21.5%	-36 bps
Managed Medicare	10.5%	4 bps	6.1%	41 bps	6.5%	5 bps	12.3%	-2 bps
Private	7.9%	-5 bps	12.8%	17 bps	9.1%	-57 bps	6.8%	4 bps

National Trends

Occupancy

Quality Mix — **Skilled Mix**

Patient Day Mix

Medicaid

Managed Medicare
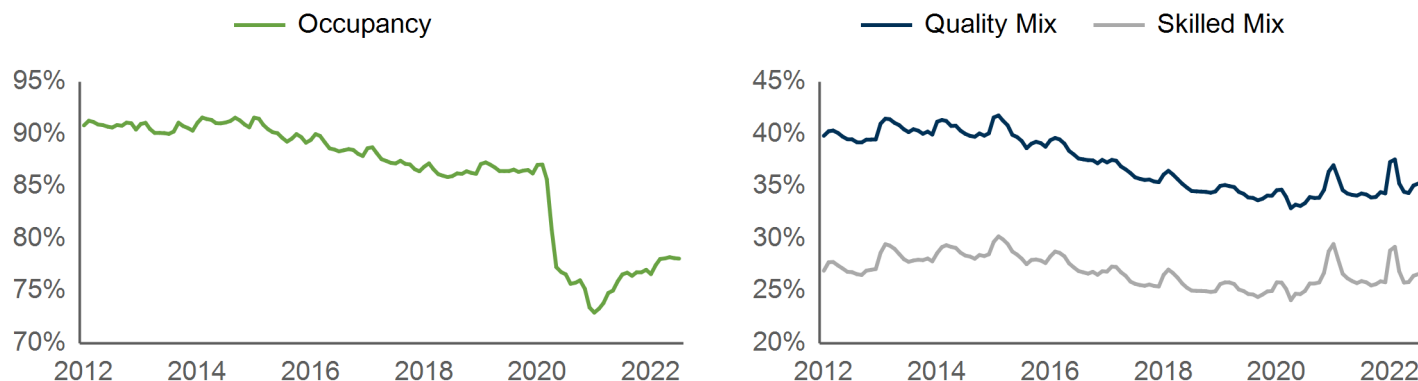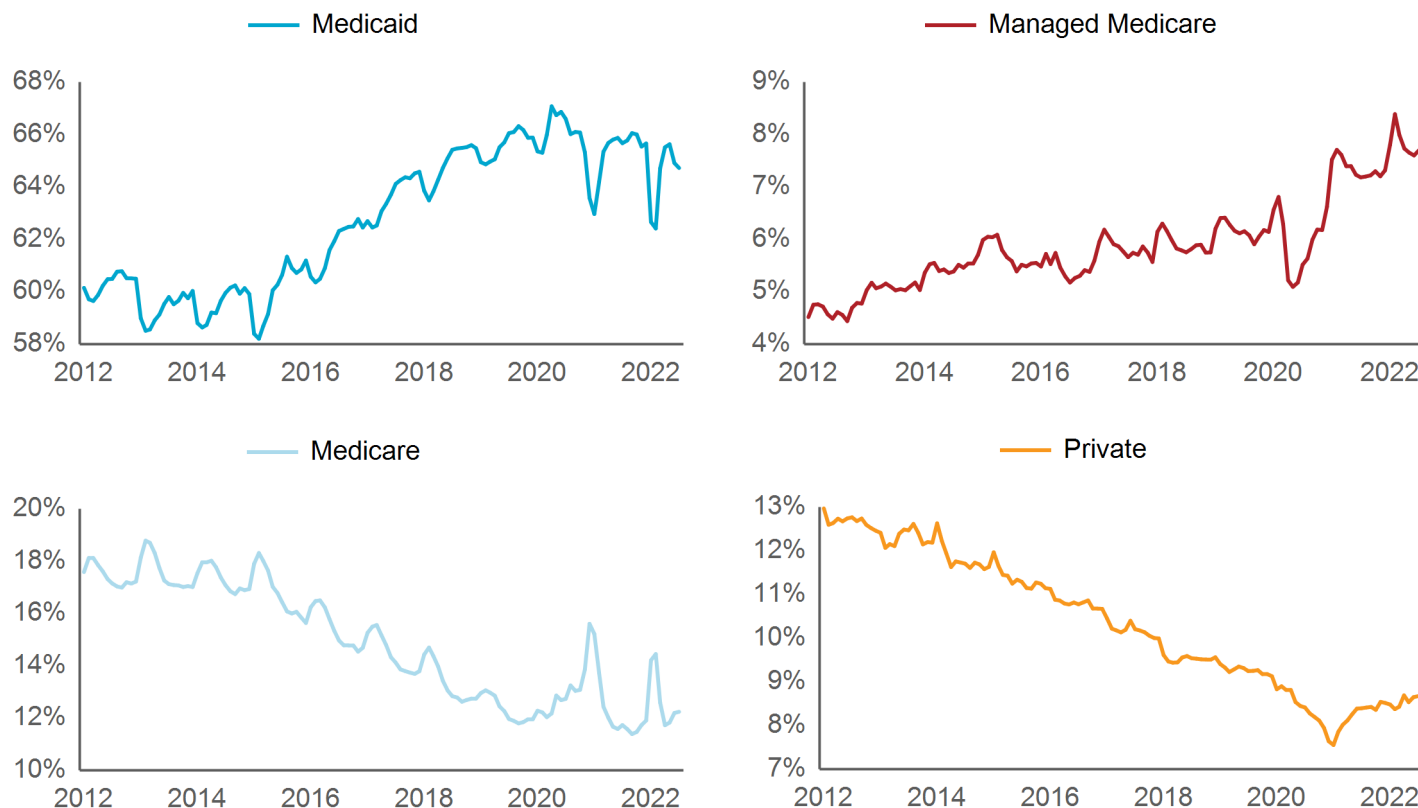
Medicare

Private

National Trends

Revenue Per Patient Day
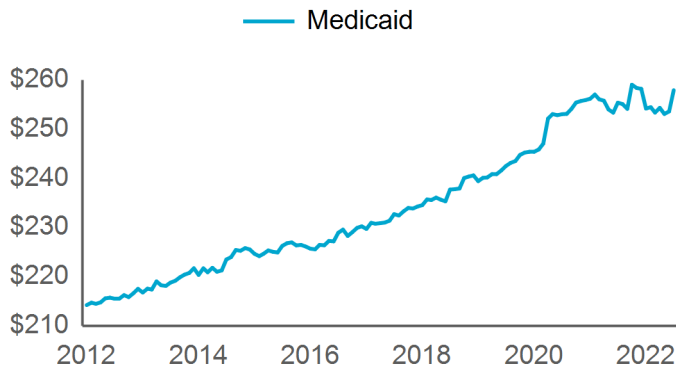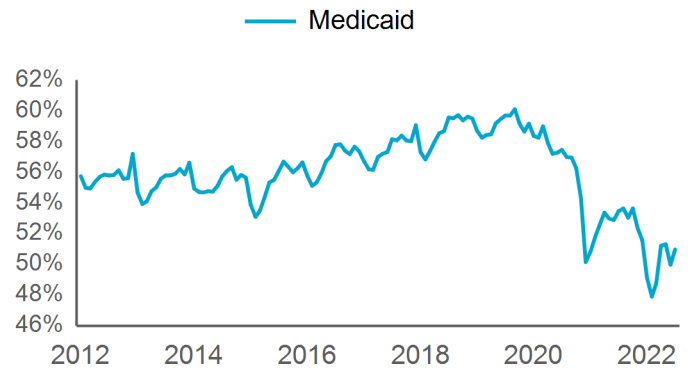
—— Medicaid

—— Medicare

—— Managed Medicare

—— Private

Revenue Mix
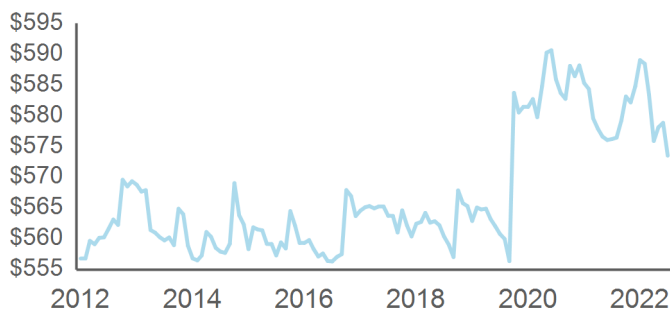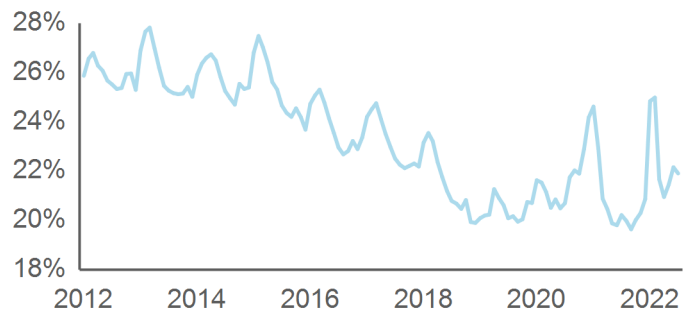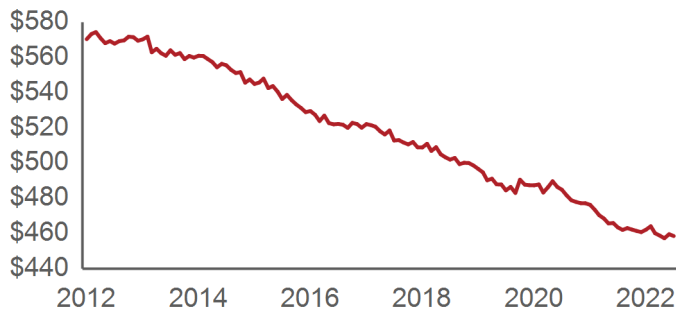
—— Medicaid

—— Medicare

—— Managed Medicare
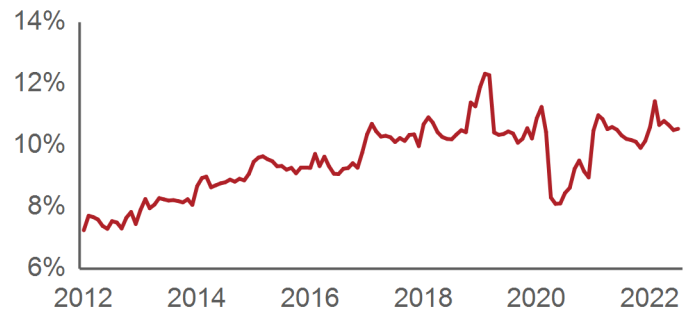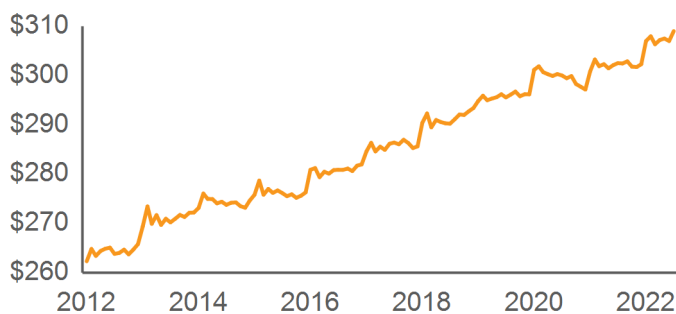
—— Private
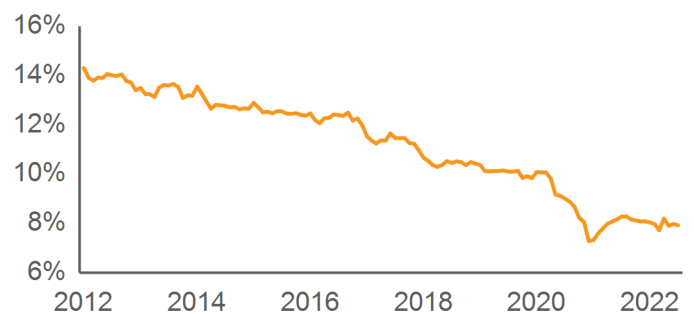
Urban and Rural Trends

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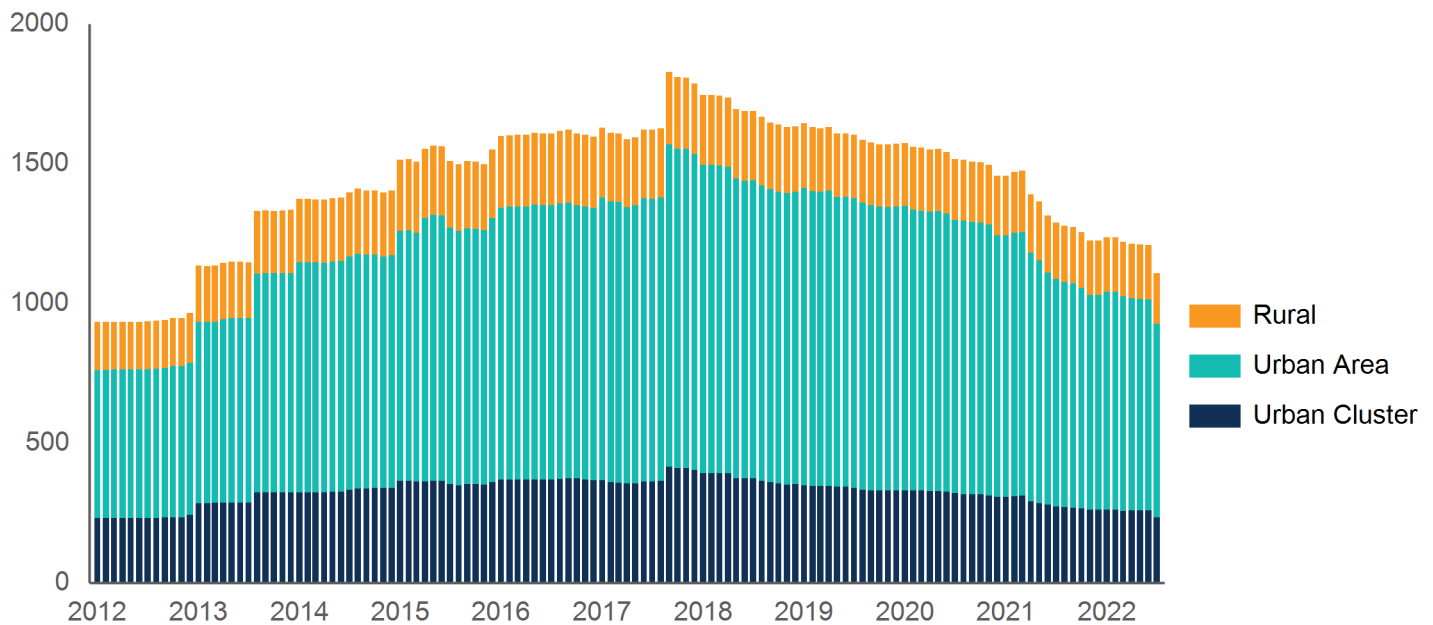
Geographic classification is based on the 2010 US Census Bureau. All properties not considered Urban Area or Urban Cluster are classified in this report as Rural. According to the US Census Bureau:

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.
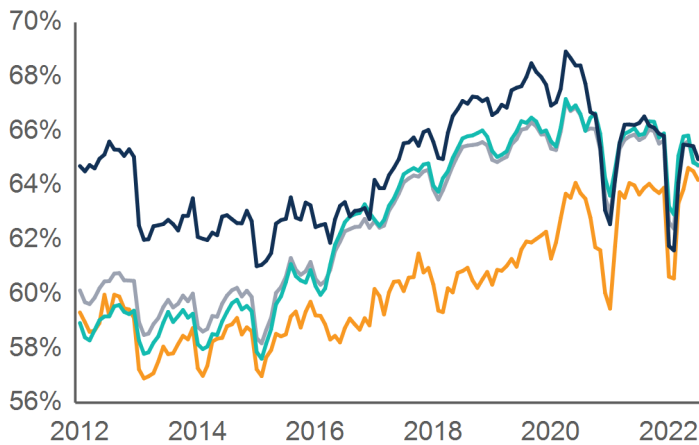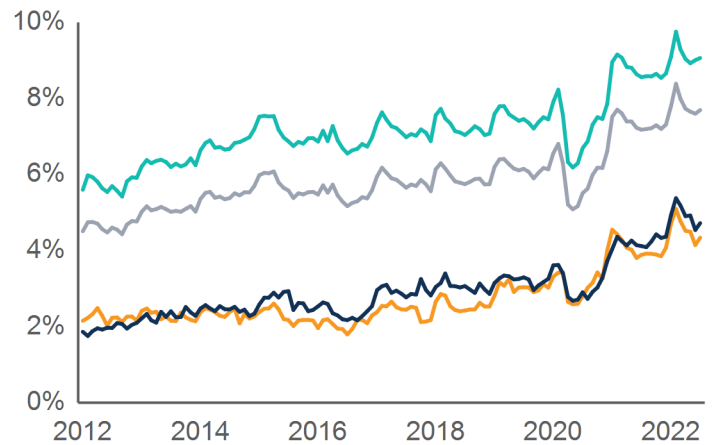
Urban and Rural Trends

Legend: Rural — Urban Area — Urban Cluster — National

Occupancy

Quality Mix

Skilled Mix
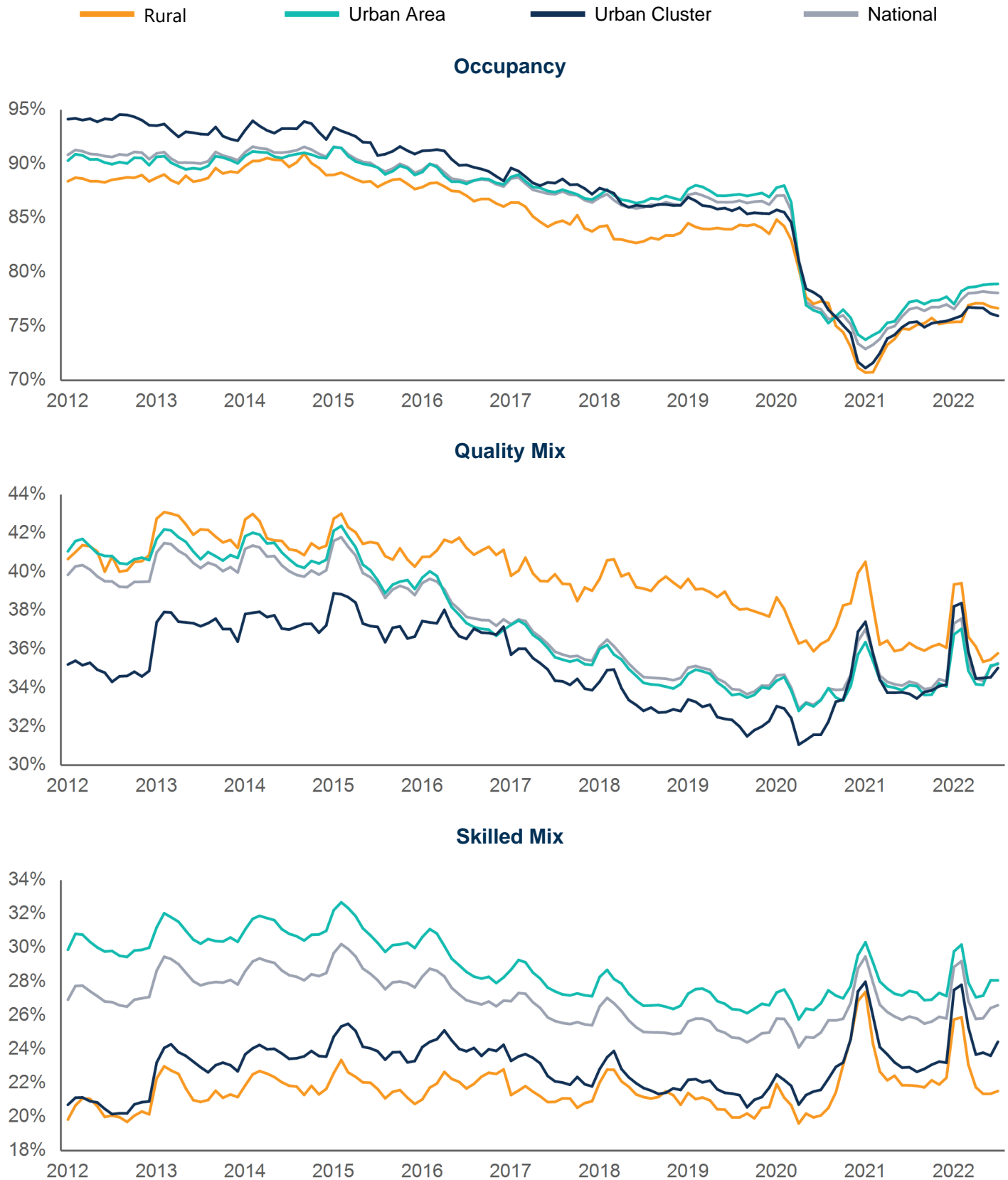
Urban and Rural Trends

Rural   **Urban Area**   **Urban Cluster**   **National**

Patient Day Mix

Medicaid

Managed Medicare

Medicare

Private

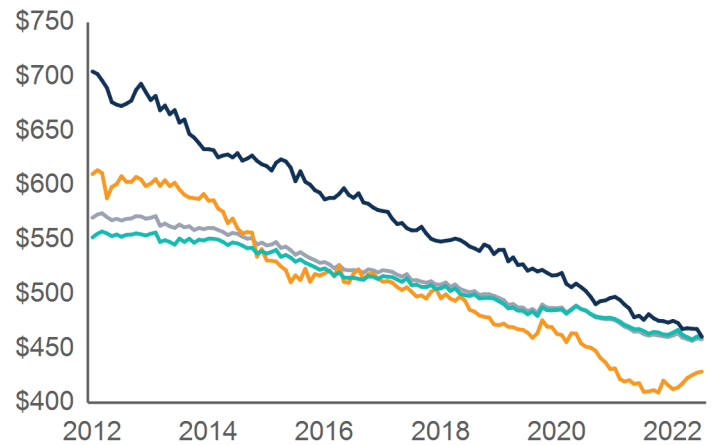## Urban and Rural Trends

Legend: Rural | Urban Area | Urban Cluster | National

Revenue Per Patient Day

Medicaid

Managed Medicare

Medicare

Private

Urban and Rural Trends

Legend: **Rural** · **Urban Area** · **Urban Cluster** · **National**
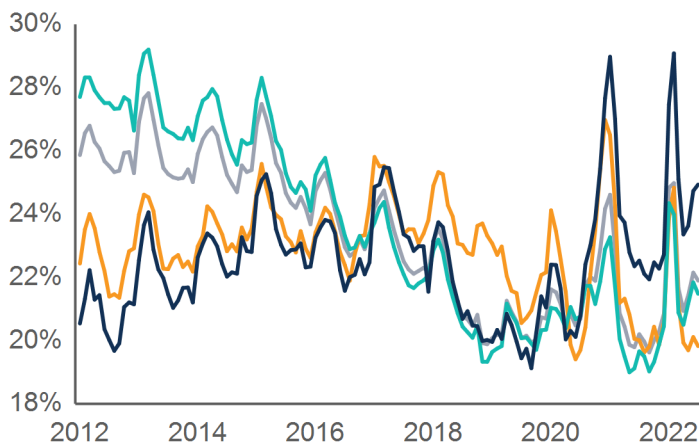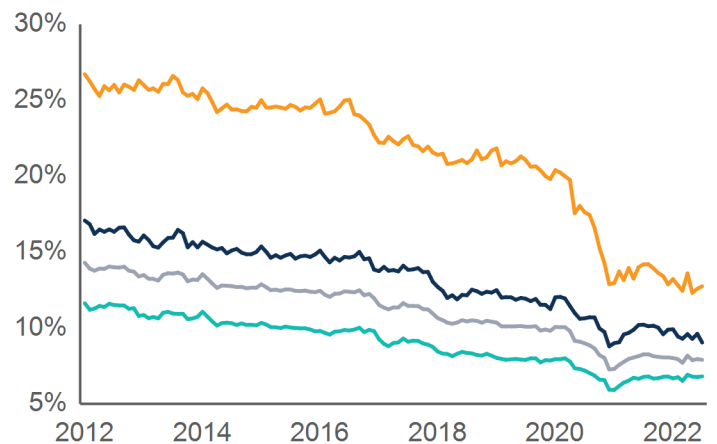
Revenue Mix

Medicaid
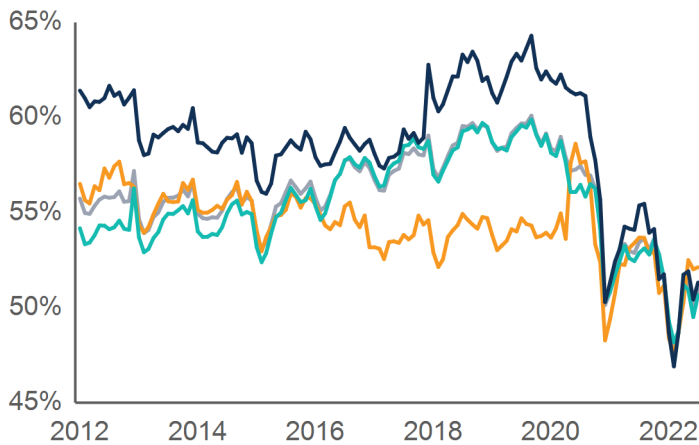
Managed Medicare
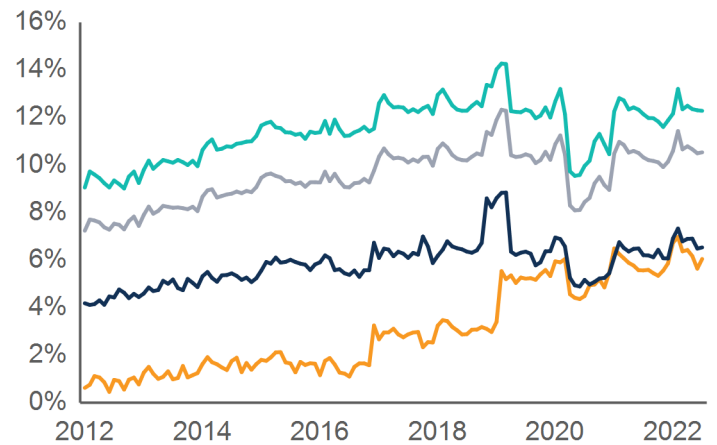
Medicare

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.