



Skilled Nursing Monthly Report

Data through November 2022

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

Key Takeaways

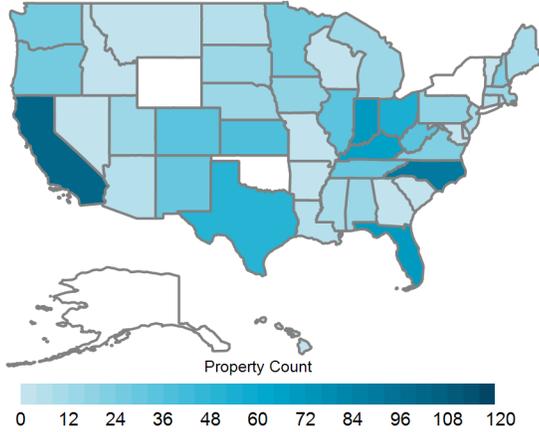
Skilled nursing occupancy decreased slightly in November. It declined 12 basis points from October to end the month at 79.4%. There was positive momentum in occupancy throughout 2022 and it is up 593 basis points since the low (73.5%) point reached in January 2021. However, COVID-19 cases created additional challenges last year (2021), which slowed some of the initial momentum, and occupancy has been flat from August to November 2022. The staffing crisis in the sector is still a significant burden on skilled nursing operators. As staffing, wage growth, and general inflation pressures persist, operations for many operators will be under pressure but the long-term demand for skilled nursing services is expected to grow over time.

Medicare revenue mix increased but the Medicare revenue per patient day decreased in November. Both are down from earlier in the year (January/February) when increased cases of COVID-19 resulted in additional need for utilizing the 3-Day rule waiver and per day reimbursement for COVID-19 positive patients. Medicare revenue mix ended November at 21.9% but is down from its pandemic high of 24.8% set in February 2022. Medicare RPPD is down 1.3% from its pandemic peak of \$594 in June 2020. Meanwhile, Managed Medicare revenue mix was down 31 basis points to 10.2% in November. However, this is 194 basis points above the pandemic low of 8.3% set in May 2020.

Medicaid patient day mix increased for a fourth month in a row. It increased 7 basis points ending November at 64.7%. In addition, it has increased 269 basis points from the pandemic low of 62.0% set in February 2022. Meanwhile, Medicaid revenue mix also increased from the prior month, ending November at 50.8%. One element of the Medicaid revenue share of a property's revenue is RPPD and that increased 0.55% from October. It up 0.9% since last year in November 2021.

Managed Medicare revenue per patient day (RPPD) increased slightly in November but is down 1.1% from last year in November 2021. Skilled nursing property operating models can differ, and some may experience the decline in managed Medicare revenue per patient day poses a challenge as the reimbursement differential between Medicare fee-for-service and managed Medicare has increased during the past two years. However, some operators see opportunity to capture patient volume with the growth of managed care. Medicare fee-for-service RPPD ended November 2022 at \$587 and managed Medicare ended at \$472, representing a \$115 differential. In November of 2020, the differential was \$96.

Coverage

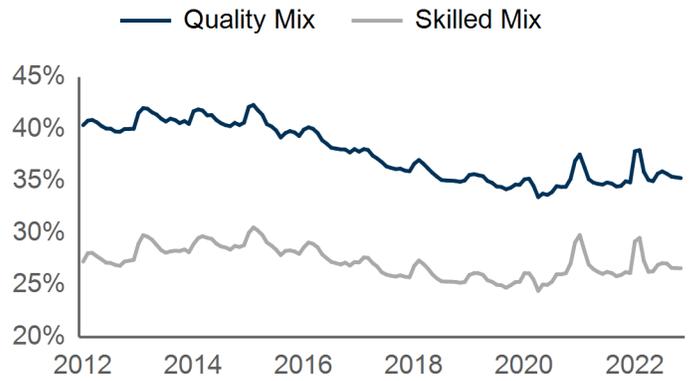
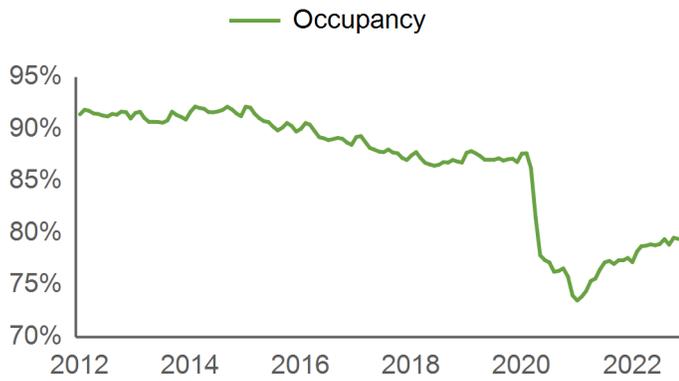


	October	November
States Represented	46	46
Number of Contributors	24	24
Total SNF Properties	1,075	1,053

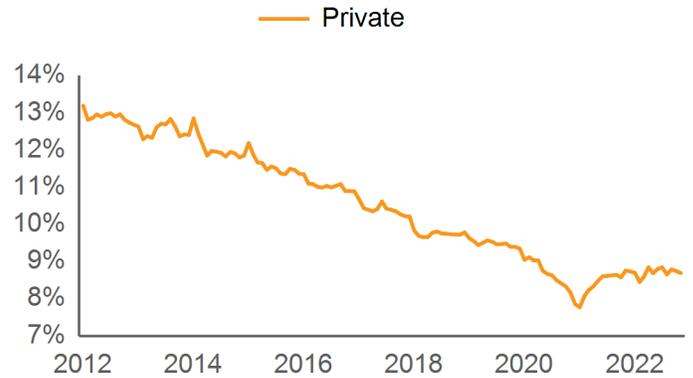
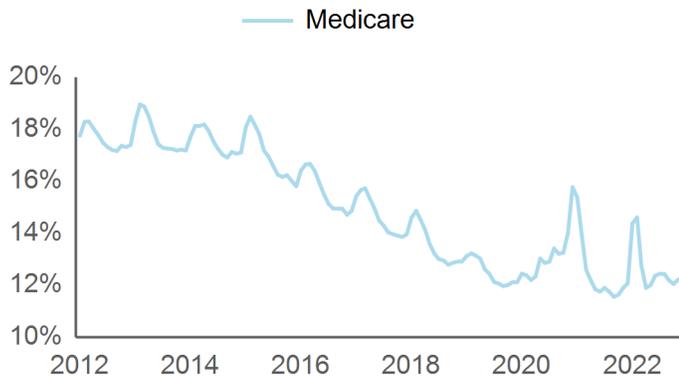
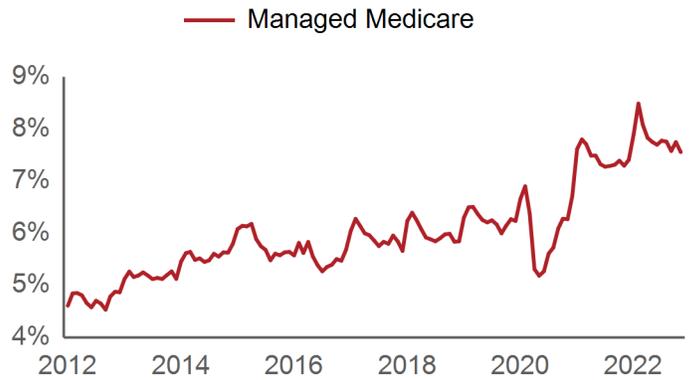
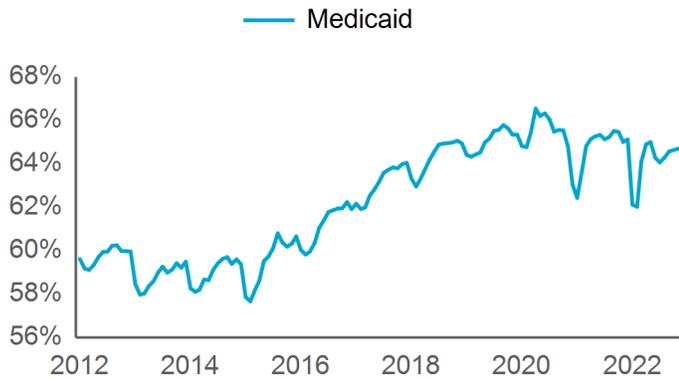
National Key Indicators

	National		Rural		Urban Cluster		Urban Area	
	Current Mo.	Mo./Mo.	Current Mo.	Mo./Mo.	Current Mo.	Mo./Mo.	Current Mo.	Mo./Mo.
Occupancy	79.4%	-12 bps	76.9%	-64 bps	77.2%	-14 bps	80.5%	0 bps
Quality Mix	35.3%	-7 bps	36.2%	-84 bps	35.2%	-71 bps	35.1%	25 bps
Skilled Mix	26.6%	-1 bps	22.4%	-78 bps	24.3%	-73 bps	28.0%	32 bps
Patient Day Mix								
Medicaid	64.7%	7 bps	63.8%	84 bps	64.8%	71 bps	64.9%	-25 bps
Medicare	12.2%	18 bps	11.6%	-36 bps	13.4%	-45 bps	12.0%	44 bps
Managed Medicare	7.6%	-19 bps	4.5%	-36 bps	4.7%	-18 bps	8.9%	-16 bps
Private	8.7%	-6 bps	13.8%	-6 bps	10.9%	2 bps	7.1%	-7 bps
Revenue Per Patient Day								
Medicaid	\$266	0.6%	\$254	0.6%	\$270	0.4%	\$267	0.6%
Medicare	\$587	-0.2%	\$597	1.0%	\$602	-0.7%	\$580	-0.3%
Managed Medicare	\$472	0.1%	\$431	-0.1%	\$473	0.5%	\$476	0.0%
Private	\$315	0.5%	\$288	1.0%	\$301	0.8%	\$331	0.3%
Revenue Mix								
Medicaid	50.8%	7 bps	50.9%	66 bps	51.6%	20 bps	50.5%	-6 bps
Medicare	21.9%	35 bps	21.2%	-32 bps	24.1%	-43 bps	21.5%	68 bps
Managed Medicare	10.2%	-31 bps	6.0%	-42 bps	6.5%	-30 bps	12.0%	-30 bps
Private	7.9%	-7 bps	12.1%	23 bps	9.4%	-9 bps	6.8%	-12 bps

National Trends



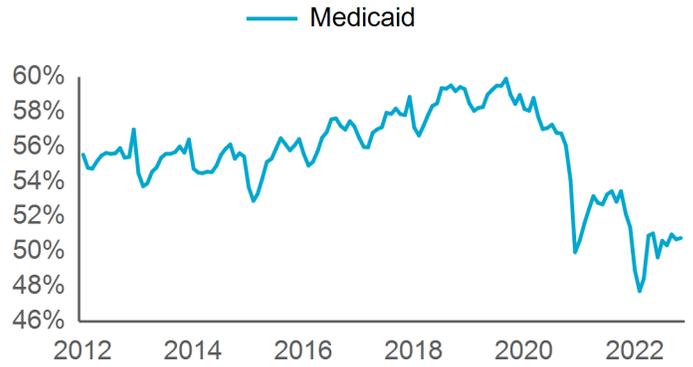
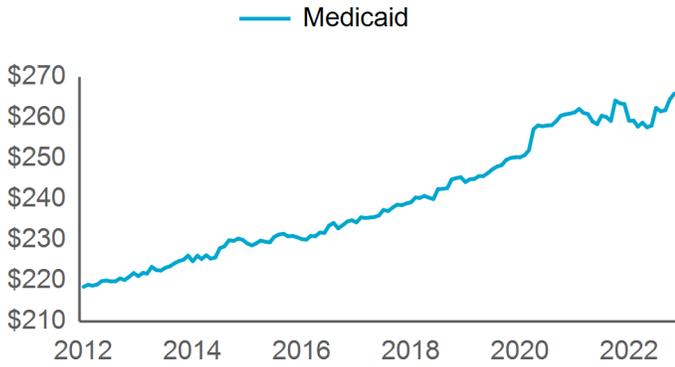
Patient Day Mix



National Trends

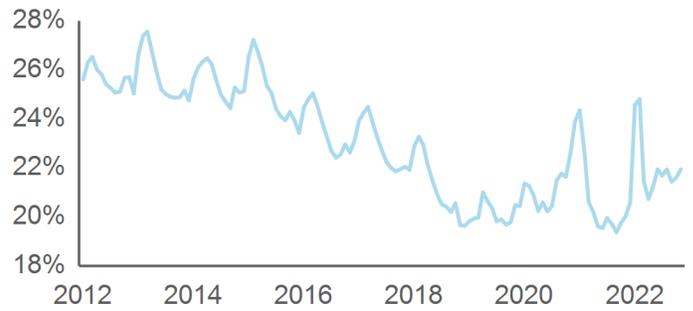
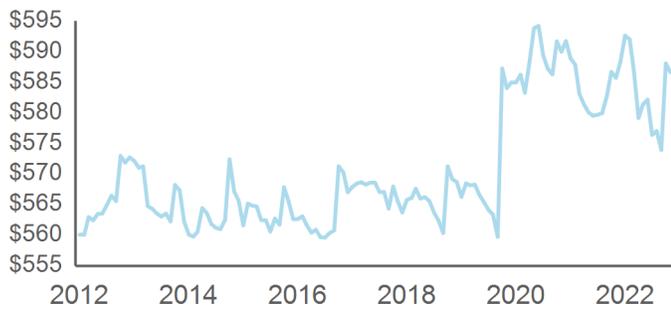
Revenue Per Patient Day

Revenue Mix



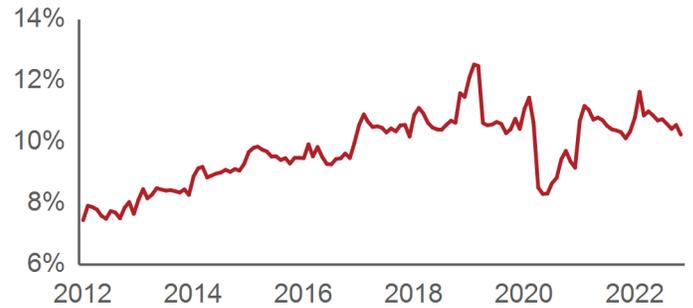
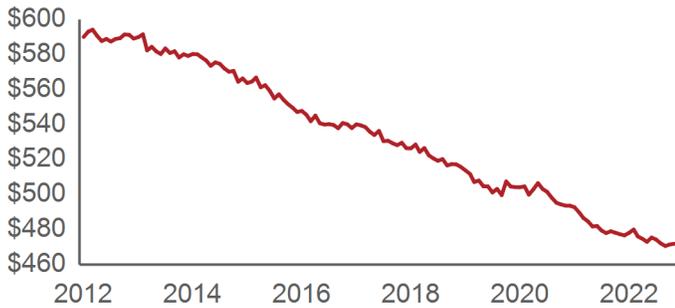
Medicare

Medicare



Managed Medicare

Managed Medicare



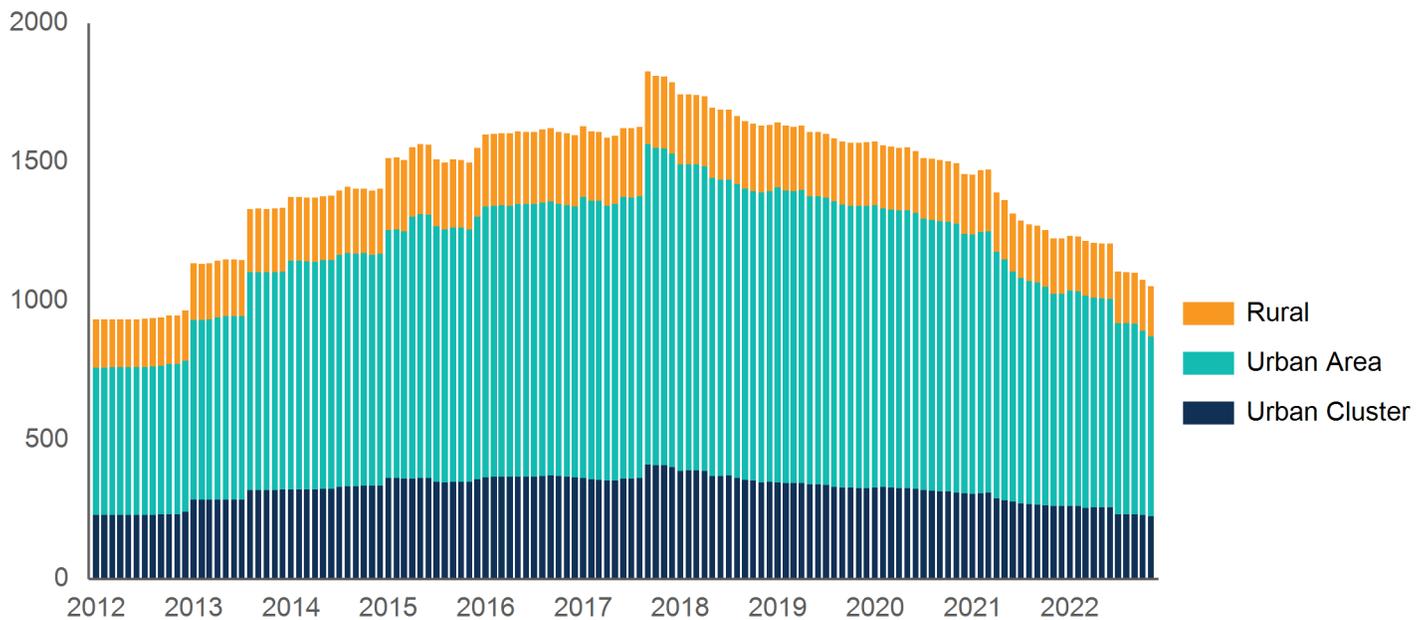
Private

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:

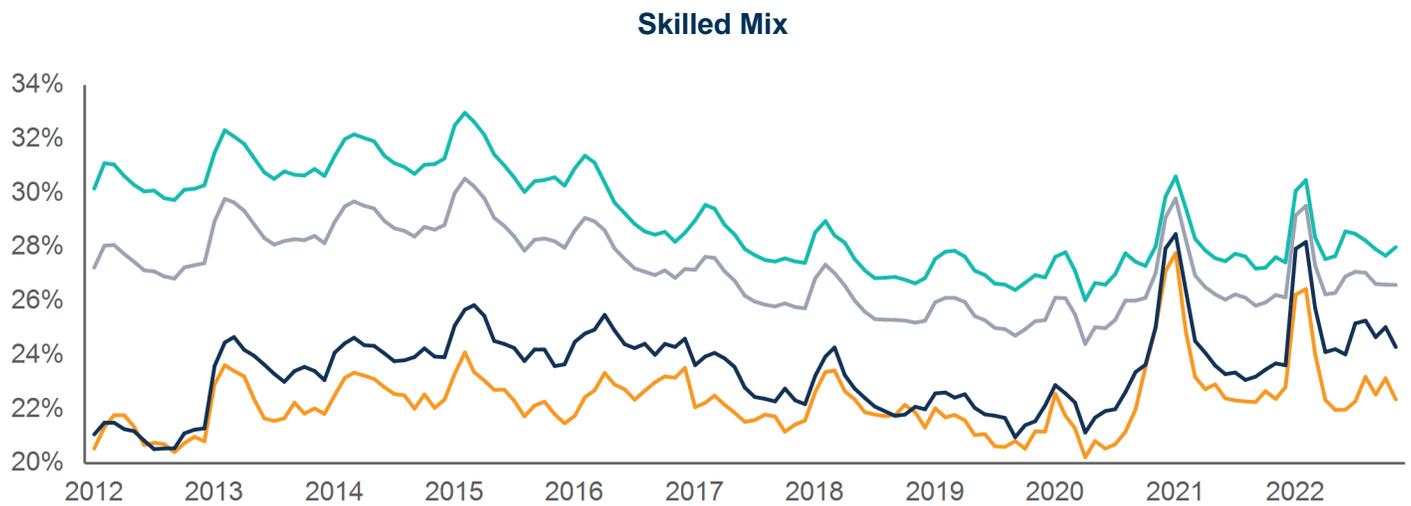
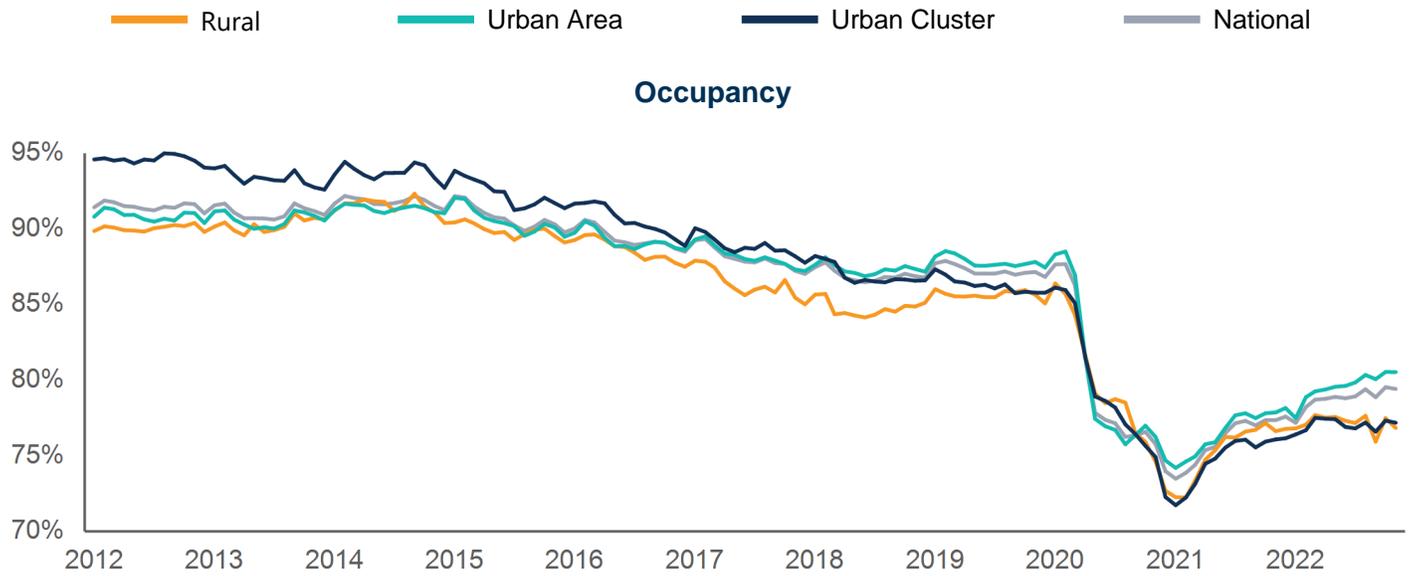
For the 2010 Census, the Census Bureau classified as urban all territory, population, and housing units located within urbanized areas (UAs) and urban clusters (UCs), both defined using the same criteria. The Census Bureau delineates UA and UC boundaries that represent densely developed territory, encompassing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

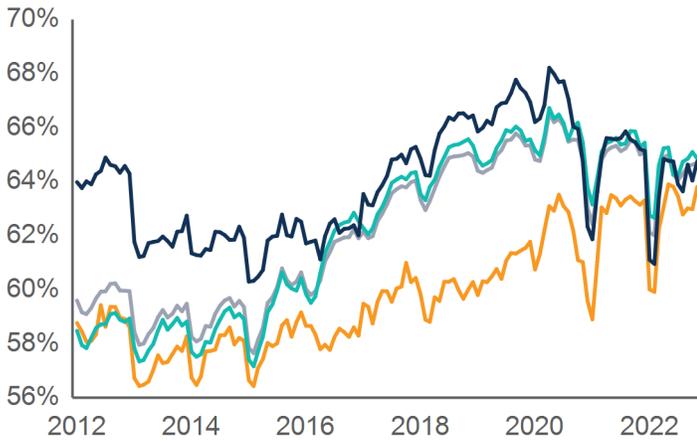


Urban and Rural Trends

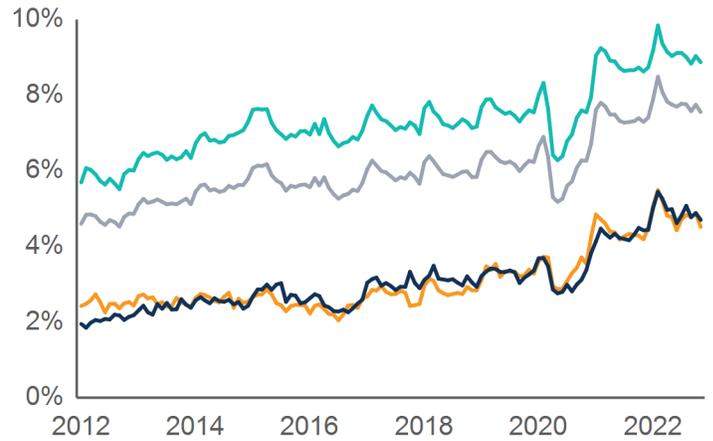
— Rural
 — Urban Area
 — Urban Cluster
 — National

Patient Day Mix

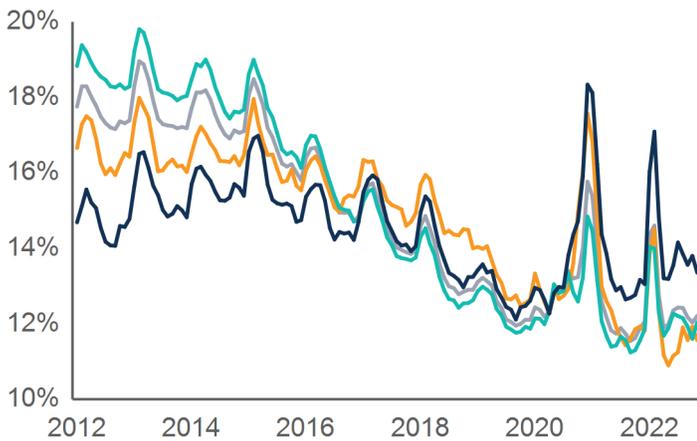
Medicaid



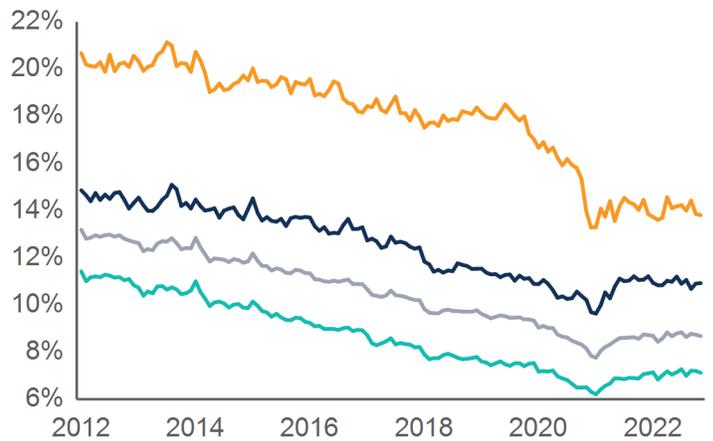
Managed Medicare



Medicare



Private

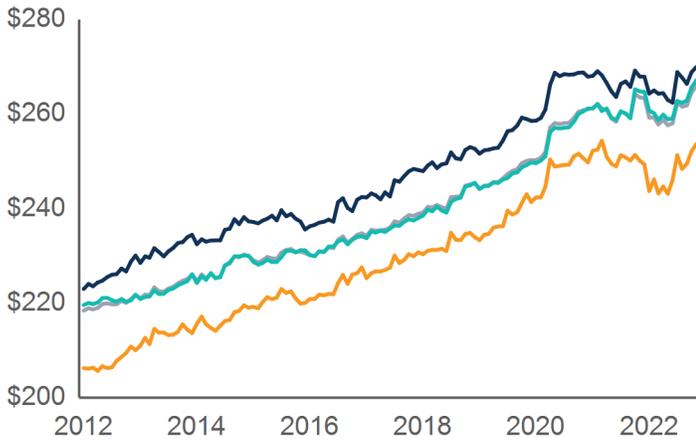


Urban and Rural Trends

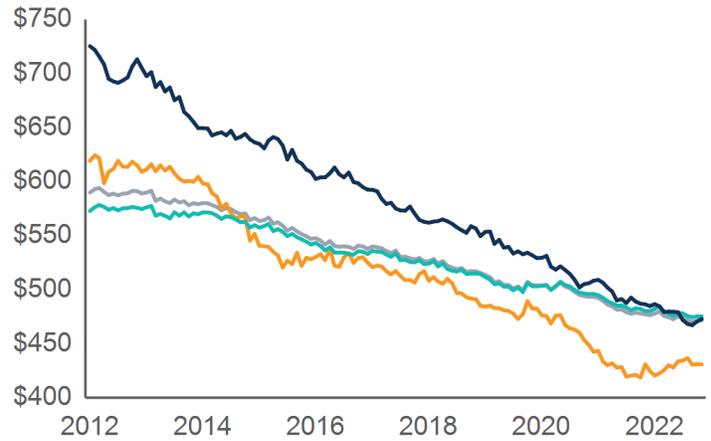
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Revenue Per Patient Day

Medicaid



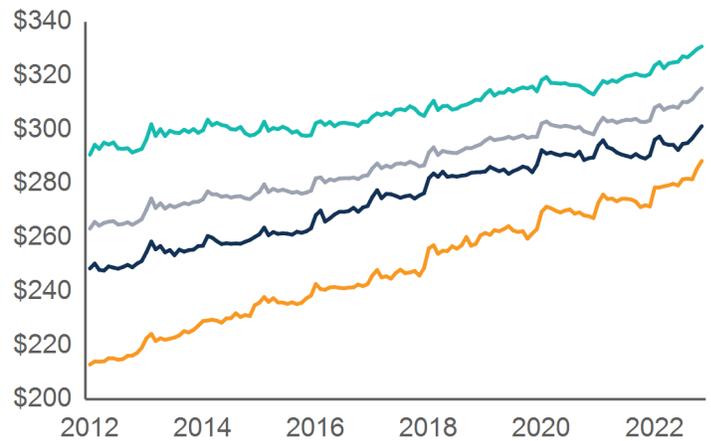
Managed Medicare



Medicare



Private

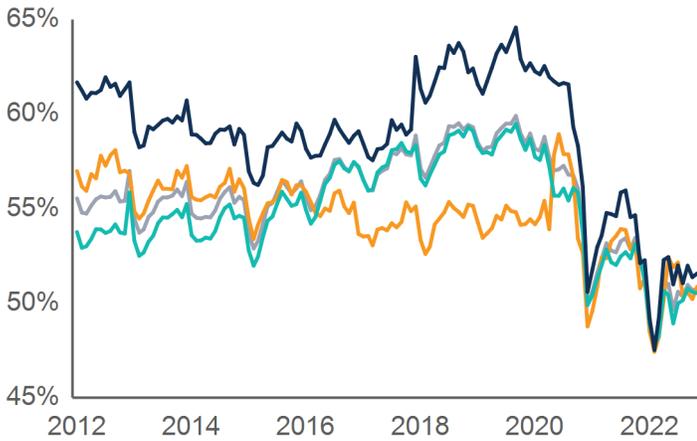


Urban and Rural Trends

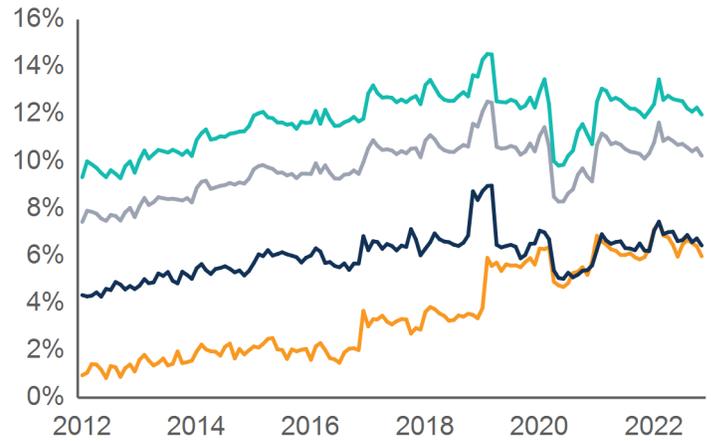
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Revenue Mix

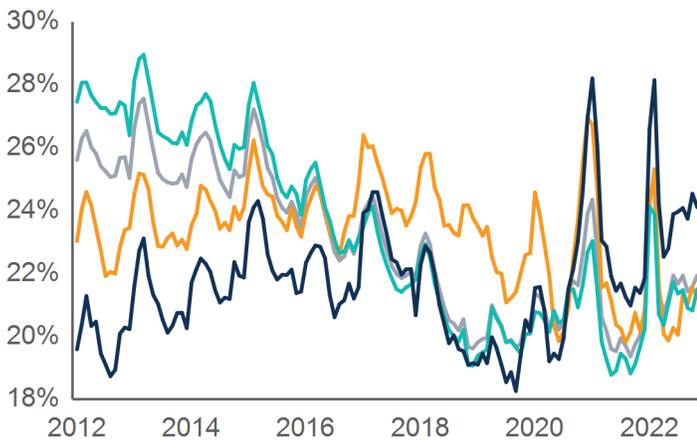
Medicaid



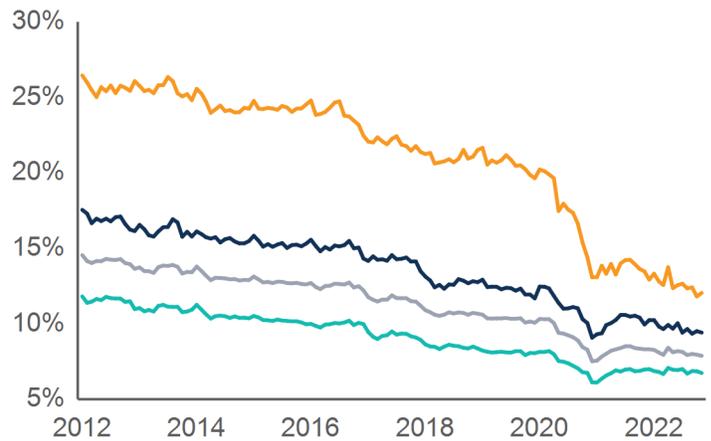
Managed Medicare



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.