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Data Service

Skilled Nursing Monthly Report

Data through January 2022

Key Takeaways

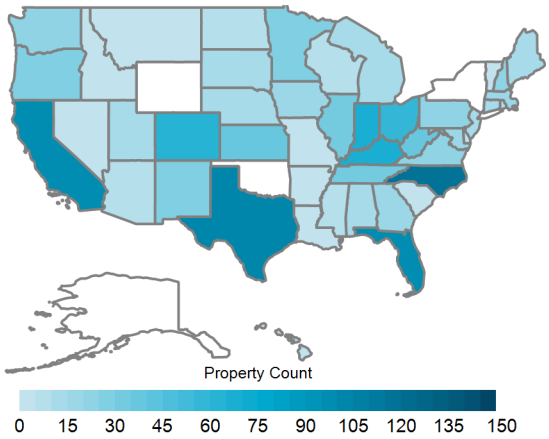
Occupancy
After reaching a 19-month high level of 76.1% in December 2021, skilled nursing property occupancy fell 27 basis points to start the 2022 new year at 75.8%. The Omicron variant caused COVID-19 cases around the country to spike at the beginning of the year, which seemingly stalled the occupancy recovery. Occupancy had been relatively flat since July 2021 but the January reversal pushed occupancy to being only 383 basis points above the low point reached in January 2021 (72.0%) and it remains low compared to the February 2020 pre-pandemic level of 86.1%. The COVID-19 delta variant over the summer months and more recently the Omicron variant posed challenges to growing occupancy further. In many instances heightened absenteeism associated with sickness related to Omicron and restrictions on when staff could return to work safely caused many operators to limit patient admissions because they were unable to have sufficient numbers of staff to care for patients. With a national unemployment rate of 3.8% in February 2022 and the number of skilled nursing workers at the national level remaining 15% below pre-pandemic levels, the labor crisis is unlikely to abate anytime soon.

Medicare
Medicare revenue per patient day (RPPD) increased slightly from December 2021 to end January 2022 at $585. This was an increase from $580 in December and its highest level since June 2020. The January increase was likely due to the need for more skilled care as some residents contracted the Omicron variant. The federal government implemented many initiatives to aid operators of properties for cases of COVID-19, including increases in Medicare fee-for-service reimbursements to help care for COVID-19 positive patients requiring additional care. Meanwhile, Medicare revenue mix also trended up in the month of January, increasing 411 basis points from 21.1% to reach a pandemic high of 25.2%. Given the elevated number of COVID-19 cases in January, this suggests there was a significant uptick in the utilization of the 3-Day Rule waiver as COVID-19 cases increased in 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, hence increasing the Medicare census at properties. As the cases decline, the Medicare revenue share is likely to decline as well.

Managed Care
Managed Medicare revenue mix increased 54 basis points from December to end January at 10.5%. This was up 258 basis points from pandemic low set in May 2020 of 8.0%, but 57 basis points below the most recent highwater mark of 11.1% prior to the pandemic. The increase is likely due to growth in elective surgeries from the early days of pandemic, which typically creates additional referrals to skilled nursing properties. Meanwhile, Managed Medicare revenue per patient day (RPPD) inched up from $453 to $454 in January and has fluctuated around this value since August. Compared to its year-earlier value of $468, it is down 2.9%, however and it is down $106 (19%) from January 2012. It continues to create pressure on operators' revenue as managed Medicare enrollment continues to expand its reach and coverage around the country. The persistent decline in managed Medicare revenue per patient day continues to result in an expanded reimbursement differential between Medicare fee-for-service and managed Medicare, which has accelerated during the pandemic. Medicare fee-for-service RPPD ended January 2022 at $585, representing a $130 difference. Pre-pandemic, in February of 2020, the differential was $99.

Medicaid
As Omicron cases spiked in January, Medicaid patient day mix decreased 269 basis points to 63.7%. It has decreased 313 basis points from the most recent high set in in September 2021. In a similar trend, Medicaid revenue mix deceased in January, declining 258 basis points to 47.5%. As mentioned above, this was likely due to the spike in Omicron cases in January as operators moved residents from Medicaid to Medicare days as they required isolation and higher skilled care. Meanwhile, Medicaid revenue per patient day (RPPD) decreased 1.6% from December 2021 to end January 2022 at $245. After hitting a high of $249 in October 2021, it is now at a level last seen in May of 2021. However, Medicaid reimbursement has increased more than usual as many states embraced measures to increase reimbursement related to the number of COVID-19 cases. Medicaid has increased 3.4% since February 2020. On the other hand, covering the cost of care for Medicaid patients is still a major concern as reimbursement does not cover the cost of care in many states. In addition, nursing home wage growth is elevated along with overall inflation, and staffing shortages are a significant challenge in many areas of the country.

Coverage

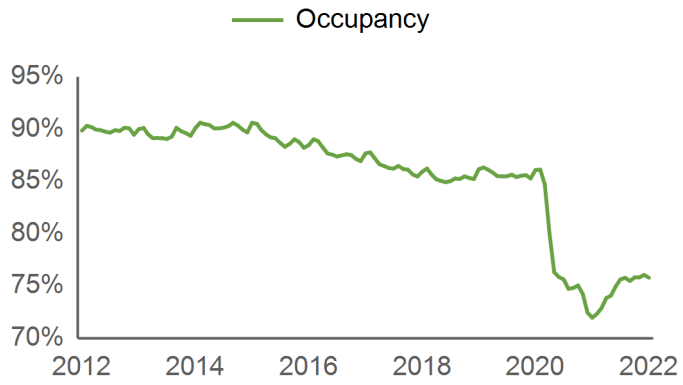


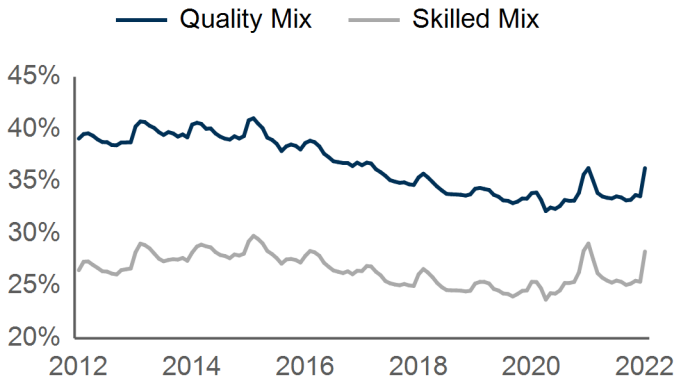
	December	January
States Represented	46	46
Number of Contributors	25	25
Total SNF Properties	1,226	1,236

National Key Indicators

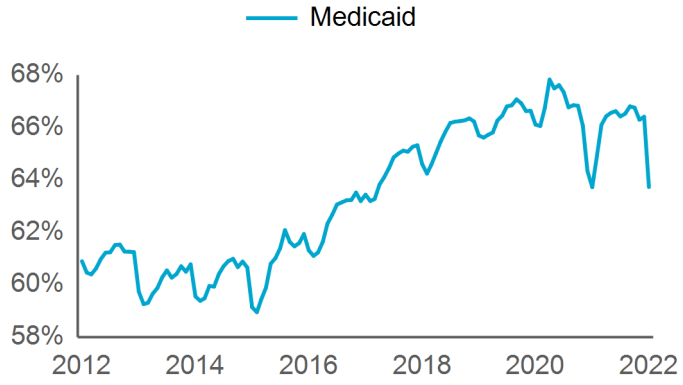
	National		Rural		Urban Cluster		Urban Area	
	Current Mo.	Mo./Mo.	Current Mo.	Mo./Mo.	Current Mo.	Mo./Mo.	Current Mo.	Mo./Mo.
Occupancy	75.8%	-27 bps	75.0%	43 bps	74.2%	23 bps	76.3%	-54 bps
Quality Mix	36.3%	269 bps	38.8%	286 bps	37.7%	401 bps	35.4%	231 bps
Skilled Mix	28.3%	289 bps	25.4%	313 bps	27.4%	420 bps	29.1%	251 bps
Patient Day Mix								
Medicaid	63.7%	-269 bps	61.2%	-286 bps	62.3%	-401 bps	64.6%	-231 bps
Medicare	13.6%	218 bps	12.6%	176 bps	15.2%	285 bps	13.4%	208 bps
Managed Medicare	7.6%	41 bps	4.6%	56 bps	5.2%	57 bps	8.8%	34 bps
Private	8.0%	-20 bps	13.4%	-26 bps	10.4%	-19 bps	6.4%	-20 bps
Revenue Per Patient Day								
Medicaid	$245	-1.6%	$232	-2.3%	$243	-1.3%	$247	-1.5%
Medicare	$585	0.7%	$567	1.2%	$594	0.6%	$585	0.7%
Managed Medicare	$454	0.3%	$429	-1.1%	$449	0.4%	$458	0.5%
Private	$300	1.5%	$271	2.4%	$287	1.9%	$316	0.9%
Revenue Mix								
Medicaid	47.5%	-258 bps	46.9%	-283 bps	45.8%	-342 bps	48.1%	-232 bps
Medicare	25.2%	411 bps	24.1%	348 bps	28.2%	500 bps	24.6%	398 bps
Managed Medicare	10.5%	54 bps	6.6%	84 bps	7.2%	96 bps	12.0%	38 bps
Private	7.3%	-21 bps	11.8%	7 bps	9.1%	9 bps	6.0%	-33 bps

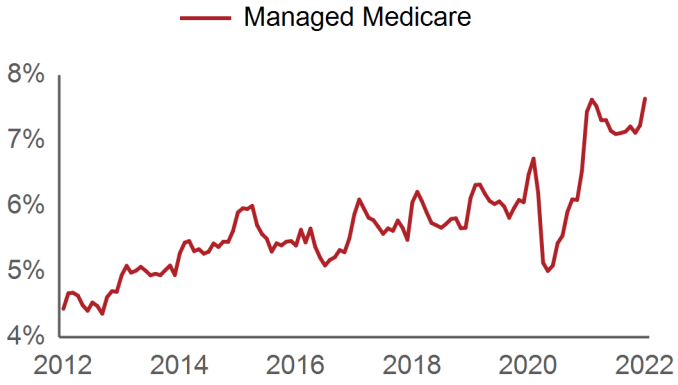
National Trends

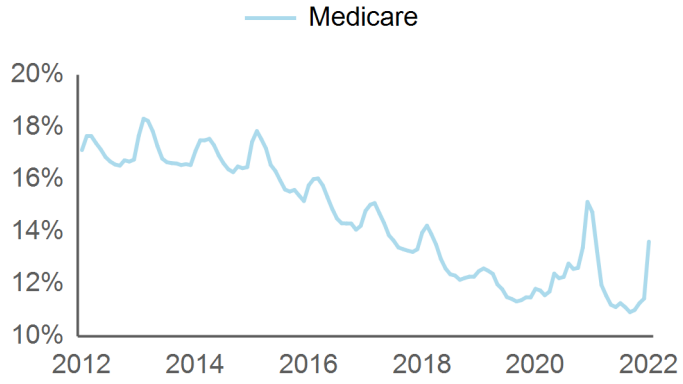


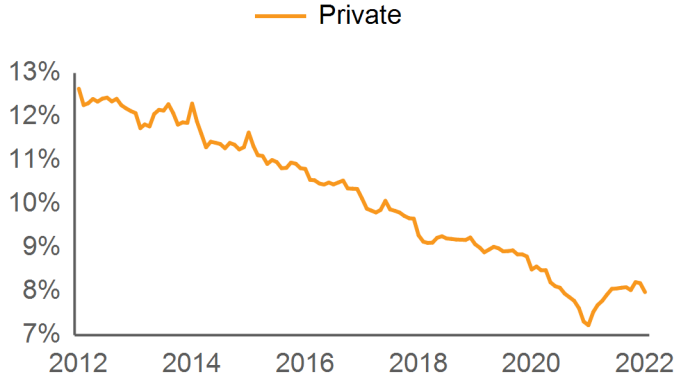


Patient Day Mix



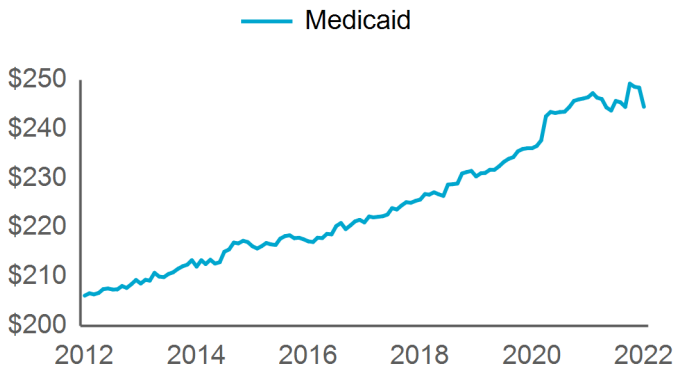


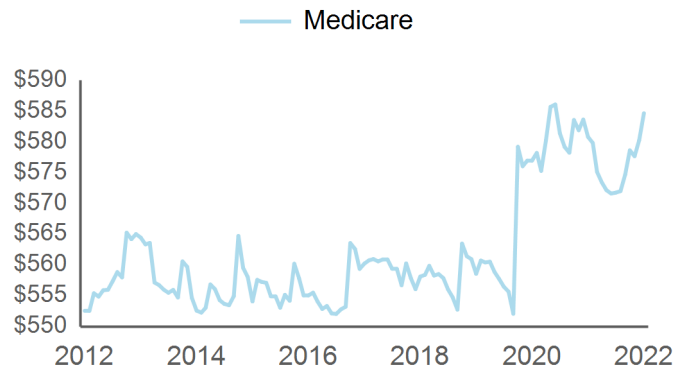


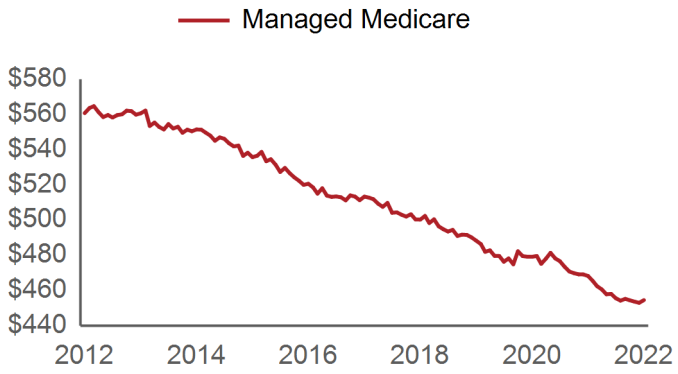


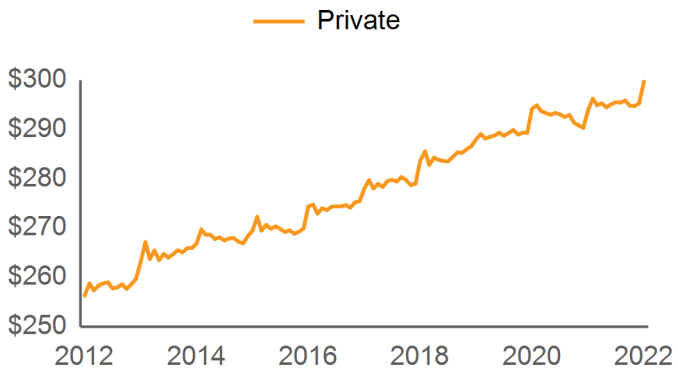
National Trends

Revenue Per Patient Day

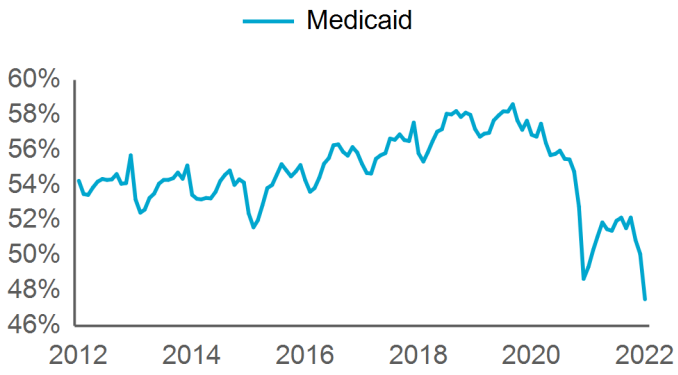


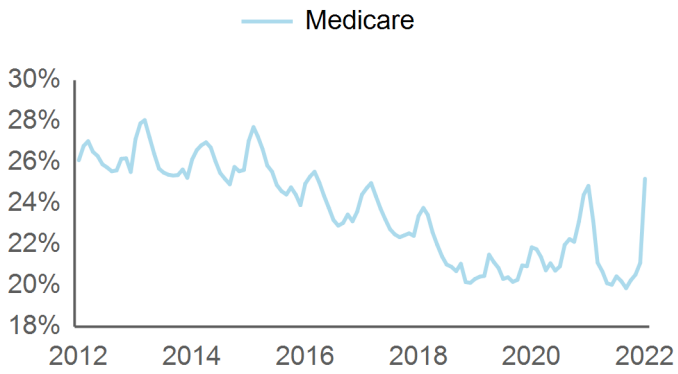


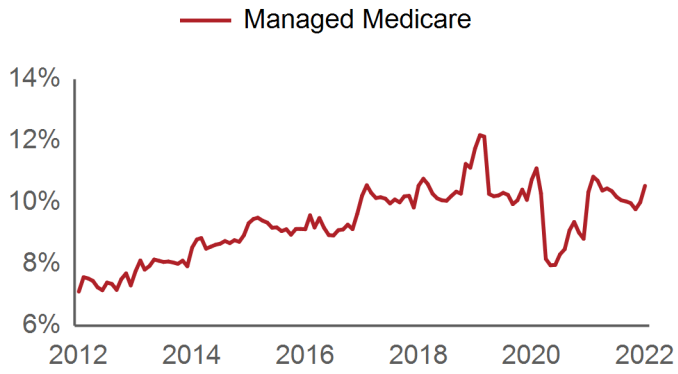


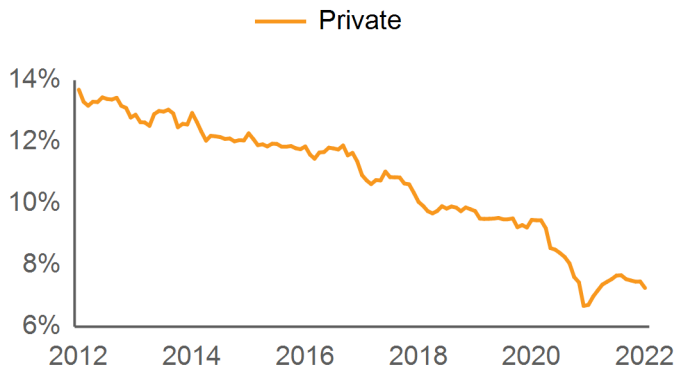


Revenue Mix



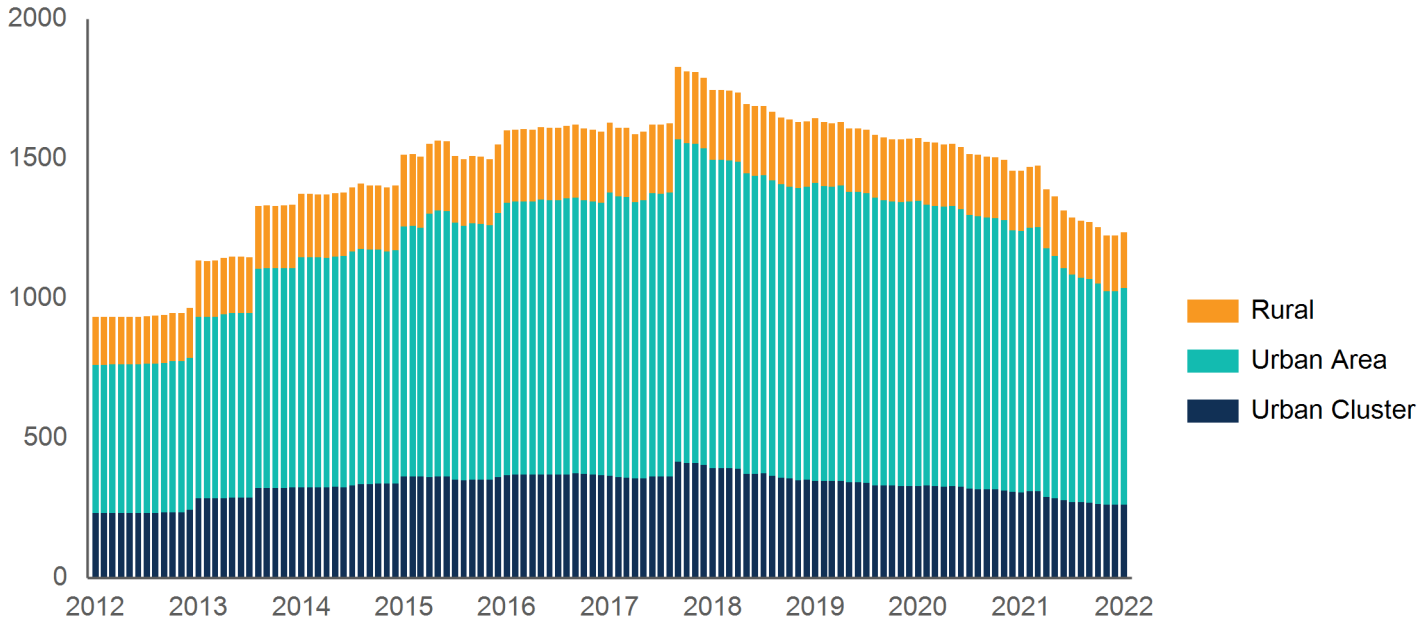






Urban and Rural Trends

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:

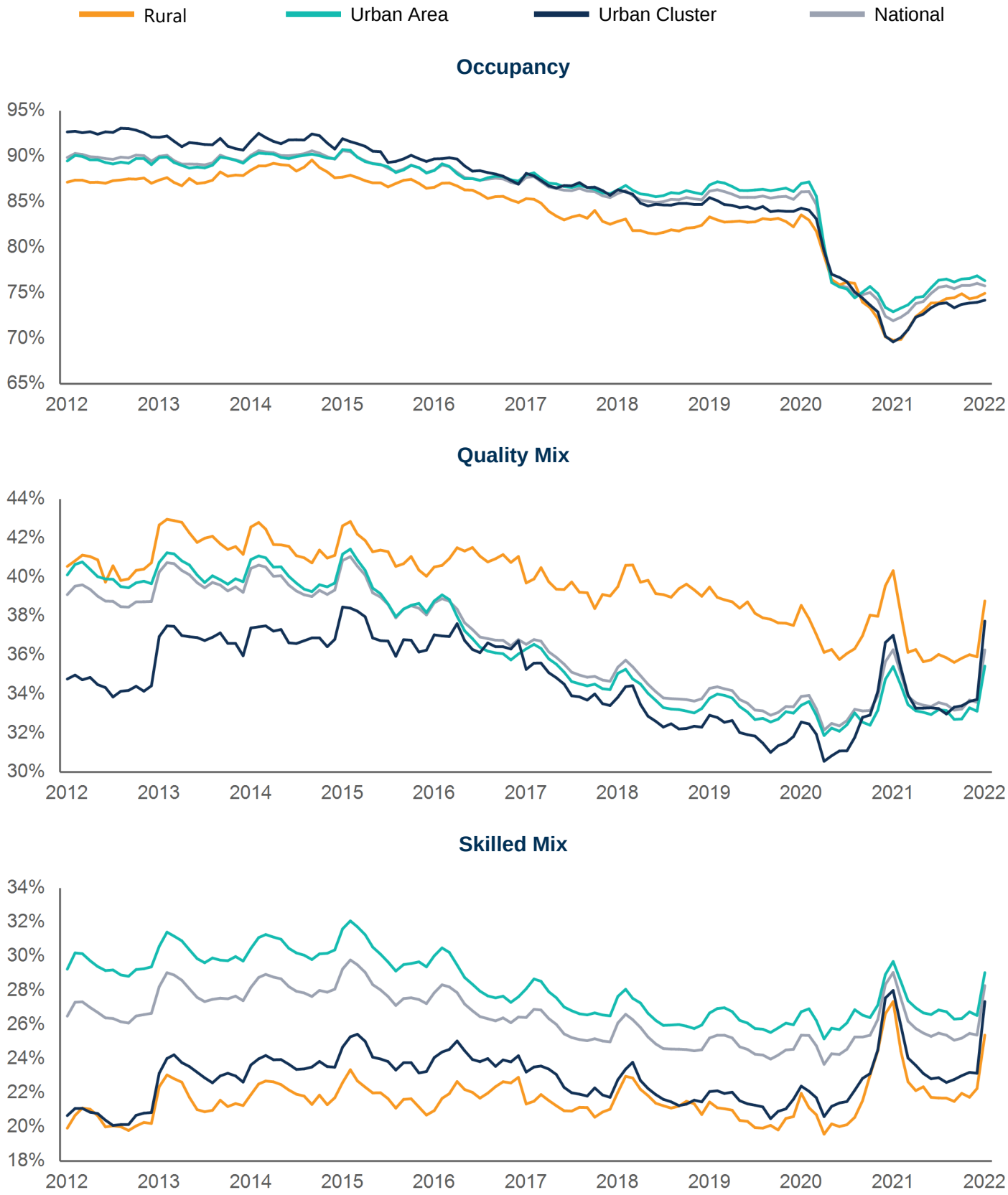
For the 2010 Census, the Census Bureau classified as urban all territory, population, and housing units located within urbanized areas (UAs) and urban clusters (UCs), both defined using the same criteria. The Census Bureau delineates UA and UC boundaries that represent densely developed territory, encompassing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

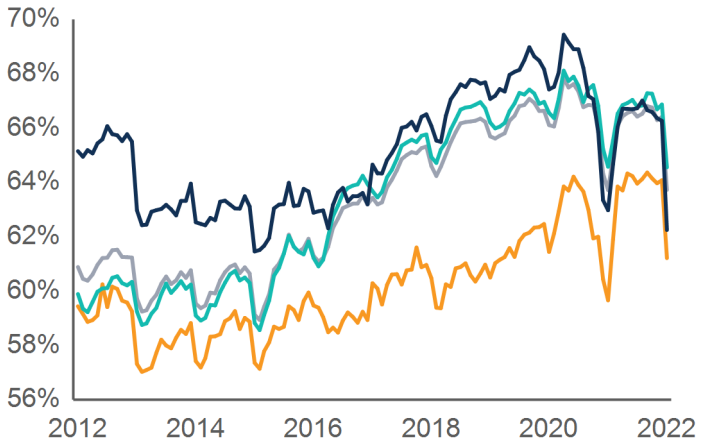


Urban and Rural Trends

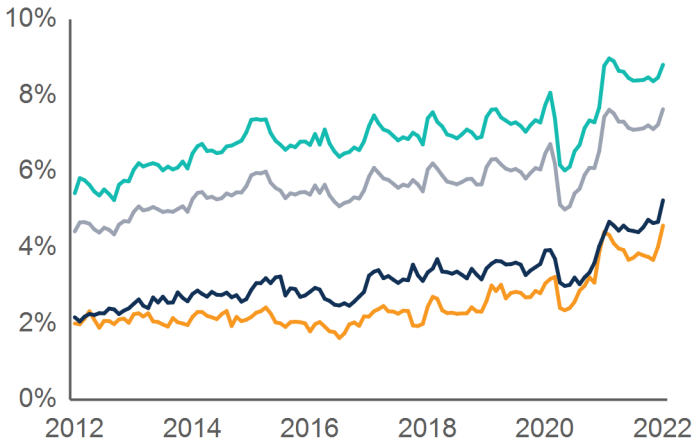
Rural | Urban Area | Urban Cluster | National

Patient Day Mix

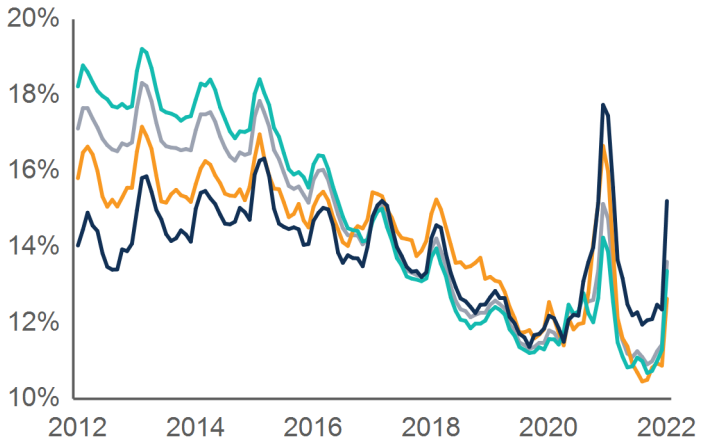
Medicaid



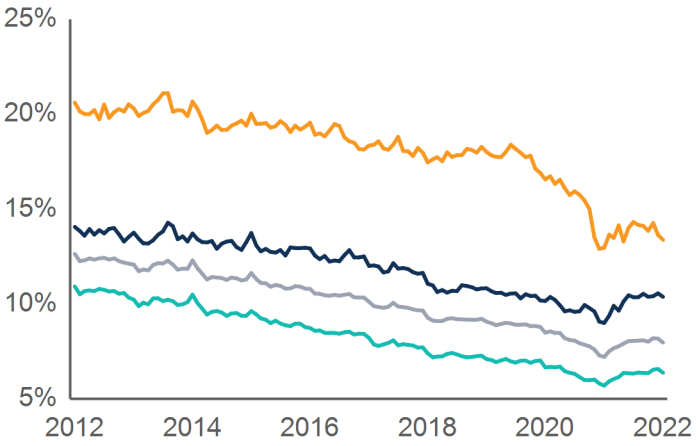
Managed Medicare



Medicare



Private

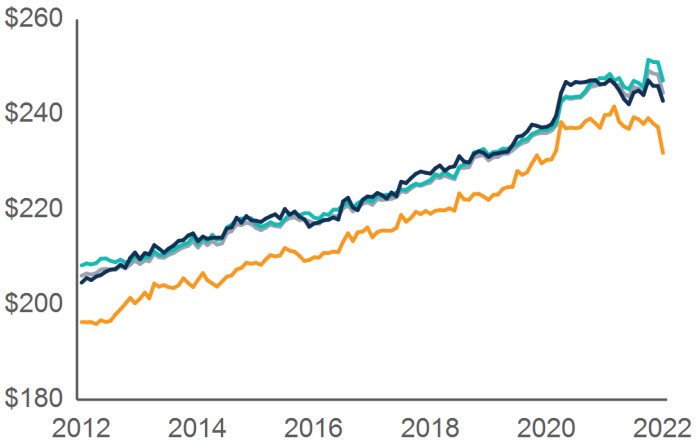


Urban and Rural Trends

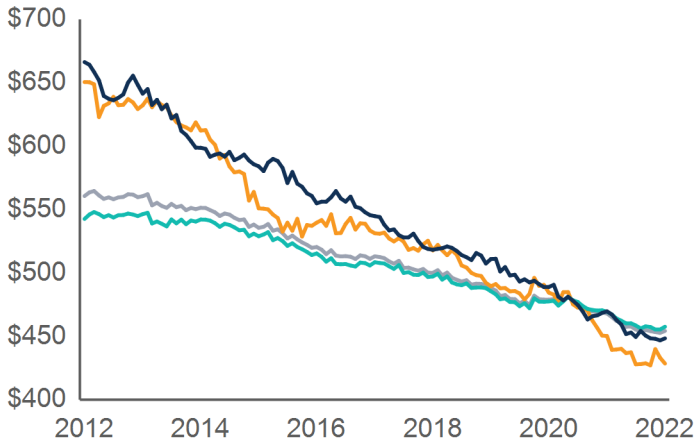
Rural | Urban Area | Urban Cluster | National

Revenue Per Patient Day

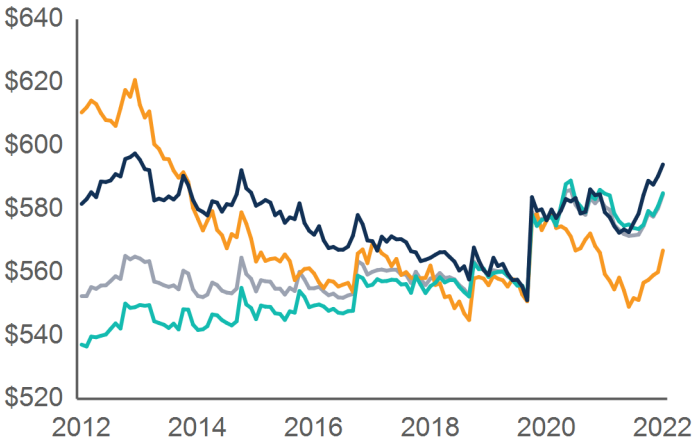
Medicaid



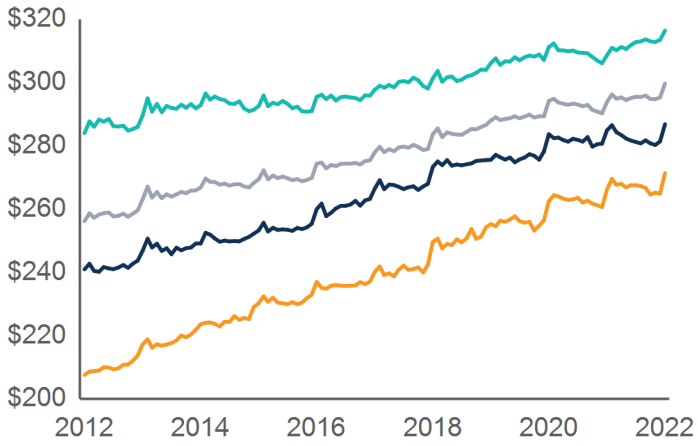
Managed Medicare



Medicare



Private

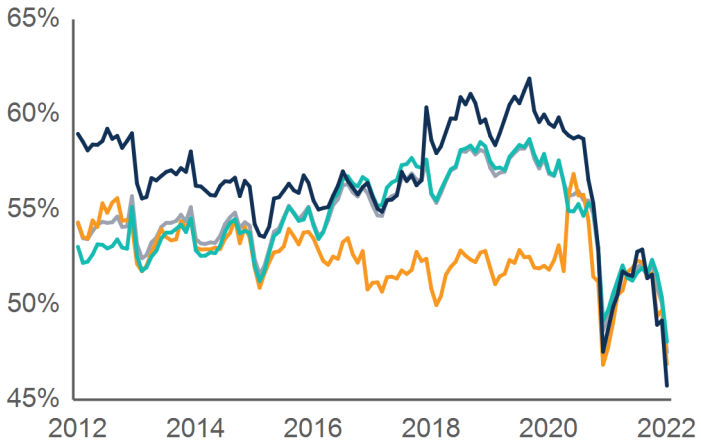


Urban and Rural Trends

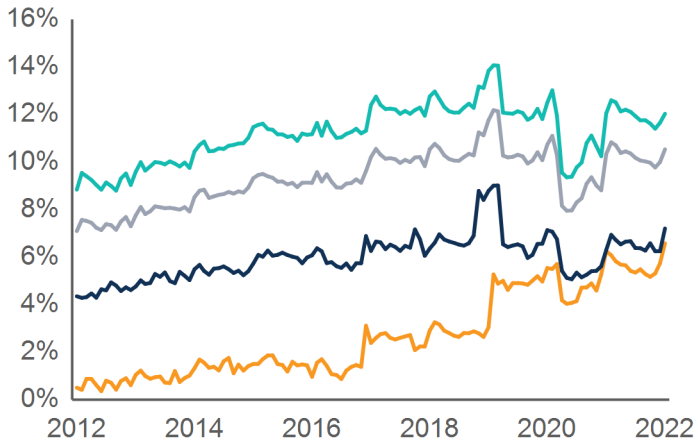
Rural | Urban Area | Urban Cluster | National

Revenue Mix

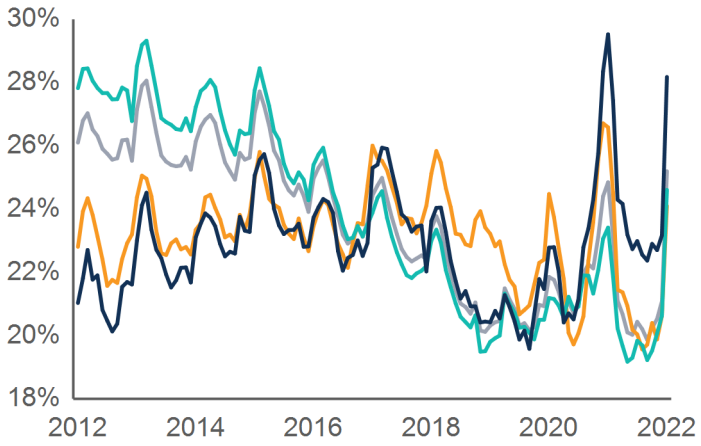
Medicaid



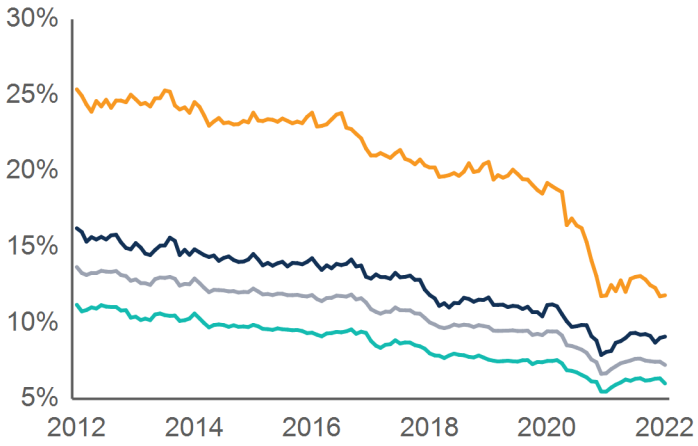
Managed Medicare



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.