



Skilled Nursing Data Report

Key Occupancy & Revenue Trends

Based on Data from October 2011
through June 2016

Table of Contents

- » Skilled Nursing Trends & Summary 3
- » Skilled Nursing Coverage 4
- » Key Indicators 4
- » Glossary of Terms 5
- » Explanation of Data 5

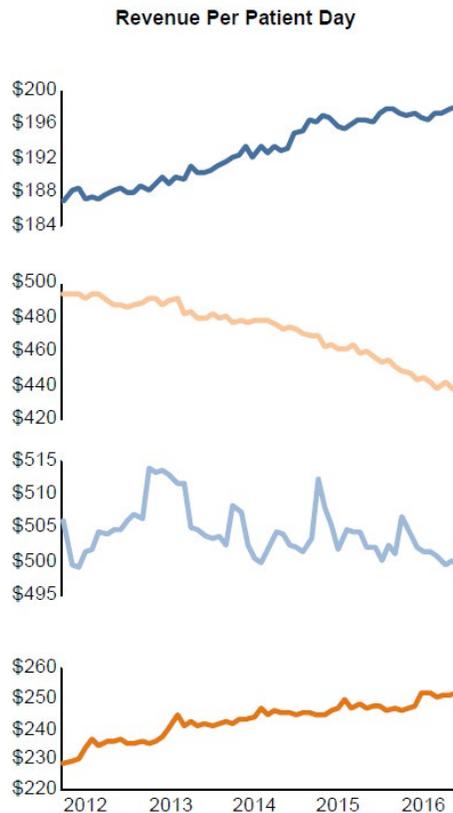
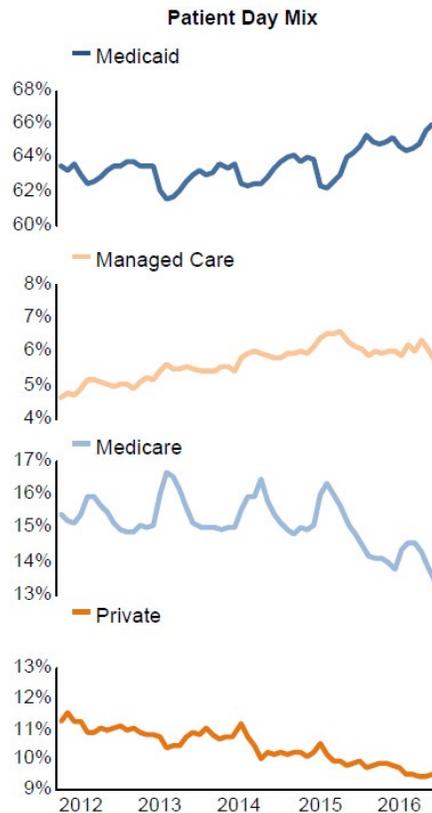
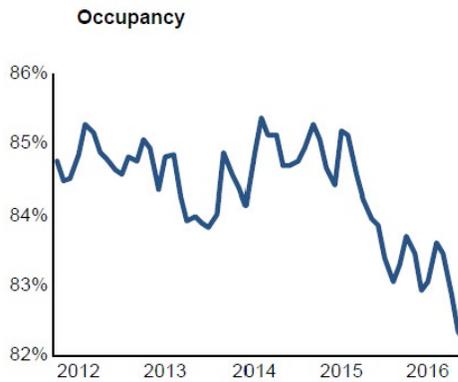
“ Identifying trends in a timely matter is key, especially in this rapidly changing environment. The timelines of this recent data release has illuminated that last quarter experienced a slowing of the rate of decline in managed care (managed Medicare) revenue per patient day, which is a significant key takeaway and one that warrants attention. We’ll be watching for next quarter’s data to gain further insight.”

-Bill Kauffman, Senior Principal, NIC

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Skilled Nursing Trends¹

Data through June 2016



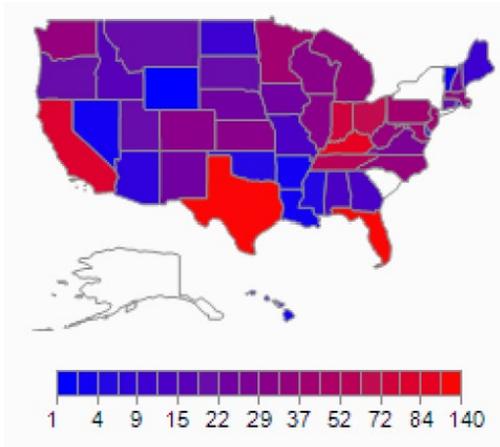
Trends Summary

- » **Occupancy declined to a five-year low.** Occupancy declined 123 basis points quarter-over-quarter to 82.2%, the lowest occupancy recorded in this data series that began in October, 2011. While occupancy usually softens in the second quarter, in 2016 this second-quarter decline was more significant than in previous years, suggesting that lower occupancy is being driven by factors beyond seasonality. There are a number of healthcare delivery and payment reform initiatives that could be playing a role in the decline.
- » **Skilled mix down due especially to Medicare.** Skilled mix was the main driver of lower occupancy as Medicare patient day mix declined 107 basis points from the prior quarter to 13.5%. Managed care (managed Medicare) patient day mix also declined, albeit slightly, down to 5.8% of patient days.
- » **Managed care (managed Medicare) revenue per patient day (RPPD) decline possibly plateauing.** The rate of decline within managed Medicare RPPD slowed, suggesting the managed Medicare rate of decline may be plateauing. The quarter-over-quarter decline to \$437.85 per day was only -0.2% compared to the steep declines of -1.2% and -1.7% seen in the prior two quarters.
- » **Medicaid RPPD hit five-year high.** Medicaid revenue per patient day grew slightly in the second quarter, which is a shift from the prior quarter's flat growth. The June Medicaid RPPD rate of \$198 represents the highest rate within this time series and reflects a compound annual growth rate of 1.23% since October 2011.

¹ Historical data is deflated using same-store month-month changes.

Skilled Nursing Coverage

Data through June 2016



Property Count Scale

	<u>May</u>	<u>June</u>
States Represented	47	47
Number of Contributors	18	18
Total SNF Properties	1,485	1,483

Key Indicators

Data through June 2016

	<u>Current Month</u>	<u>Mo./Mo.² Chg (bps)</u>
Occupancy	82.2%	-11
Quality Mix	34.1%	-38
Skilled Mix	24.5%	-50
Patient Day Mix		
Medicaid	65.9%	38
Medicare	13.5%	-39
Managed Care	5.8%	-28
Private	9.5%	12
Revenue Per Patient Day		
Medicaid	\$198	0.1%
Medicare	\$499	-0.2%
Managed Care	\$438	-0.2%
Private	\$252	0.2%

²Same-store data

Glossary of Terms

Occupancy: Actual patient days divided by total days

Quality Mix: Total number of Medicare, Managed Care/Other, and Private days divided by total number of actual patient days

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

Revenue Per Patient Day: Total Revenue divided by actual patient days for each payor source

Skilled Mix: Total number of Medicare and Managed Care/Other days divided by total number of actual patient days

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 as footnoted in the report.

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 4.

The Trends Summary is only reflective of the data from the current sample size within the NIC Skilled Nursing Data Initiative.

Submit your data. Get these metrics.

Are you an operator and interested in participating? Please visit <http://www.nic.org/analytics/nic-initiatives/skilled-nursing-data-initiative> for more information or contact Bill Kauffman, Senior Principal, NIC.

About NIC

The National Investment Center for Seniors Housing & Care (NIC) is a 501(c)(3) organization whose mission is to advance access and choice in seniors housing and care—from independent living, assisted living, and memory care, to skilled nursing and post-acute care. NIC provides research, education, and increased transparency that facilitate leadership development, quality outcomes, and informed investment decisions with respect to seniors housing and care. Since 1991, NIC has been the leading source of research, data and analytics for owners, operators, developers, capital providers, researchers, academics, public policy analysts and others interested in meeting the housing and care needs of America's elders. For more information, call (410) 267-0504