



# Skilled Nursing Data Report

*Key Occupancy & Revenue Trends*

Based on Data from October 2011  
through September 2016

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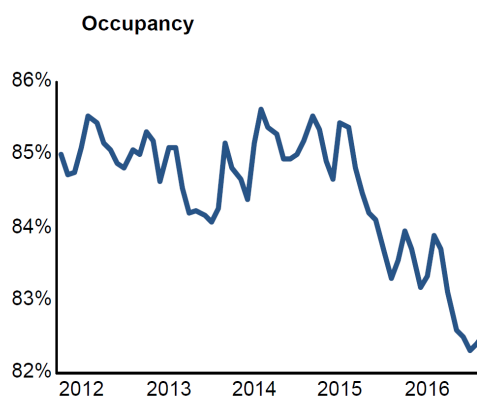
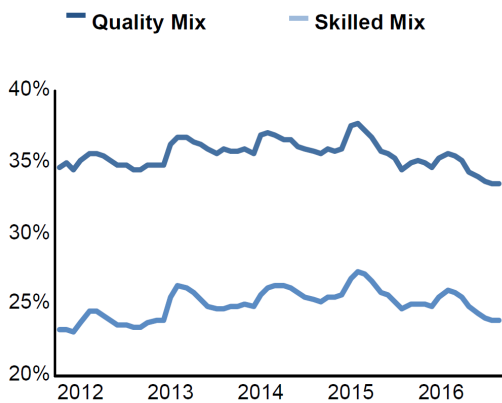
**“ Skilled mix continues to be a challenge for operators, and given the fact that higher reimbursement rates are associated with skilled mix, the downward pressure on that mix can play a significant role in profitability. And with these challenges, Medicaid plays an important role as the largest source of revenue from a single payor. Medicaid is not a high dollar reimbursement, but it is a steady source of revenue for operators.**

- Liz Liberman, Healthcare Analyst, NIC ”

## Trends Summary

## Skilled Nursing Trends<sup>1</sup>

Data through September 2016



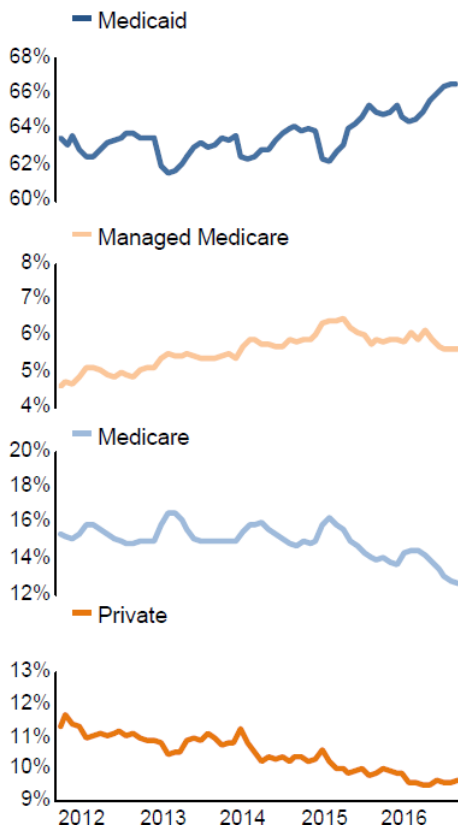
» **Occupancy recovers slightly from July low but remains weak.** Occupancy in Q3 ended at 82.5%, up from July's five-year low of 82.3% but down from Q3 2015. Historically, the lowest occupancy month is in Q3 or Q4, with the highest in Q1 when seasonality factors, such as flu, drive demand. Therefore, occupancy has most likely reached its peak in 2016 unless an early flu season or other factor changes the trend.

» **Managed Medicare revenue per patient day decline slows for second consecutive quarter.** Downward pressures continued to subside for managed Medicare revenue per patient day (RPPD), with the quarter-over-quarter rate of decline at 0.3% in Q3, slightly slower than in Q2. The four quarters before Q2 experienced an average quarter-over-quarter decline of 1.4%. The year-over-year decline as of September 2015 remains steep at 3.5%, but the yearly trend will begin to flatten if quarterly rate declines continue to slow or stabilize.

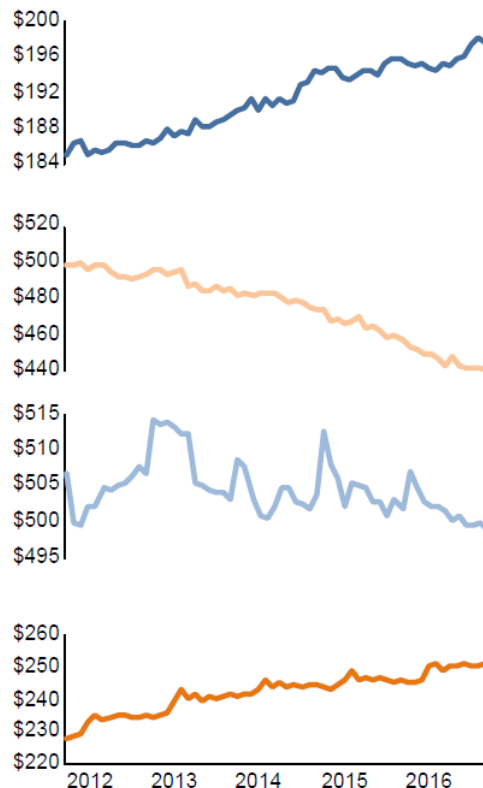
» **Private-pay revenue per patient day grew at faster rate.** Private-pay RPPD grew year-over-year at 2.1%, marking the highest increase since Q3 and Q4 of 2013. Private RPPD increases have consistently outperformed inflation since February 2016 and have outperformed or matched inflation since Q4 2014. Preliminary research indicates that the impact of increases in private-pay RPPD may be more significant for rural markets due to a higher share of private-pay residents as compared to urban properties.

» **Skilled mix decline remains a challenge.** Skilled mix continued its downward trend, driven by the low Q3 Medicare mix, which may be attributable to fewer Medicare patient days. As the Medicare mix declines, it increases Medicaid's significance as a steady payor source. However, increasing Medicaid mix probably does not offset the revenue loss from the declining skilled mix, even with the combination of gradually increasing Medicaid RPPD.

### Patient Day Mix



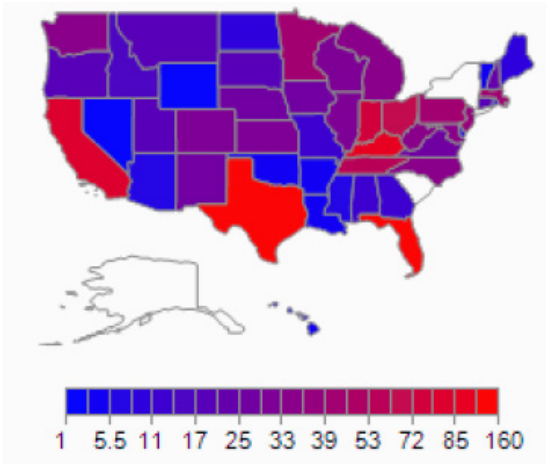
### Revenue Per Patient Day



<sup>1</sup> Historical data is deflated using same-store month-month changes.

# Skilled Nursing Coverage

Data through September 2016



Property Count Scale

	August	September
States Represented	47	47
Number of Contributors	18	18
Total SNF Properties	1,499	1,483

## Key Indicators

Data through September 2016

	Current Month	Mo./Mo. Chg (bps) <sup>2</sup>
<b>Occupancy</b>	82.5%	11
<b>Quality Mix</b>	33.5%	-1
<b>Skilled Mix</b>	23.8%	-9
<b>Patient Day Mix</b>		
Medicaid	66.5%	2
Medicare	12.8%	-11
Managed Medicare	5.7%	0
Private	9.7%	8
<b>Revenue Per Patient Day</b>		
Medicaid	\$198	-0.3%
Medicare	\$499	-0.2%
Managed Medicare	\$441	-0.2%
Private	\$251	0.2%

<sup>2</sup>Same-store data

## Glossary of Terms

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**Occupancy:** Actual patient days divided by total days

**Quality Mix:** Total number of Medicare, managed Medicare/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 Medicare/other divided by total number of actual patient days

## Explanation of Data

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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

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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