

Skilled Nursing Data Report

Key Occupancy & Revenue Trends

**Based on Data from July 2012
through June 2017**



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Key Takeaways

- » **At 81.7%, second quarter occupancy fell to its lowest point in the last five years and was 100 basis points below the first quarter rate of 82.7%.** The year-over-year decline of 147 basis points was less than the prior year's decline of 162 basis points, but almost twice the year-over-year decline in 2015. Seasonality suggests that occupancy is often low in the second quarter, but in the last two years occupancy fell even further in the third and fourth quarters suggesting that occupancy may fall even further in the second half of 2017.
- » **Medicare patient day mix reached the lowest level in NIC's five-year time-series.** Medicare patient day mix hit a new low at the end of the second quarter, falling 119 basis points from 13.9% in March to 12.7% in June. Since February of 2015, with the start of pressure on Medicare mix, it is down a significant 378 basis points from 16.5%. Year-over-year, it declined 88 basis points from 13.6%.
- » **Medicaid mix climbed to a near five-year peak in the second quarter at 65.9%.** Medicaid mix was only 10 basis points lower than the highest Medicaid mix which occurred in November 2016. Quarter-over-quarter, it was up 106 basis points and year-over-year it was up 91 basis points. Meanwhile, the Medicaid revenue per patient day (RPPD) rate continues to increase slowly, reaching its highest point in the second quarter at \$201. For the last 12 months, the rate has hovered between \$199 and \$201, with the two highest RPPD rates both recorded in the second quarter.
- » **The decline in Managed Medicare revenue per patient day continued to decelerate in the second quarter, but the daily rate still reached its lowest rate since July 2012.** Managed Medicare ended the second quarter at \$437 per patient day. The quarter-over-quarter decline was less than \$1 equating to a negative 0.2% drop. The year-over-year change was only \$3, compared to a year ago, when the year-over-year change was \$20. While the managed Medicare RPPD continues to decline, the annual rate of decline is approaching zero and is the smallest in the time-series at negative 0.7%.

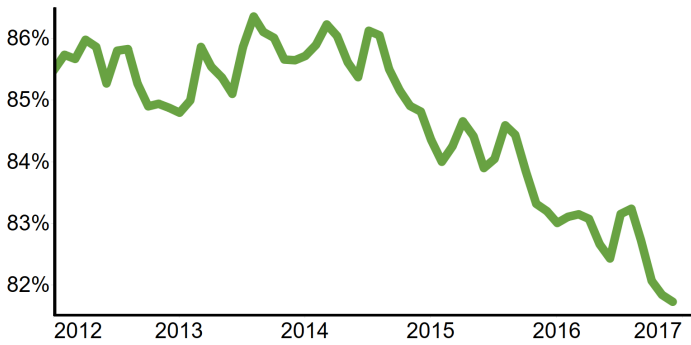
“ Pressure on occupancy witnessed over the last two years has several drivers, including policy changes from the Centers for Medicare & Medicaid Services (CMS) that discourage skilled nursing utilization or encourage short lengths of stay for Medicare patients in an attempt to bend the cost curve. Indeed, NIC data indicates that pressure on Medicare patient day mix began in early 2015, which is also when overall occupancy started to decline.

- Liz Liberman, Healthcare Analyst, NIC ”

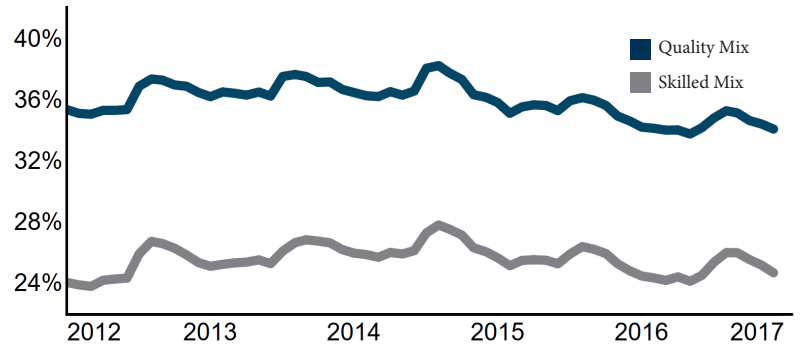
Skilled Nursing Trends

Data through June 2017

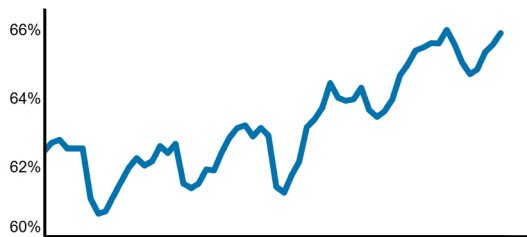
Occupancy



Quality and Skilled Mix

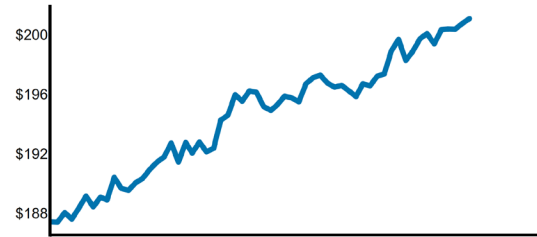


Patient Day Mix

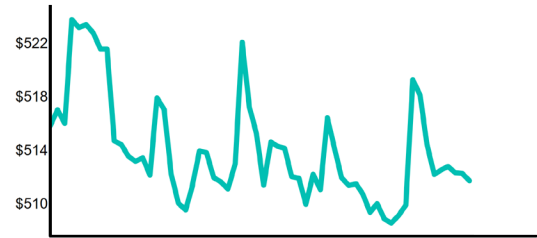
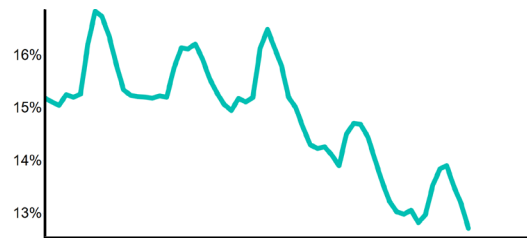


Revenue Per Patient Day

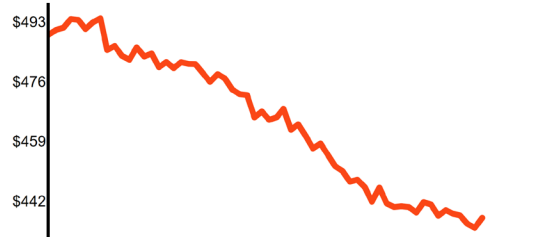
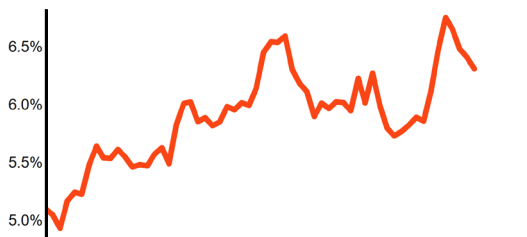
Medicaid



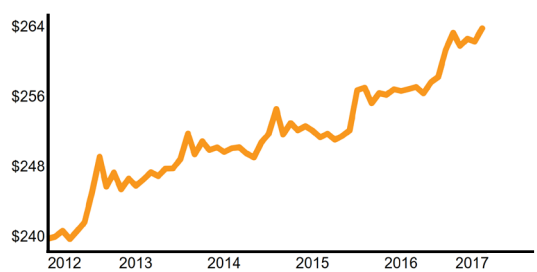
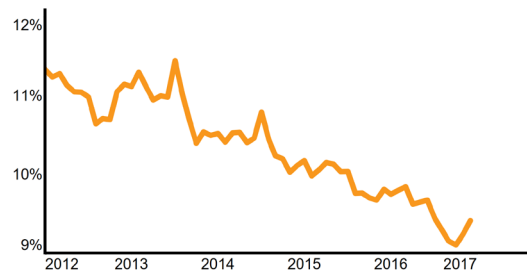
Medicare



Managed Medicare

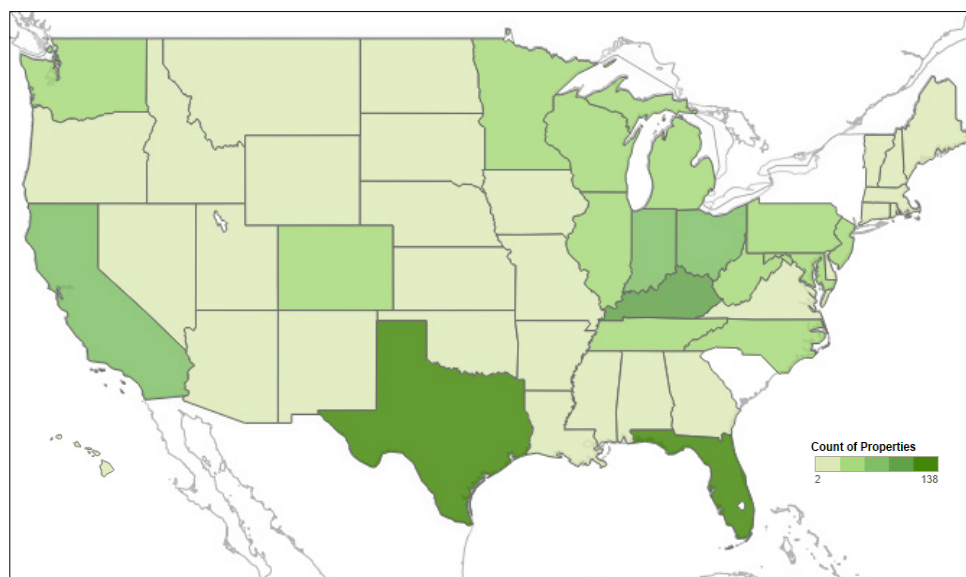


Private



Skilled Nursing Coverage

Data through June 2017



	May	June
States Represented	47	47
Number of Contributors	19	19
Total SNF Properties	1,456	1,433

Key Indicators

Data through June 2017

	Current Month	Month over Month Change
Occupancy	81.7%	-11 bps
Quality Mix	34.1%	-34 bps
Skilled Mix	24.7%	-51 bps
Patient Day Mix		
Medicaid	65.9%	34 bps
Medicare	12.7%	-47 bps
Managed Medicare	6.3%	-10 bps
Private	9.4%	17 bps
Revenue Per Patient Day		
Medicaid	\$ 201	0.2%
Medicare	\$ 512	-0.1%
Managed Medicare	\$ 437	0.7%
Private	\$ 264	0.6%

Glossary of Terms

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 (RPPD): 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

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 5.

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.

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