



National Investment Center
for Seniors Housing & Care

Skilled Nursing Data Report

Key Occupancy & Revenue Trends

Based on Data from October 2011
through March 2016

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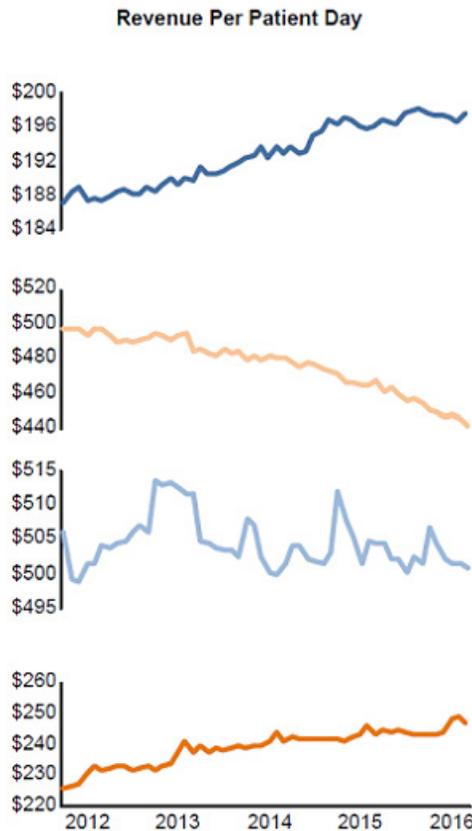
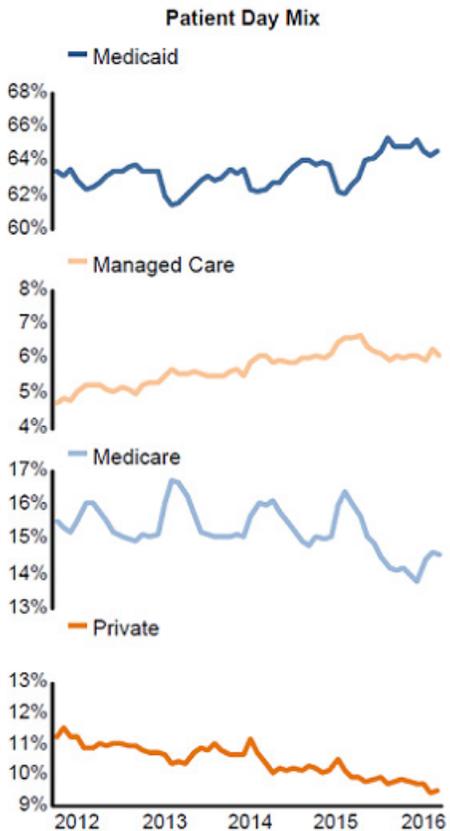
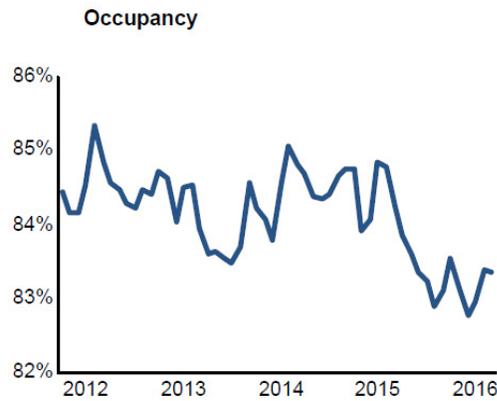
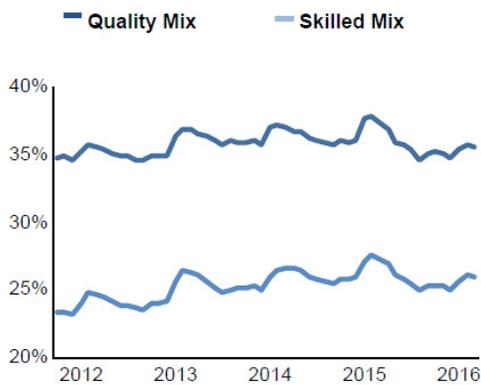
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“ Today data is the new differentiator. Not only is it critical for demonstrating quality, but accurate and timely data is essential for attracting needed capital to modernize the skilled nursing product and invest in the underlying operating business. ”

-Bob Kramer, CEO, NIC

Skilled Nursing Trends¹

Data through March 2016



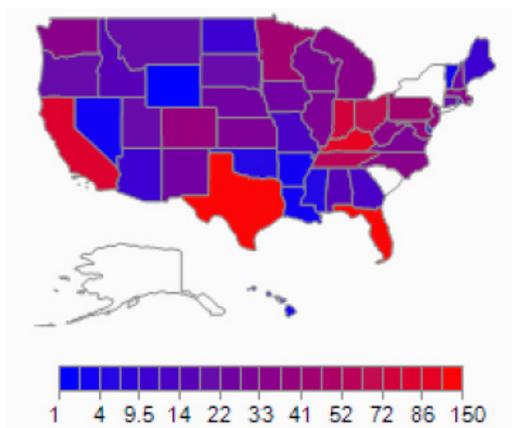
Trends Summary

- » Occupancy increased in January and February of 2016 but leveled off in March to end at 83.4%. Occupancy is down 108 basis points from October 2011 as the decline in length of stay continues to be a challenge.
- » Skilled mix and quality mix increased to 26% and 35.5%, respectively, in the first quarter 2016 as seasonality continued to play a role at this time of year. However, the effect of seasonality was not as strong this year compared to the last couple of years, which could be attributed to the late flu season.
- » Managed Care (Managed Medicare) rates decreased 1.2% quarter-over-quarter and decreased 5.6% year-over-year.
- » Medicaid rates were flat quarter-over-quarter but increased .44% month-over-month and .72% year-over-year.

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

Skilled Nursing Coverage

Data through March 2016



Property Count Scale

| | <u>February</u> | <u>March</u> |
|------------------------|-----------------|--------------|
| States Represented | 47 | 47 |
| Number of Contributors | 18 | 18 |
| Total SNF Properties | 1,486 | 1,488 |

Key Indicators

Data through March 2016

| | <u>Current Month</u> | <u>Mo./Mo. Chg (bps)</u> ² |
|--------------------------------|----------------------|---|
| Occupancy | 83.4% | -2 |
| Quality Mix | 35.6% | -16 |
| Skilled Mix | 26.1% | -17 |
| Patient Day Mix | | |
| Medicaid | 64.5% | 16 |
| Medicare | 14.6% | -1 |
| Managed Care | 6.1% | -20 |
| Private | 9.5% | 1 |
| Revenue Per Patient Day | | |
| Medicaid | \$198 | 0.4% |
| Medicare | \$501 | -0.1% |
| Managed Care | \$441 | -0.9% |
| Private | \$247 | -0.7% |

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 the quality and availability of seniors housing and care for America's elders—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 seniors. For more information, call 410-267-0504.