



Skilled Nursing Monthly Report

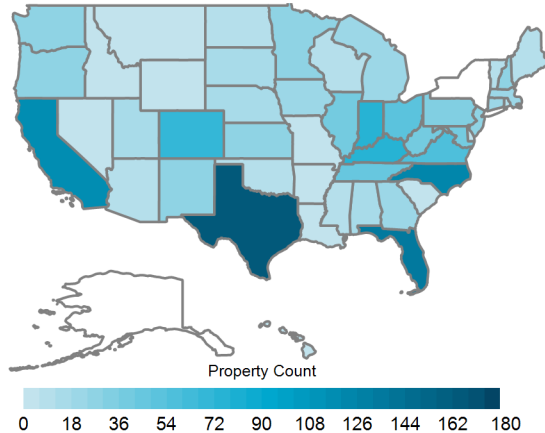
Data through September 2020

<http://www.nic.org/nic-map> | 410-267-0504
National Investment Center for Seniors Housing & Care (NIC)

Key Takeaways

1. Occupancy challenges continue for skilled nursing properties as the occupancy rate stood at 74.0% in September 2020, the most updated figure from this survey. While up 12 basis points from 73.9% in August, the September level was 10.9 percentage points below the recent February peak of 84.9%. Since February, the COVID-19 pandemic has significantly impacted skilled nursing operations across the country. Occupancy is down 10.2 percentage points from the September 2019 level of 84.2%.
2. The decline has been more severe in urban areas as occupancy fell 11.8 percentage points since February versus the 8.0 percentage point decline in rural areas in that same period. As the country and the skilled nursing sector navigate through the coming Fall/Winter months, COVID-19 cases are likely to continue to grow and could further pressure occupancy lower. The funds from the CARES Act and other implemented policies, such as the 3-Day waiver, have helped to support skilled nursing properties thus far and into the first nine months of the pandemic, but additional stimulus is most likely needed for many operators to make it through to the other side of the pandemic.
3. Managed Medicare patient day mix increased 33 basis points to 6.3% in September 2020 after hitting a 7-year low during the pandemic of 5.4% in May. However, it is down 29 basis points since March and has decreased 78 basis points since its record high point in February of 7.1%. The increase since May suggests managed Medicare admissions have increased since the lows of the pandemic, but they are likely significantly below levels prior to the pandemic. As cases of COVID-19 continue to grow and some states implement restrictions once again, it is possible that managed care patient days are further pressured if elective surgeries are suspended again. In addition, managed Medicare revenue mix increased 61 basis points from August to September to 8.8%. However, it has declined 110 basis points since March and 188 basis points since February, when it was 10.7% before the pandemic started. At its peak in March 2019, it was 11.8%.
4. Medicare revenue mix increased slightly from August to September, ending at 21.8%. Medicare revenue mix has held up relatively well since the pandemic began in March, compared with other payors. It is up 46 basis points since March compared to managed Medicare (down 110 basis points) and private (down 134 basis points). In addition, skilled mix has increased 47 basis points since March driven by the increase in Medicare patient day mix. Medicare patient day mix decreased slightly from August to end September at 12.4%. However, it has increased 97 basis points since March. As overall occupancy has declined dramatically during the pandemic creating significant pressure on skilled nursing operators, Medicare patient days likely did not decrease as much as it would have given that the Centers for Medicare and Medicaid Services (CMS) waived the 3-Day Rule, which waives the requirement for a 3-day inpatient hospital stay prior to a Medicare-covered skilled nursing stay.

Coverage

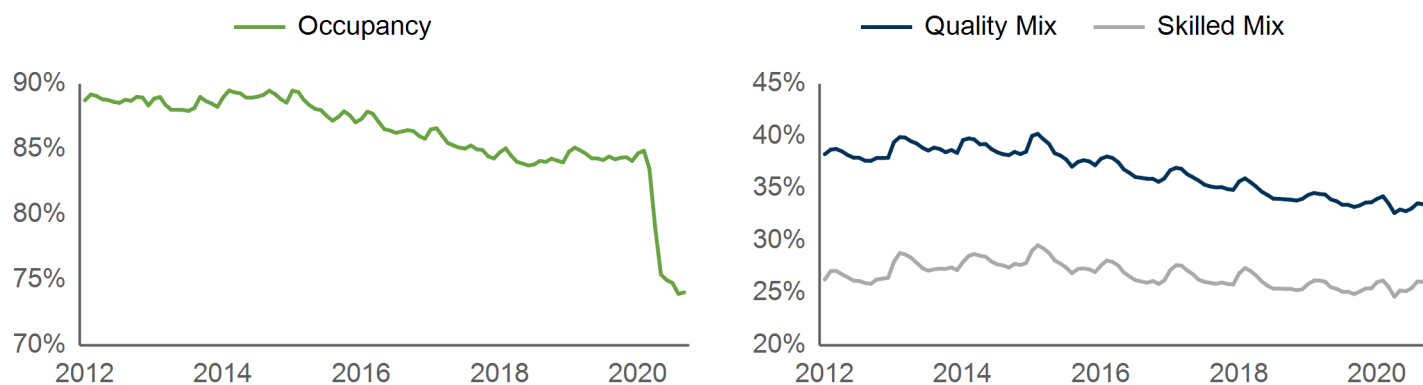


	August	September
States Represented	48	48
Number of Contributors	29	29
Total SNF Properties	1,534	1,530

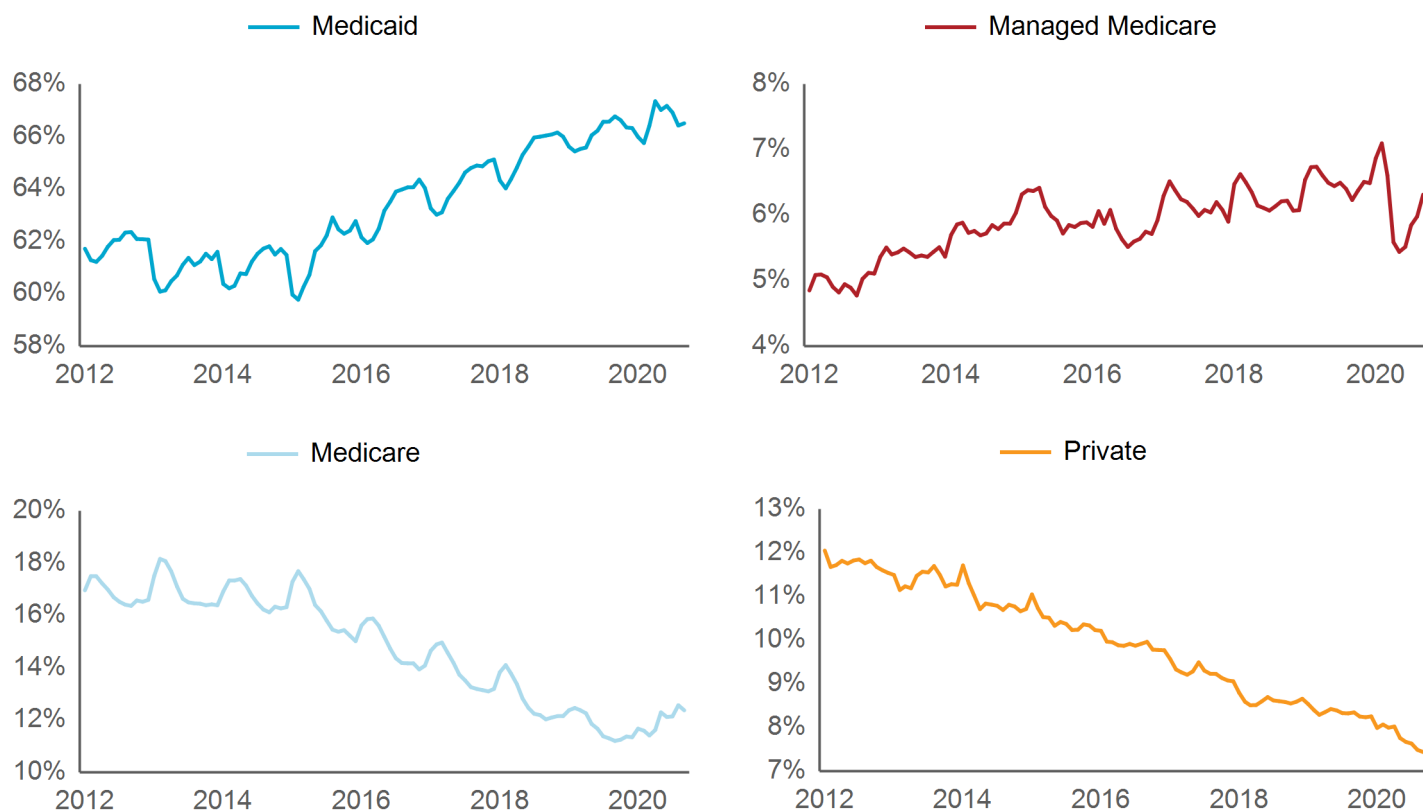
National Key Indicators

	National		Rural		Urban Cluster		Urban Area	
	Current Mo.	Mo./Mo.	Current Mo.	Mo./Mo.	Current Mo.	Mo./Mo.	Current Mo.	Mo./Mo.
Occupancy	74.0%	12 bps	73.9%	-117 bps	72.9%	-79 bps	74.4%	55 bps
Quality Mix	33.5%	-9 bps	38.3%	42 bps	35.1%	19 bps	32.3%	-23 bps
Skilled Mix	26.1%	-4 bps	23.8%	64 bps	24.7%	29 bps	26.8%	-22 bps
Patient Day Mix								
Medicaid	66.5%	9 bps	61.7%	-42 bps	64.9%	-19 bps	67.7%	23 bps
Medicare	12.4%	-19 bps	12.0%	63 bps	12.9%	29 bps	12.3%	-44 bps
Managed Medicare	6.3%	33 bps	3.5%	17 bps	3.3%	9 bps	7.5%	42 bps
Private	7.4%	-5 bps	14.5%	-22 bps	10.5%	-10 bps	5.6%	-1 bps
Revenue Per Patient Day								
Medicaid	\$235	0.5%	\$221	0.5%	\$231	0.2%	\$238	0.5%
Medicare	\$550	-0.2%	\$537	0.1%	\$542	-0.1%	\$554	-0.3%
Managed Medicare	\$449	-0.5%	\$443	-0.7%	\$429	-1.4%	\$451	-0.4%
Private	\$274	0.2%	\$245	-0.1%	\$254	0.1%	\$296	0.3%
Revenue Mix								
Medicaid	49.1%	15 bps	45.7%	-69 bps	47.6%	-98 bps	49.9%	55 bps
Medicare	21.8%	17 bps	21.5%	121 bps	22.4%	34 bps	21.6%	-2 bps
Managed Medicare	8.8%	61 bps	5.2%	16 bps	4.5%	1 bps	10.4%	82 bps
Private	6.4%	-9 bps	11.7%	-42 bps	8.4%	-16 bps	5.1%	-3 bps

National Trends

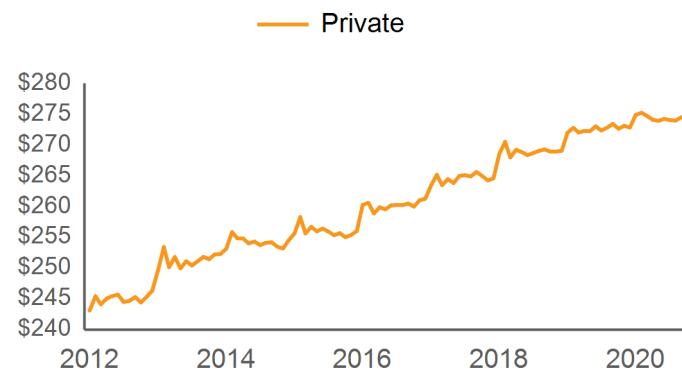
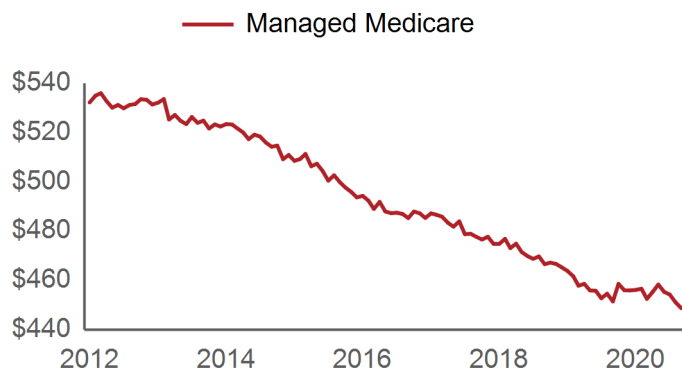
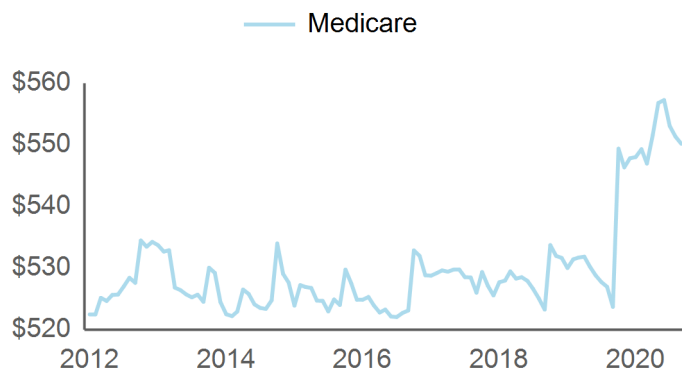
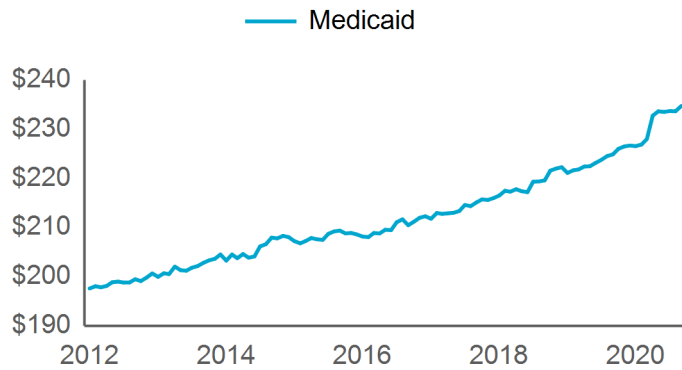


Patient Day Mix

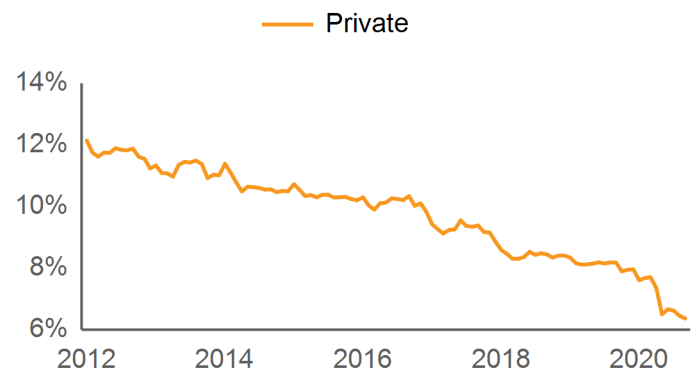
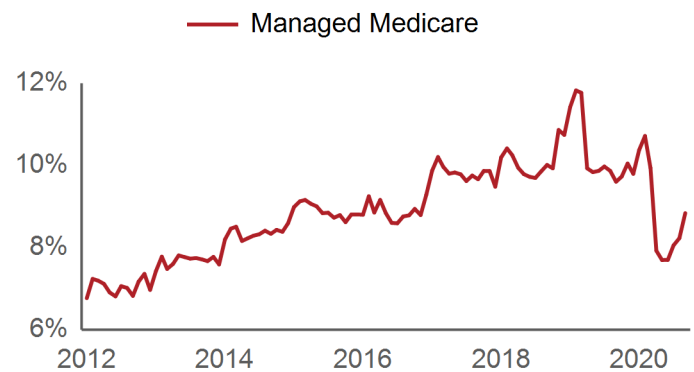
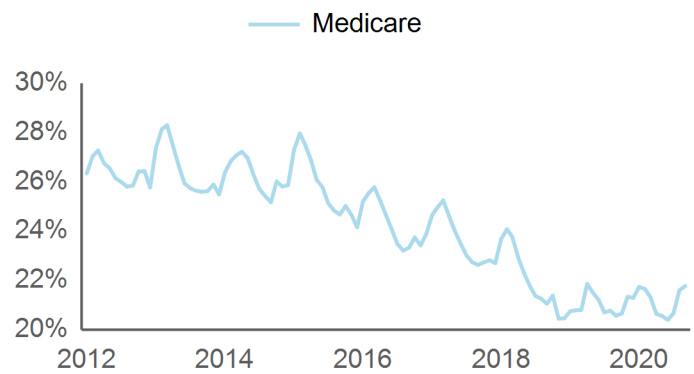
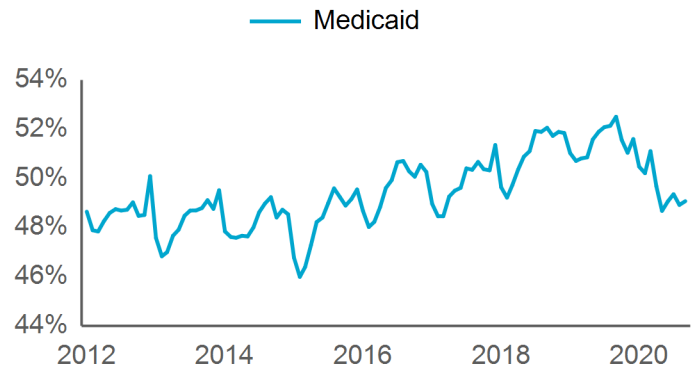


National Trends

Revenue Per Patient Day

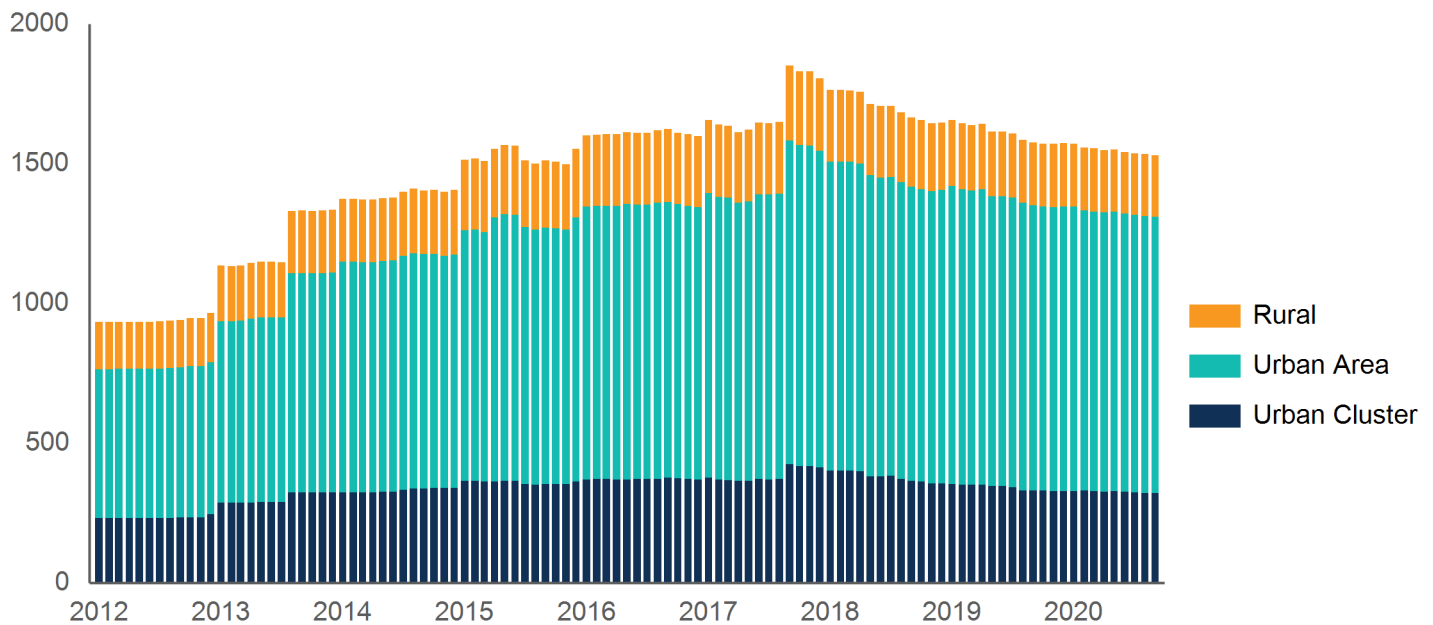


Revenue Mix



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:

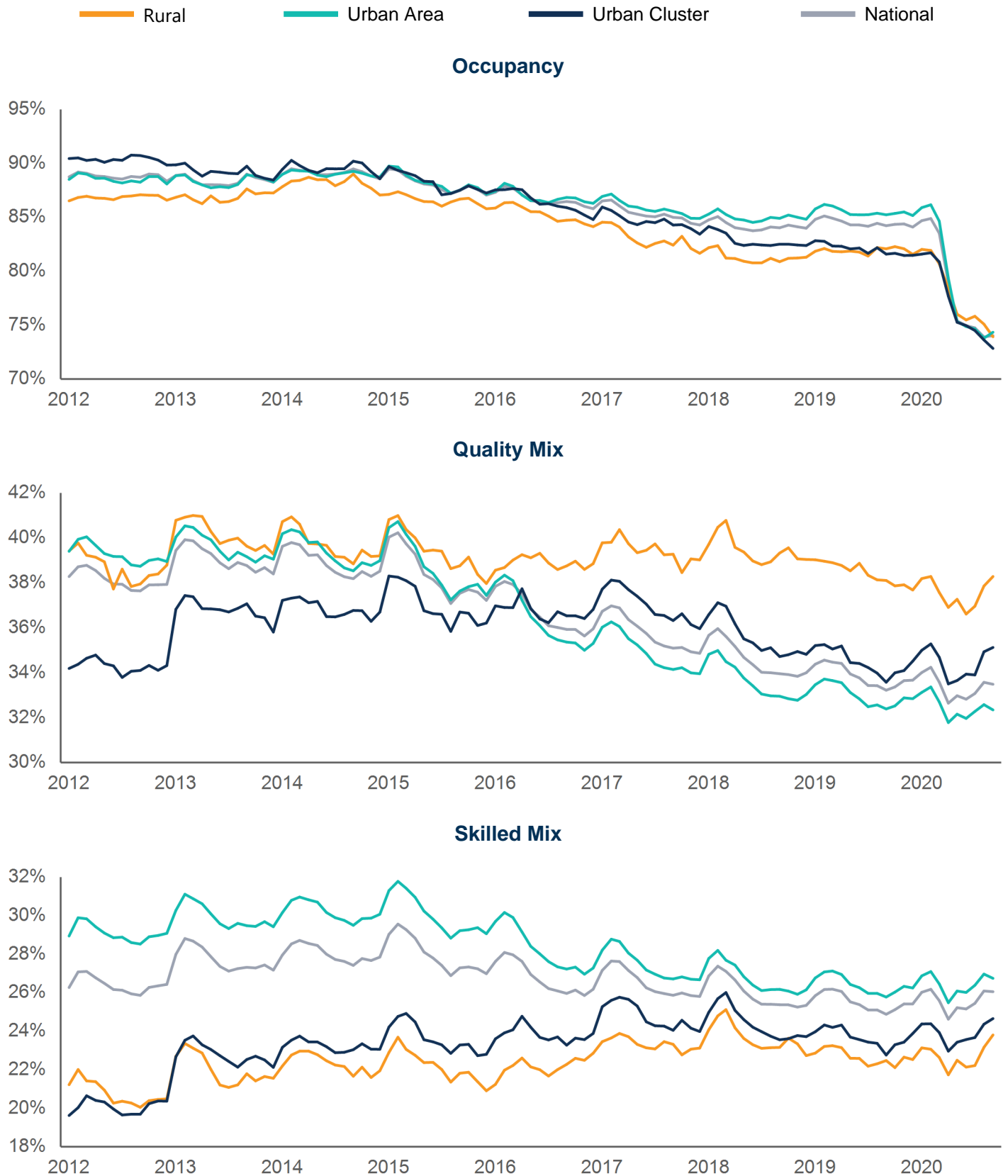
For the 2010 Census, the Census Bureau classified as urban all territory, population, and housing units located within urbanized areas (UAs) and urban clusters (UCs), both defined using the same criteria. The Census Bureau delineates UA and UC boundaries that represent densely developed territory, encompassing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

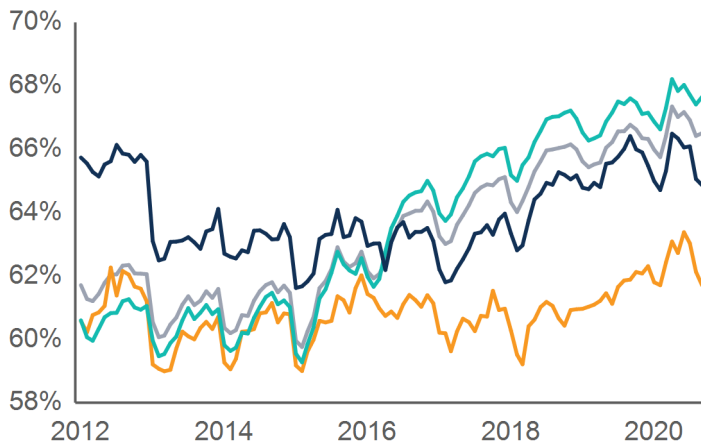


Urban and Rural Trends

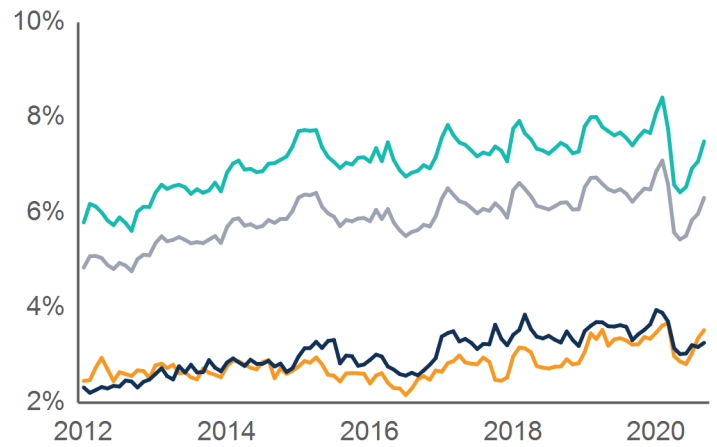
— Rural
 — Urban Area
 — Urban Cluster
 — National

Patient Day Mix

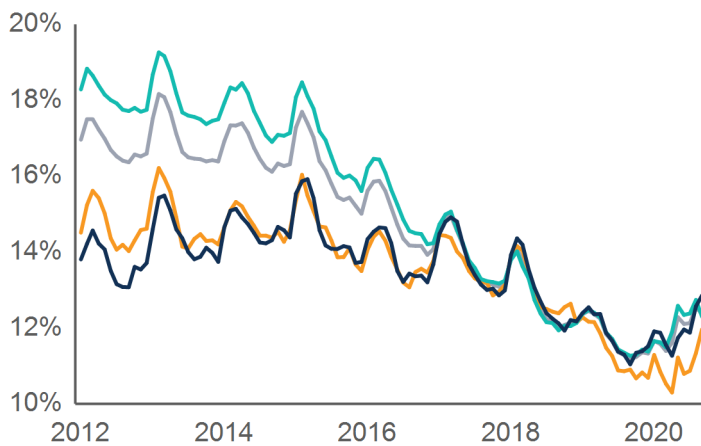
Medicaid



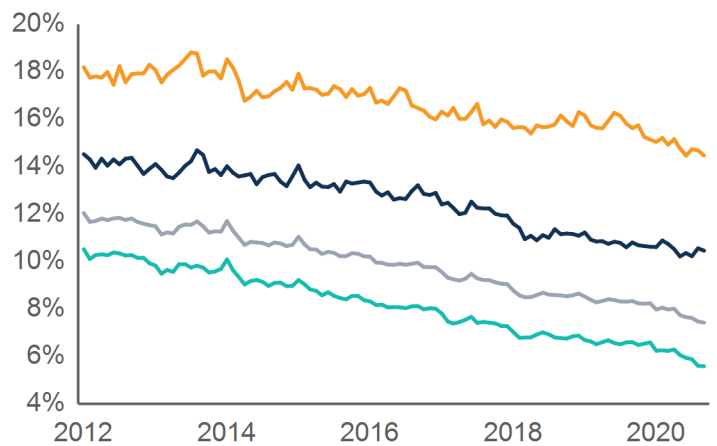
Managed Medicare



Medicare



Private

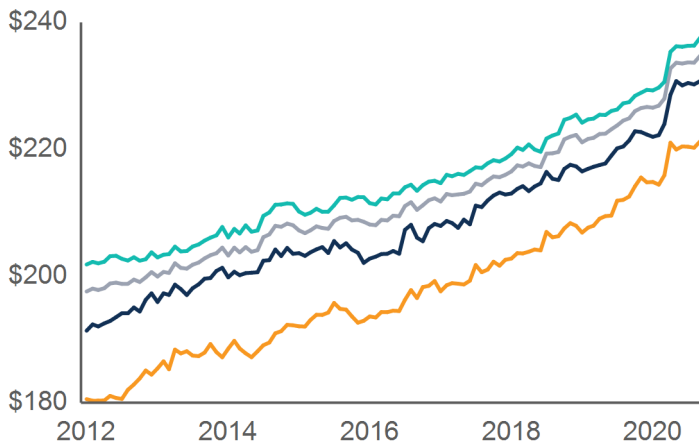


Urban and Rural Trends

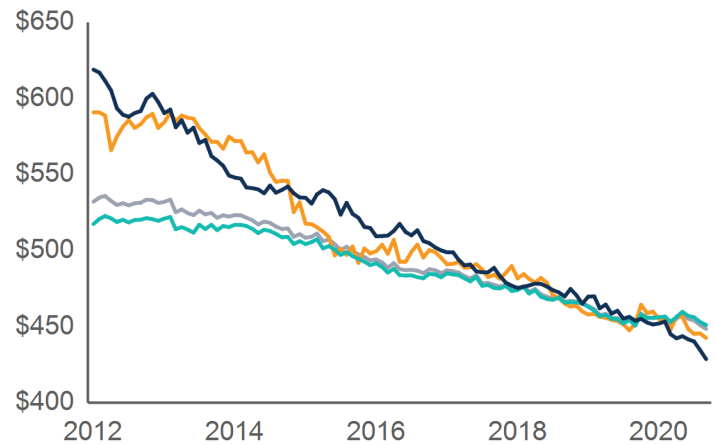
— Rural
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Revenue Per Patient Day

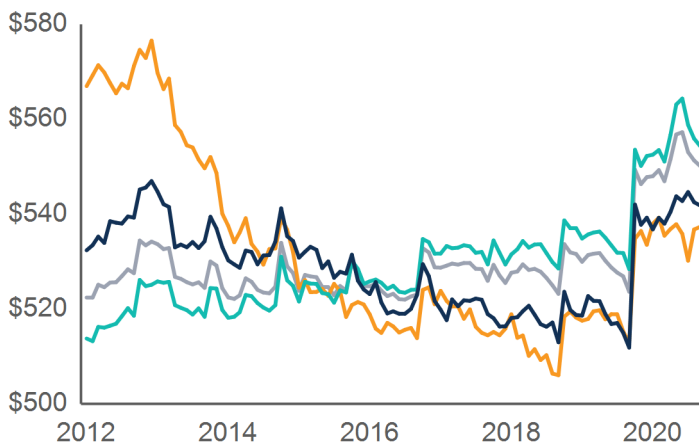
Medicaid



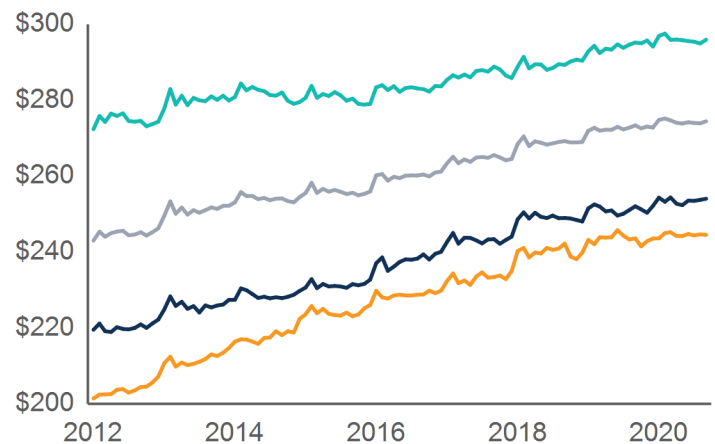
Managed Medicare



Medicare



Private

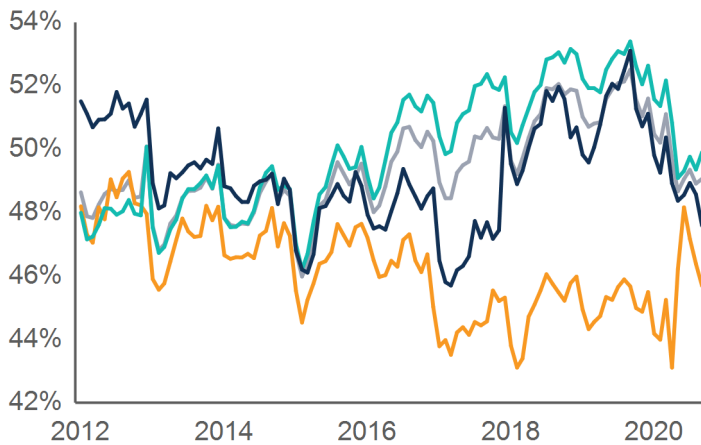


Urban and Rural Trends

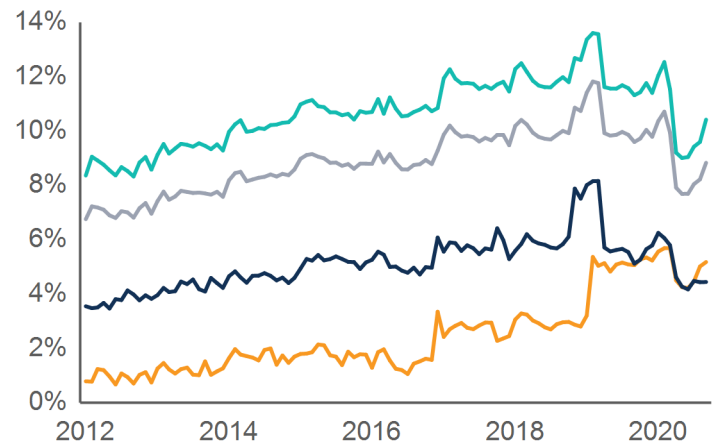
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Revenue Mix

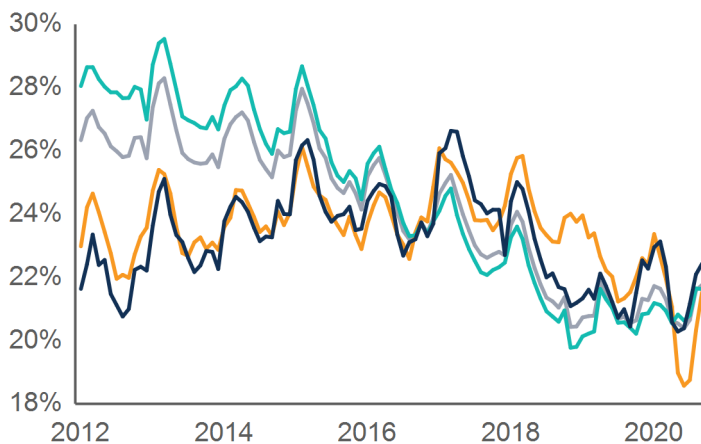
Medicaid



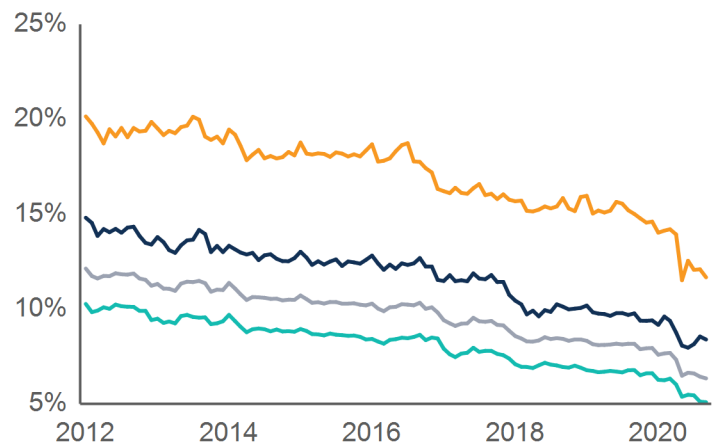
Managed Medicare



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.