



# Skilled Nursing Monthly Report

Data through June 2021

<http://www.nic.org/nic-map> | 410-267-0504

National Investment Center for Seniors Housing & Care (NIC)

## Key Takeaways

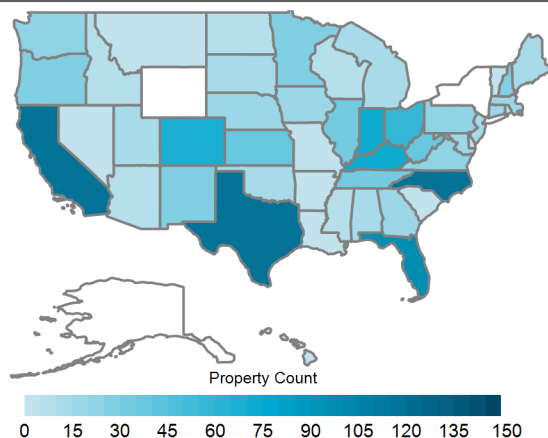
The upward trend in skilled nursing occupancy continued in June. Occupancy increased for the fifth month in a row, rising 86 basis points from May to end June at 74.2%. Occupancy is now up 297 basis points from the 71.2% low point reached in January. There continues to be optimism, especially from investors, given the success of the vaccines but the second half of 2021 will be crucial in terms of the occupancy trend. The expectation is that admissions will continue to increase with rising demand and elective surgeries will continue to provide support for additional admissions to skilled nursing properties. However, occupancy still is very low relative to pre-pandemic levels and cash flow and liquidity is a concern at some properties. Occupancy is down 11.2 percentage points from the pre-pandemic February 2020 level of 85.4%. In addition, the Delta variant does pose a threat, especially in some states with lower vaccinated populations.

Managed Medicare revenue per patient day (RPPD) held steady in June but is down 4.2% from last year in June 2020. The continued decline in managed Medicare revenue per patient day poses a challenge to skilled nursing operators as the reimbursement differential between Medicare fee-for-service and managed Medicare has accelerated during the pandemic. Medicare fee-for-service RPPD ended June 2021 at \$560 and managed Medicare ended at \$453, representing a \$107 differential. Pre-pandemic, in February of 2020, the differential was \$92. As managed Medicare continues to grow, operators and investors should pay attention to this trend and adjust accordingly.

Medicare revenue mix and RPPD continue to decline as fewer COVID-19 cases in properties have resulted in less need for utilizing the 3-Day rule waiver and per day reimbursement for COVID-19 positive patients. Medicare revenue mix ended June at 20.0% and is down from its pandemic high of 24.8% set in January 2021. Medicare RPPD is down 2.5% from its pandemic peak of \$574 in June 2020. Meanwhile, Managed Medicare revenue mix was essentially flat at 10.5%. However, this is 240 basis points above the pandemic low of 8.1% set in May 2020.

Medicaid patient day mix continued to increase, albeit slowly, ending June at 66.5%. It has increased 292 basis points from the pandemic low of 63.6% set in January 2021. Meanwhile, Medicaid revenue mix was flat from the prior month, ending June at 49.7%. One element of the Medicaid revenue share of a property's revenue is RPPD and that has declined 1.4% since the pandemic high of \$243 set in February 2021. RPPD has likely declined due to less reimbursement support from most states as COVID-19 cases within skilled nursing properties declined.

## Coverage

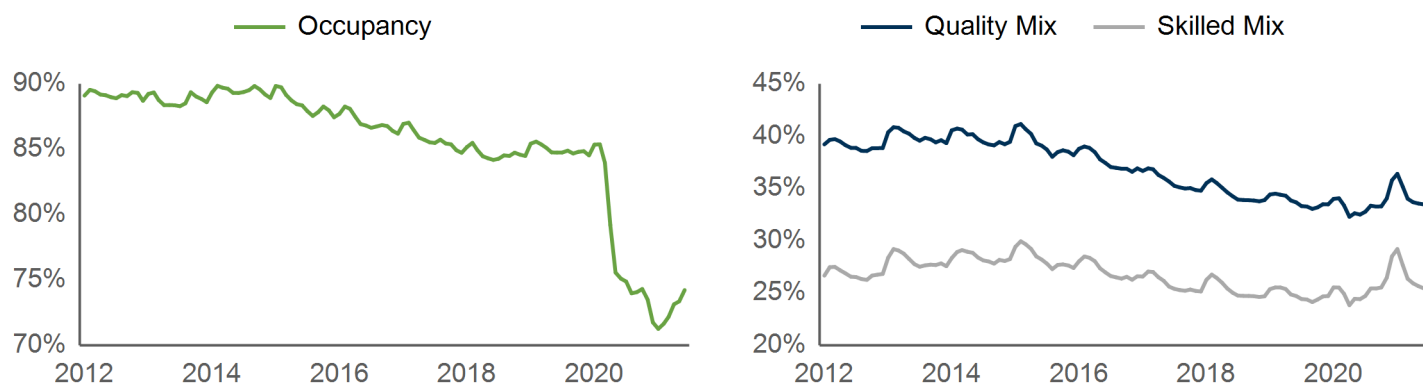


	May	June
States Represented	47	47
Number of Contributors	28	27
Total SNF Properties	1,364	1,316

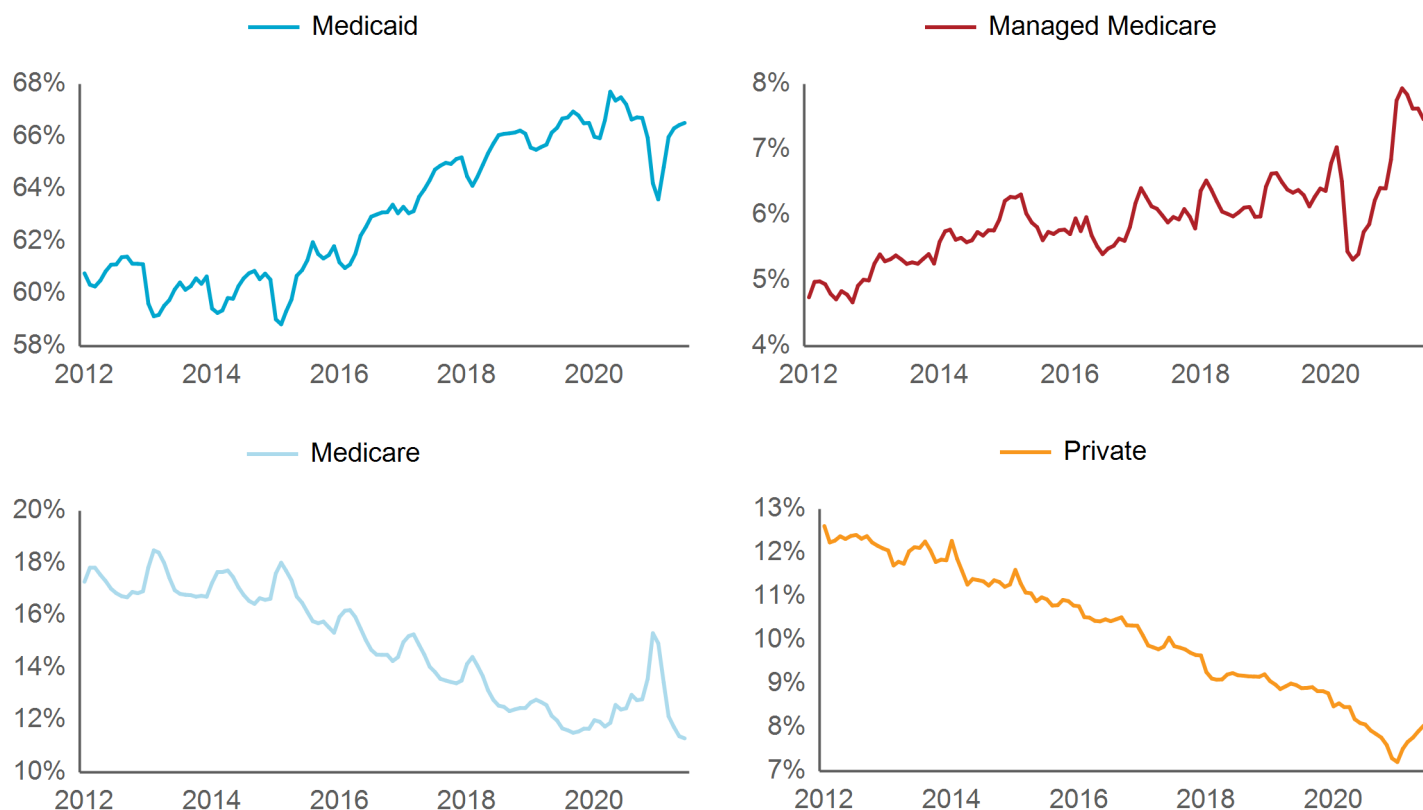
## National Key Indicators

	National		Rural		Urban Cluster		Urban Area	
	Current Mo.	Mo./Mo.	Current Mo.	Mo./Mo.	Current Mo.	Mo./Mo.	Current Mo.	Mo./Mo.
Occupancy	74.2%	86 bps	73.5%	91 bps	72.8%	67 bps	74.7%	90 bps
Quality Mix	33.5%	-8 bps	36.2%	5 bps	33.3%	5 bps	33.1%	-14 bps
Skilled Mix	25.4%	-21 bps	22.4%	-62 bps	22.9%	-28 bps	26.6%	-13 bps
Patient Day Mix								
Medicaid	66.5%	8 bps	63.8%	-5 bps	66.7%	-5 bps	66.9%	14 bps
Medicare	11.3%	-8 bps	11.5%	-51 bps	12.3%	-28 bps	11.0%	4 bps
Managed Medicare	7.5%	-17 bps	4.0%	-21 bps	4.5%	-12 bps	8.8%	-17 bps
Private	8.0%	13 bps	13.8%	68 bps	10.5%	33 bps	6.4%	-1 bps
Revenue Per Patient Day								
Medicaid	\$239	-0.3%	\$231	-0.2%	\$235	-0.5%	\$242	-0.2%
Medicare	\$560	-0.1%	\$559	-0.9%	\$566	-0.2%	\$558	0.1%
Managed Medicare	\$453	0.0%	\$439	0.2%	\$446	0.3%	\$455	0.0%
Private	\$289	0.2%	\$268	0.4%	\$275	-0.3%	\$303	0.4%
Revenue Mix								
Medicaid	49.7%	-1 bps	48.7%	35 bps	49.9%	-10 bps	49.8%	-4 bps
Medicare	20.0%	-5 bps	21.2%	-87 bps	22.5%	-43 bps	19.2%	17 bps
Managed Medicare	10.5%	-8 bps	5.9%	-21 bps	6.4%	3 bps	12.2%	-8 bps
Private	7.1%	11 bps	12.2%	82 bps	9.1%	30 bps	5.9%	-5 bps

## National Trends

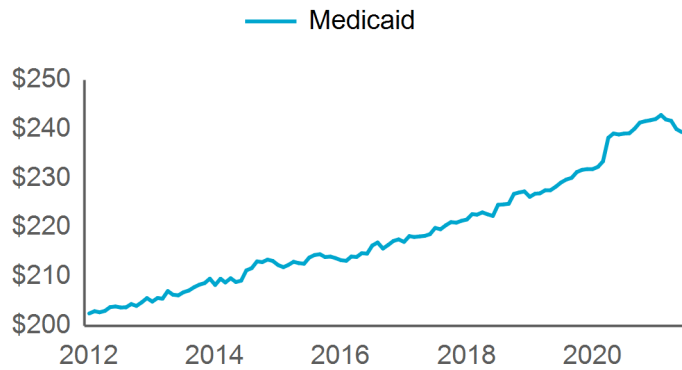


## Patient Day Mix

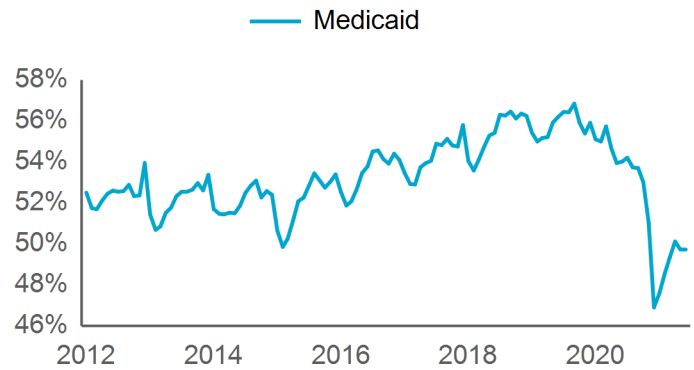


## National Trends

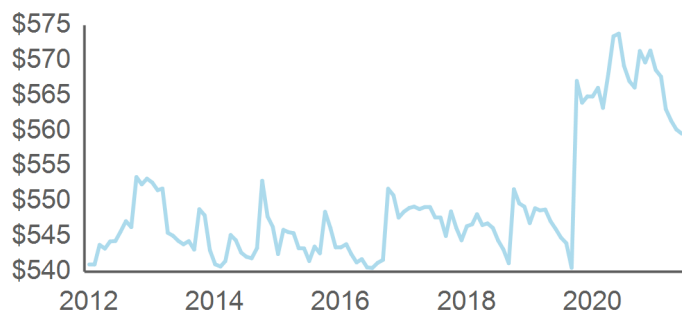
Revenue Per Patient Day



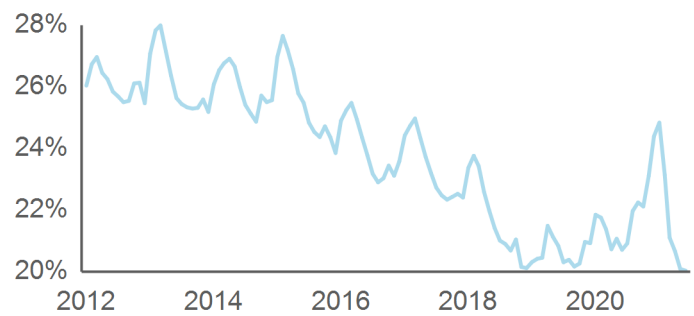
Revenue Mix



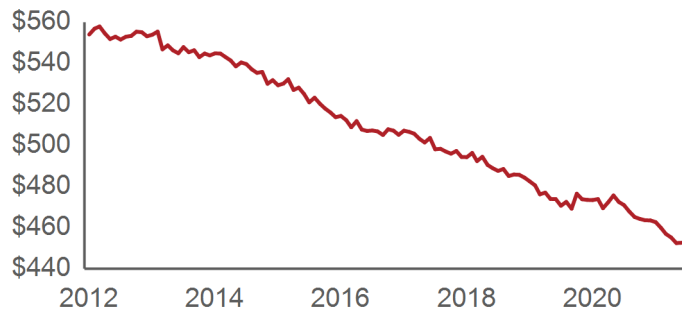
Medicare



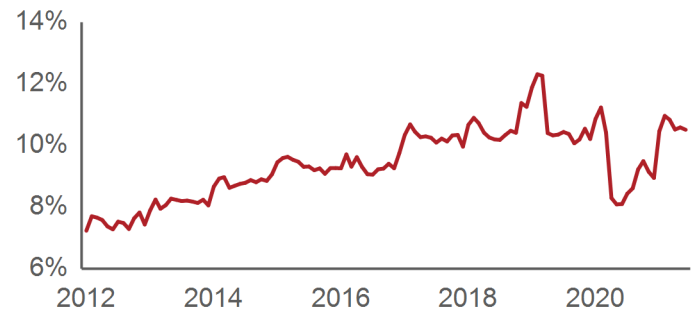
Medicare



Managed Medicare



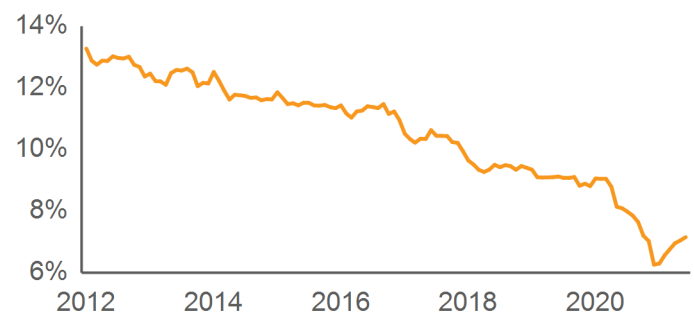
Managed Medicare



Private

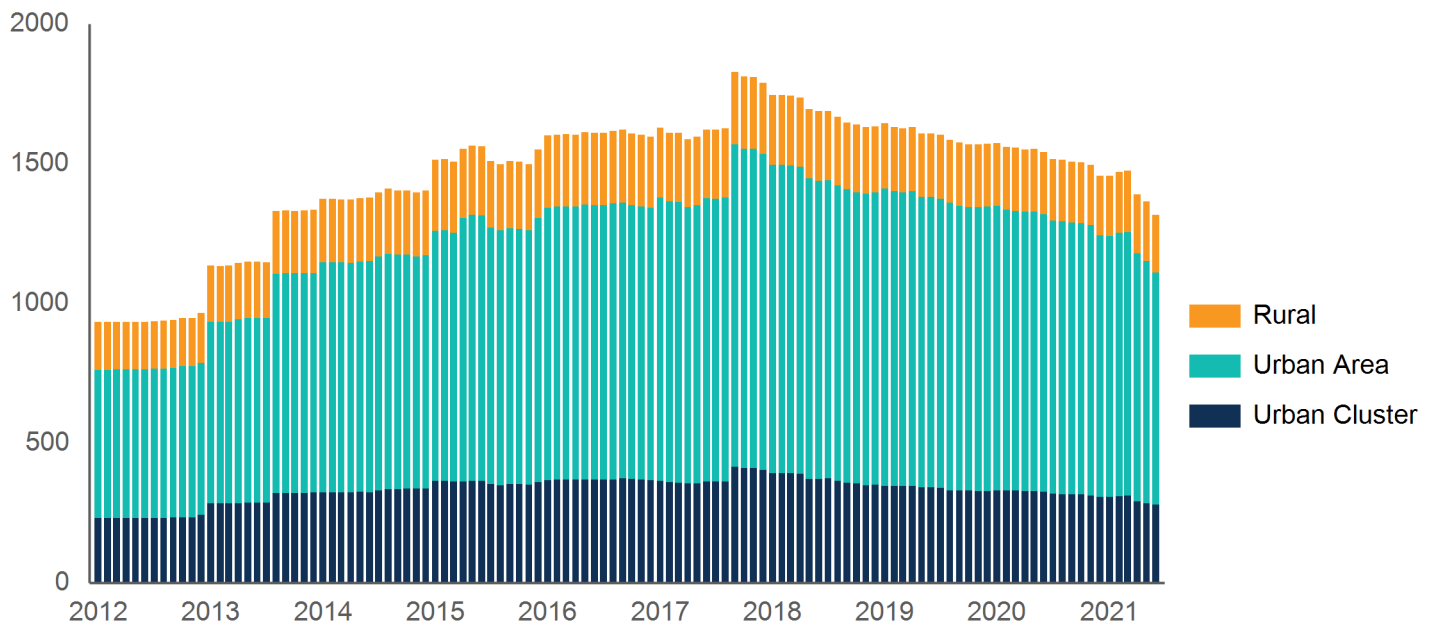


Private



## 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:**

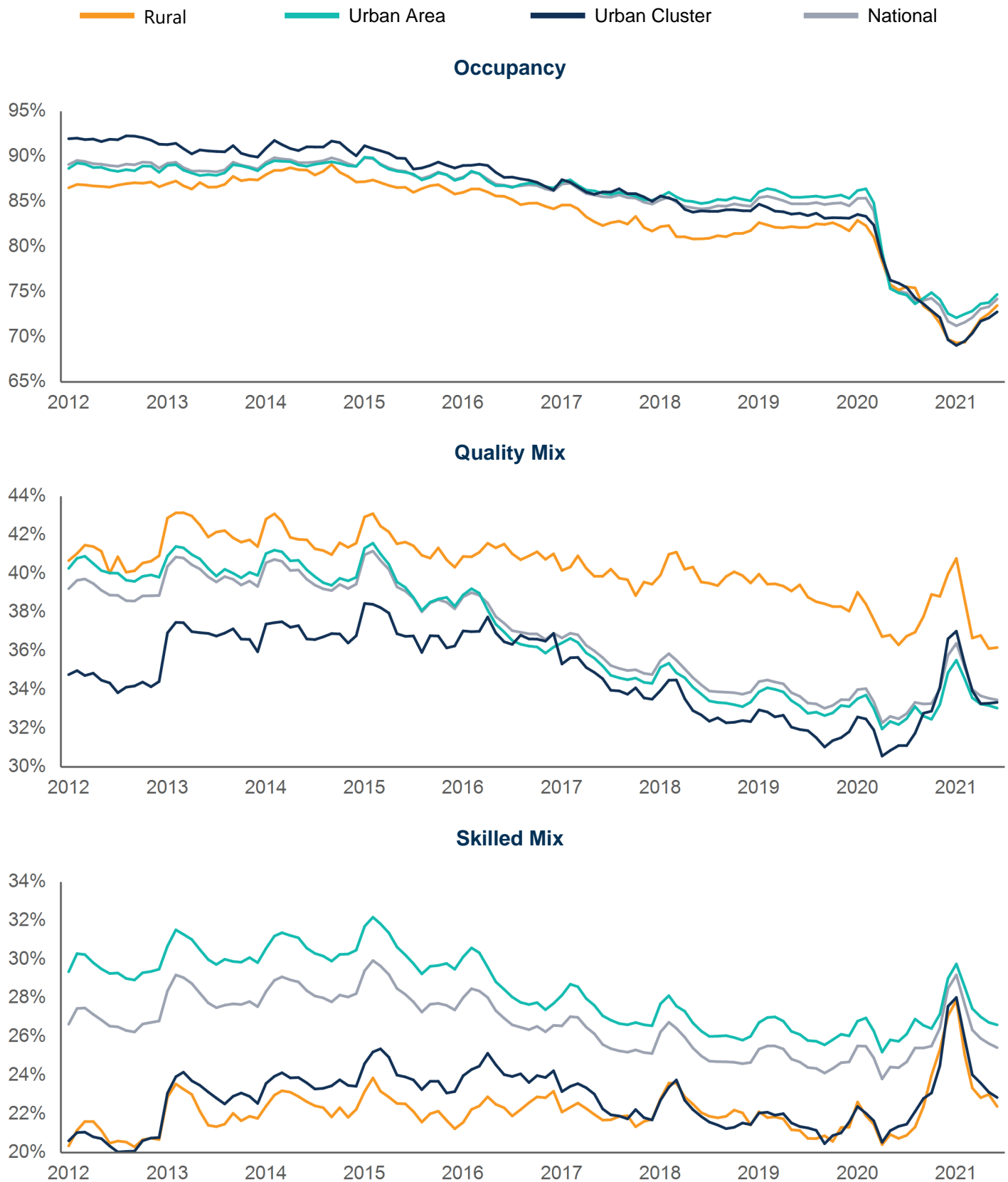
For the 2010 Census, the Census Bureau classified as urban all territory, population, and housing units located within urbanized areas (UAs) and urban clusters (UCs), both defined using the same criteria. The Census Bureau delineates UA and UC boundaries that represent densely developed territory, encompassing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

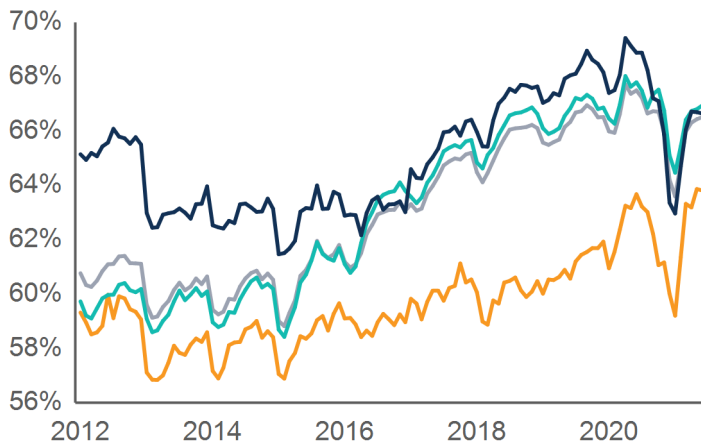


## Urban and Rural Trends

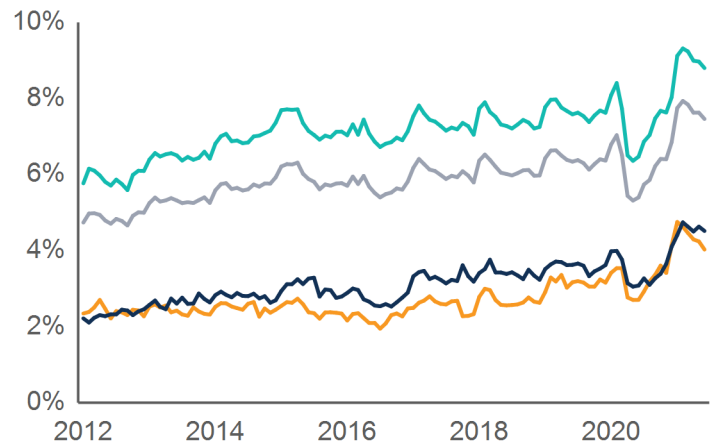
— Rural
 — Urban Area
 — Urban Cluster
 — National

### Patient Day Mix

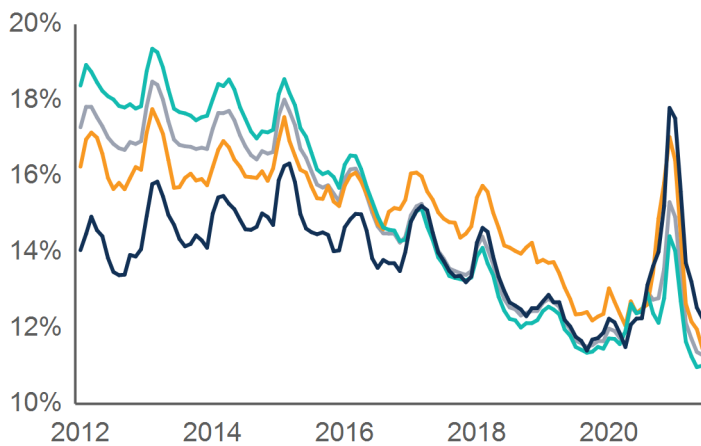
Medicaid



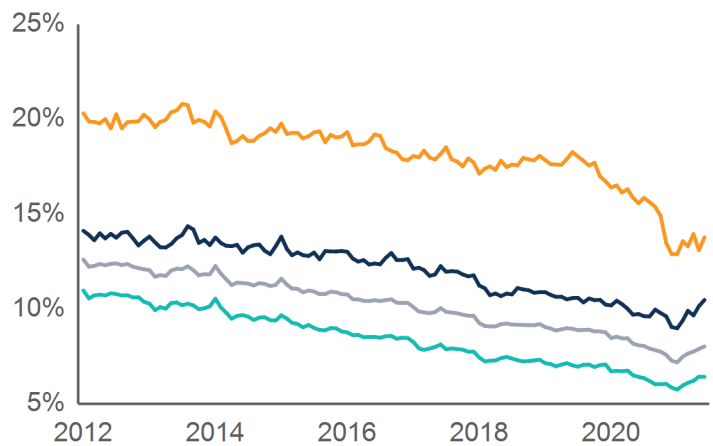
Managed Medicare



Medicare



Private



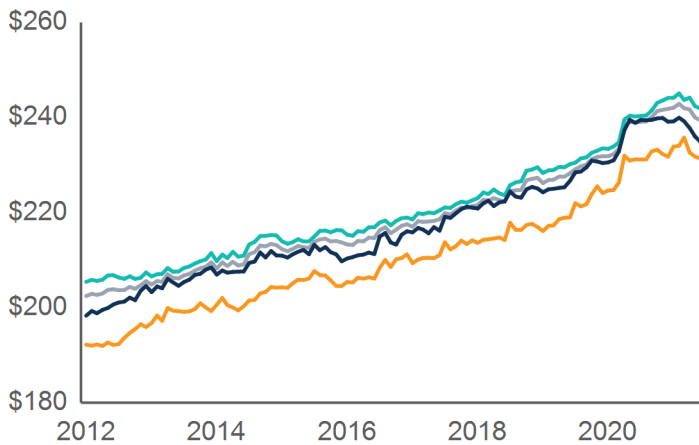


## Urban and Rural Trends

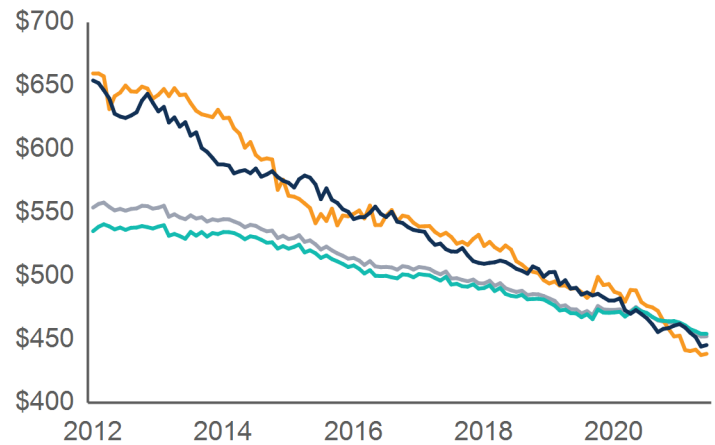
— Rural
 — Urban Area
 — Urban Cluster
 — National

### Revenue Per Patient Day

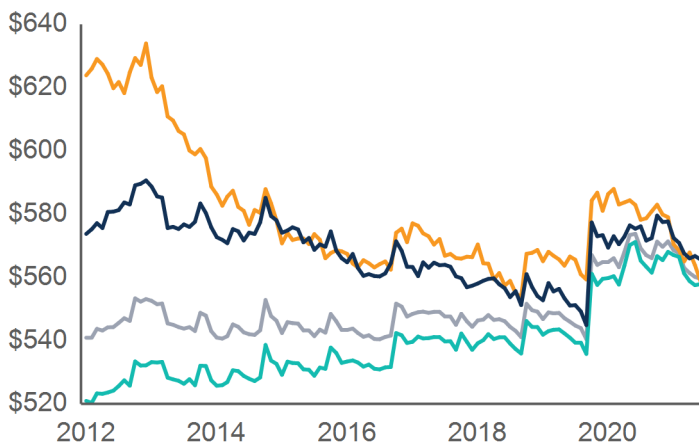
**Medicaid**



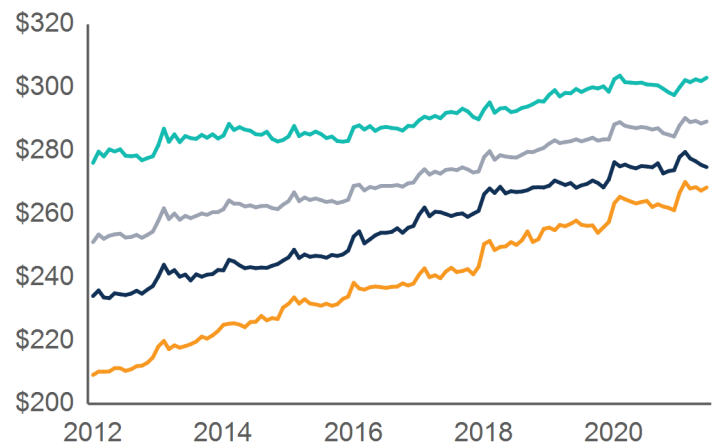
**Managed Medicare**



**Medicare**



**Private**

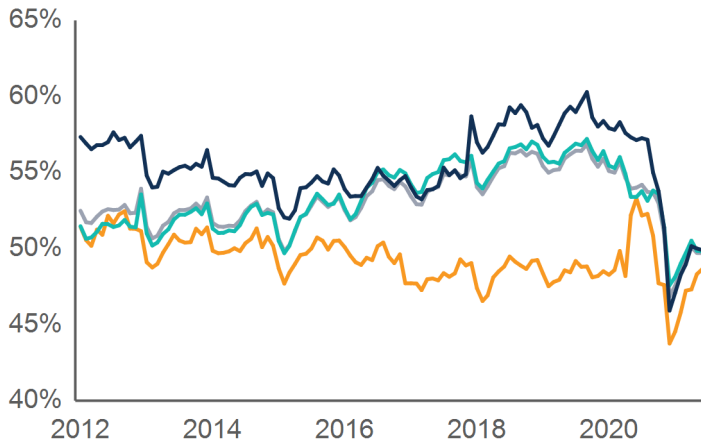


## Urban and Rural Trends

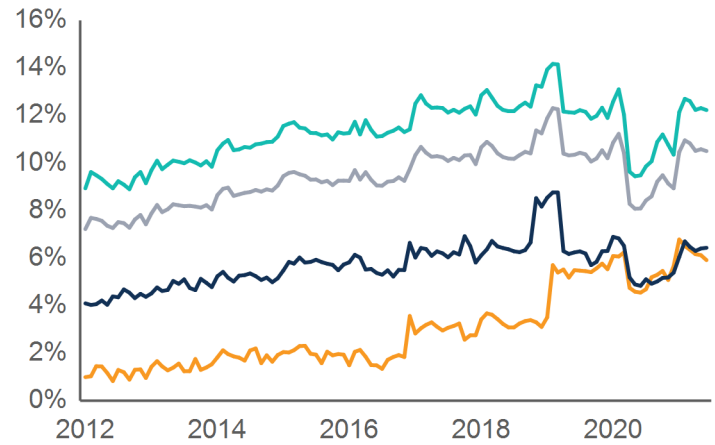
— Rural
 — Urban Area
 — Urban Cluster
 — National

### Revenue Mix

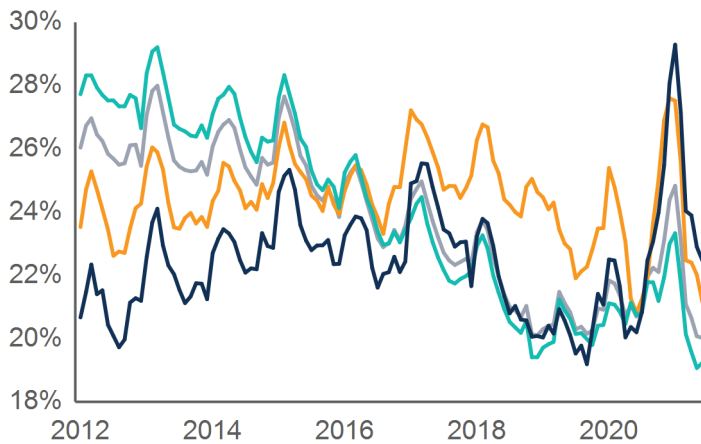
Medicaid



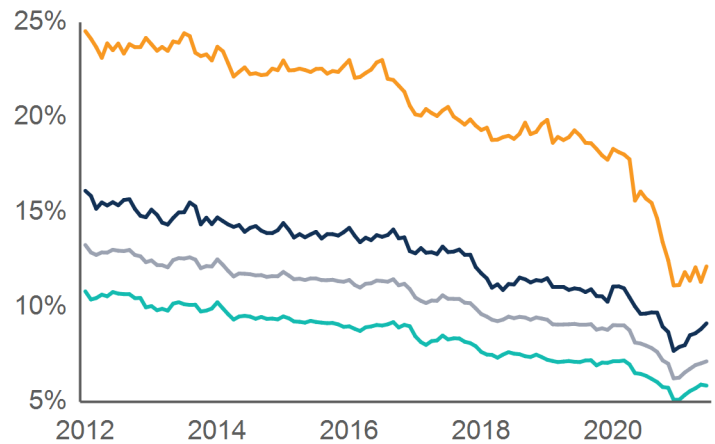
Managed Medicare



Medicare



Private



## 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. 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

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**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.