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Skilled Nursing Monthly Report

Data through May 2021

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

Key Takeaways

Skilled nursing property occupancy increased for a fourth consecutive month in May, albeit at a slower pace than recent monthly gains, rising 23 basis points from April to 73.4%. This placed it 211 basis points above the low point reached in January 2021. There is cautious optimism for increased occupancy through 2021, although recent news about the rapid spread of the contagious COVID-19 delta variant is concerning. That said, the skilled nursing industry is still challenged by very low occupancy and the fact that government stimulus funds may be exhausted soon unless additional funds are provided. Hence, the question remains as to how fast the industry can increase occupancy to a sustainable level. It remains very low compared to February 2020 pre-pandemic levels of 85.5% (12.0 percentage points).

Medicaid revenue per patient day (RPPD) decreased $2 from April to end May 2021 at $241. Medicaid RPPD continued its recent decline after hitting a high of $244 in February. However, the latest monthly data in May still represents a 3.3% increase from pre-pandemic levels of February 2020 ($233). Medicaid reimbursement has increased more than usual as many states embraced measures to increase reimbursement related to the number of COVID-19 cases. On the other hand, covering the cost of care for Medicaid patients is still a major concern as reimbursement does not cover the cost in many states. In addition, nursing home wage growth is elevated relative to inflation and staffing shortages are a significant challenge in many areas of the country.

Medicare revenue per patient day (RPPD) declined slightly from April to end May 2021 at $559. In a similar trend to Medicaid, the Medicare RPPD continued to decline after hitting a high during the initial wave of COVID-19. There was support from the federal government to aid Medicare fee-for-service reimbursements for situations such as providing higher rates to help care for COVID-19 positive patients requiring isolation. RPPD has now declined and one possible reason is lower property-level case counts. Medicare RPPD has decreased 2.4% from the high set back in June 2020.

Managed Medicare revenue mix held relatively steady from April to May at 10.8%. It has declined since its recent high of 11.2% in February but was up by 250 basis points from the pandemic low set in May 2020 of 8.3%. The increase is likely due to growth in elective surgeries from the prior year. Meanwhile, Medicare revenue mix continues to decline, falling 58 basis points from April to end May at 20.4%, a time-series low. It has been falling since January 2021 when it was 25.2%, the time of peak COVID-19 cases. The downward trend is likely due to less utilization of the 3-Day Rule waiver, which was implemented to keep COVID-19 positive patients from having to go back to the hospital.

Coverage

Property Count

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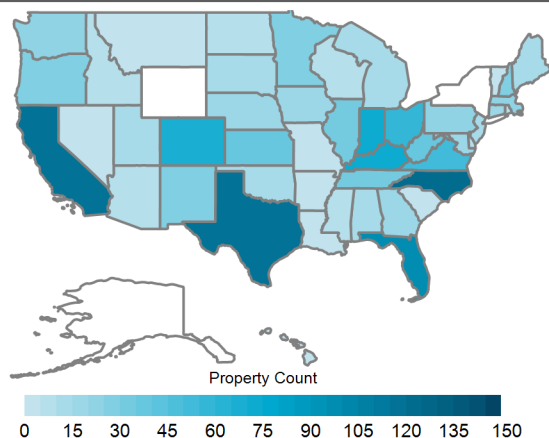
	April	May
States Represented	48	47
Number of Contributors	28	28
Total SNF Properties	1,391	1,364

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	73.4%	23 bps	72.7%	59 bps	72.2%	38 bps	73.9%	13 bps
Quality Mix	33.5%	-13 bps	35.9%	-70 bps	33.1%	3 bps	33.2%	-7 bps
Skilled Mix	25.7%	-26 bps	23.1%	15 bps	23.1%	-45 bps	26.8%	-28 bps
Patient Day Mix								
Medicaid	66.5%	13 bps	64.1%	70 bps	66.9%	-3 bps	66.8%	7 bps
Medicare	11.6%	-34 bps	12.1%	-23 bps	12.6%	-67 bps	11.3%	-28 bps
Managed Medicare	7.7%	0 bps	4.4%	-5 bps	4.7%	13 bps	9.0%	-2 bps
Private	7.8%	13 bps	12.9%	-85 bps	10.0%	48 bps	6.5%	21 bps
Revenue Per Patient Day								
Medicaid	$241	-0.7%	$234	-0.4%	$237	-0.7%	$243	-0.7%
Medicare	$559	-0.2%	$556	-0.7%	$561	0.1%	$558	-0.2%
Managed Medicare	$453	-0.6%	$440	-1.0%	$445	-1.7%	$455	-0.4%
Private	$290	-0.3%	$267	-0.4%	$274	-0.4%	$304	-0.2%
Revenue Mix								
Medicaid	49.5%	-40 bps	48.4%	87 bps	50.2%	-15 bps	49.5%	-67 bps
Medicare	20.4%	-58 bps	21.9%	-46 bps	22.6%	-101 bps	19.6%	-49 bps
Managed Medicare	10.8%	7 bps	6.3%	-2 bps	6.6%	10 bps	12.5%	8 bps
Private	7.0%	8 bps	11.1%	-74 bps	8.6%	19 bps	6.0%	19 bps

National Trends

Occupancy

Quality Mix — Skilled Mix

Patient Day Mix

Medicaid

Managed Medicare
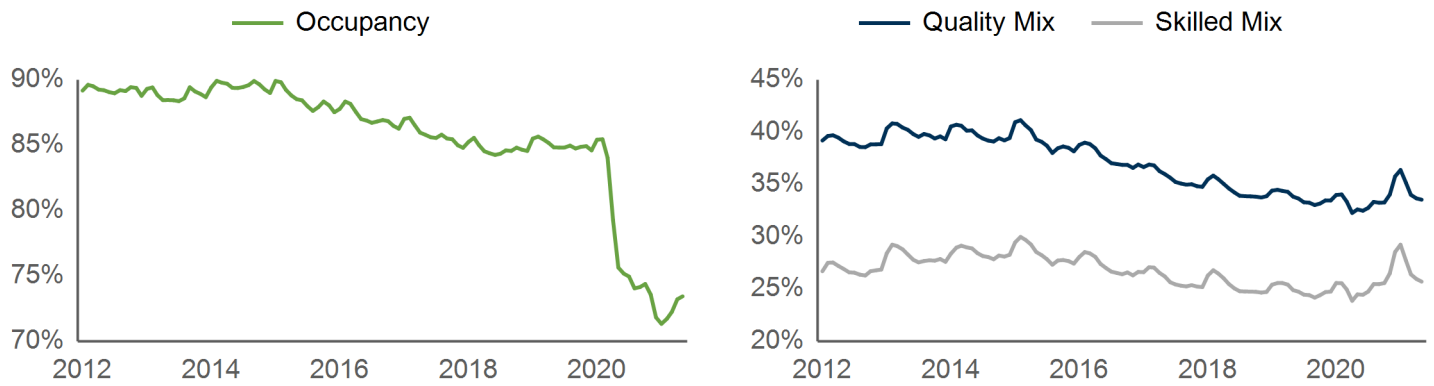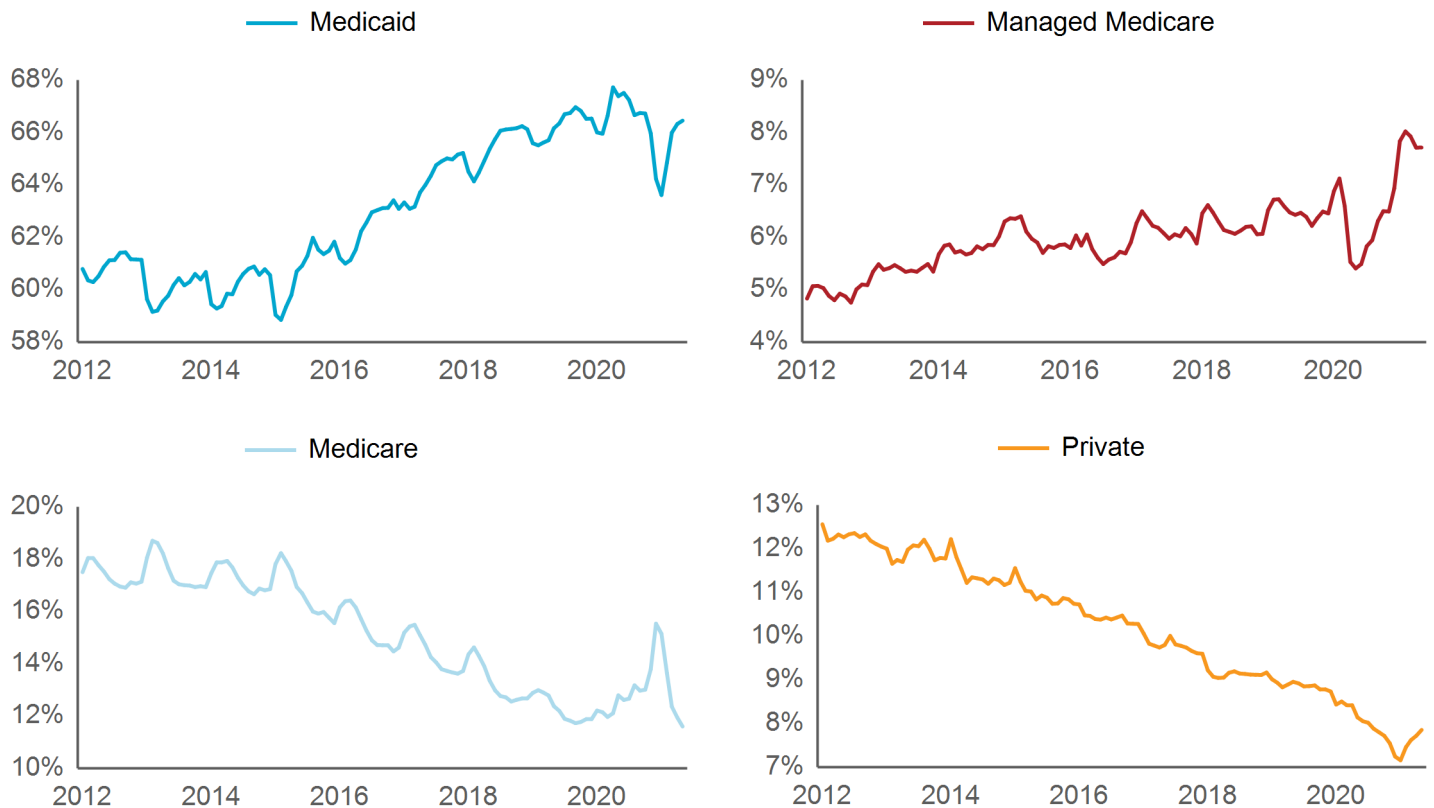
Medicare

Private

National Trends

Revenue Per Patient Day
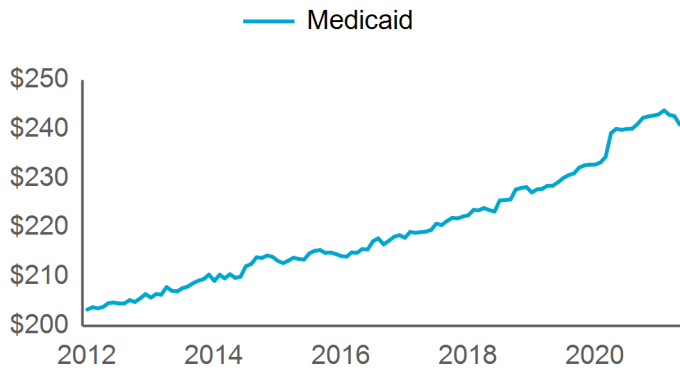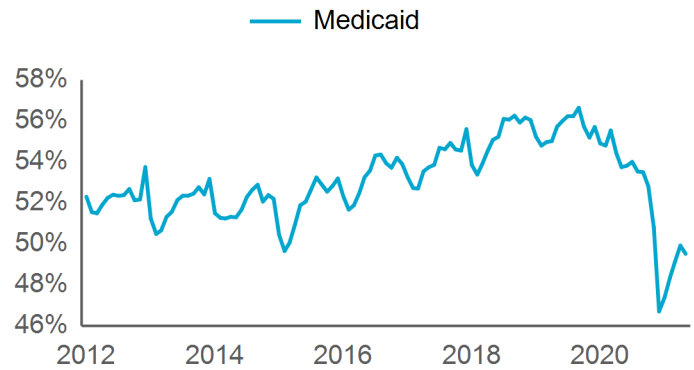
— Medicaid

— Medicare

— Managed Medicare

— Private

Revenue Mix
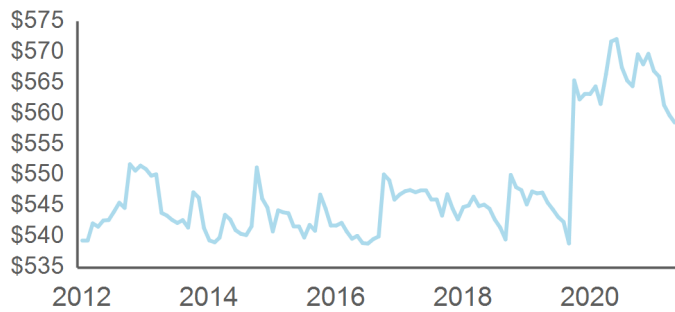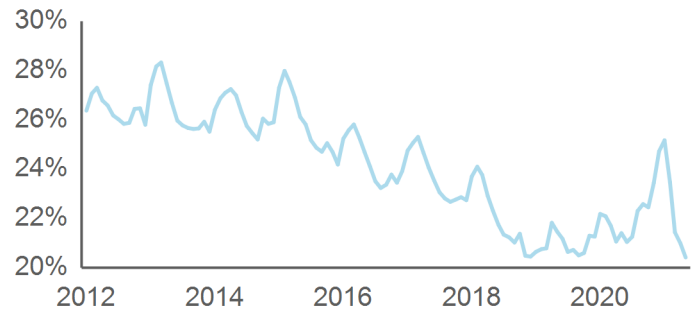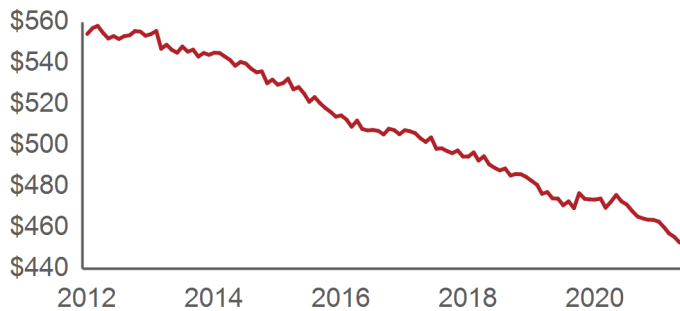
— Medicaid

— Medicare

— Managed Medicare
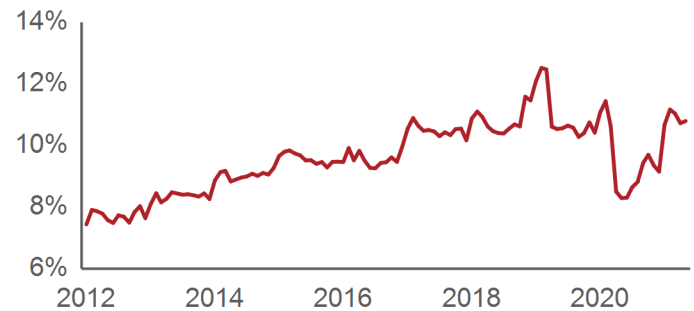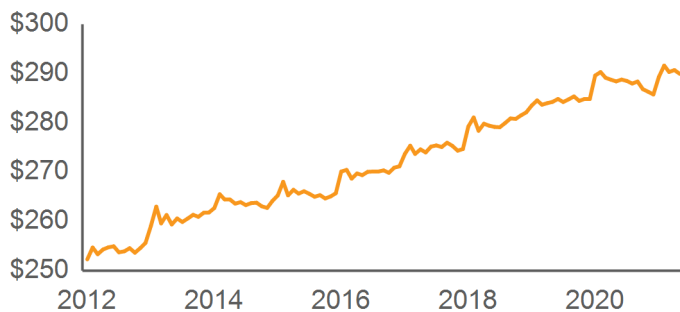
— Private
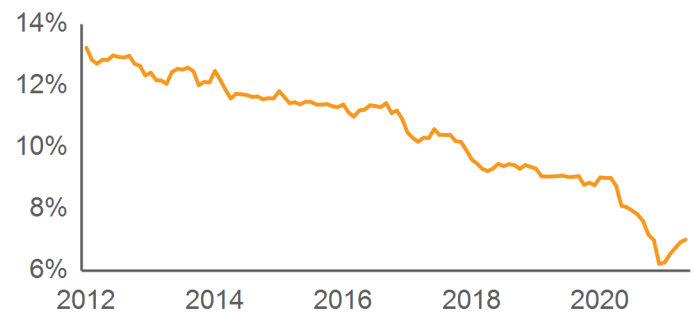
Urban and Rural Trends

Reporting Property Distribution
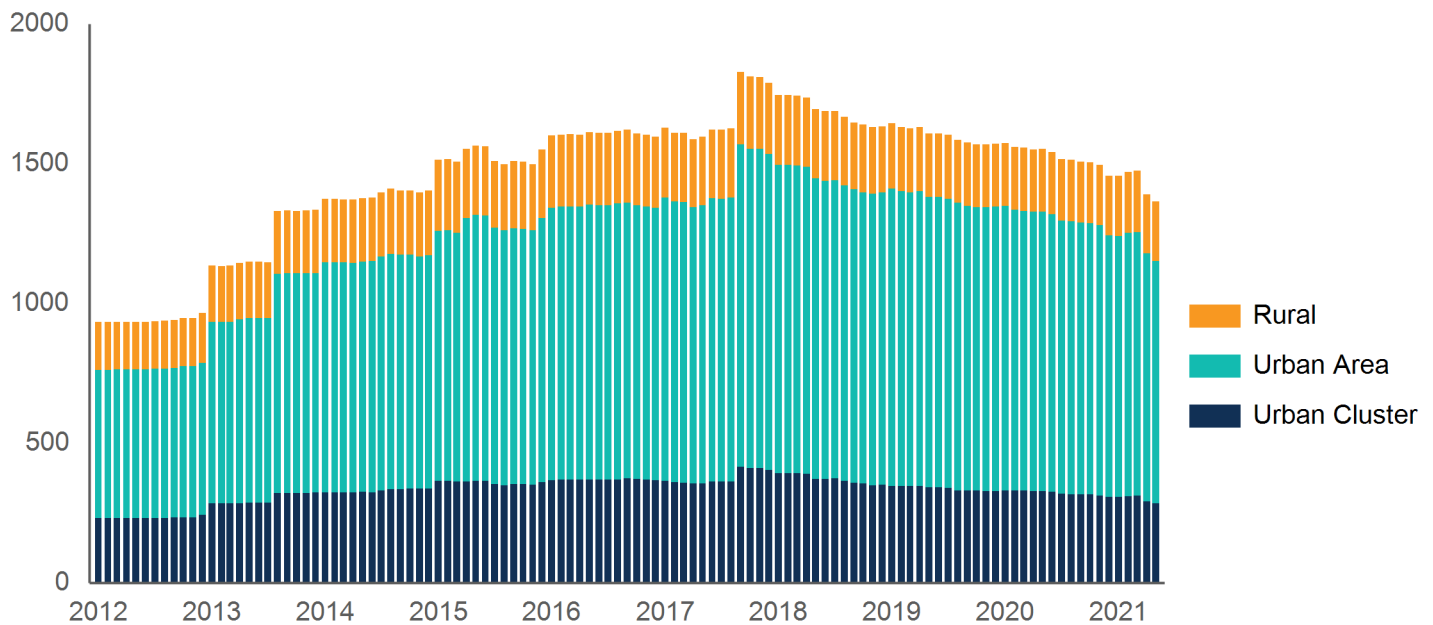
Geographic classification is based on the 2010 US Census Bureau. All properties not considered Urban Area or Urban Cluster are classified in this report as Rural. According to the US Census Bureau:

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.
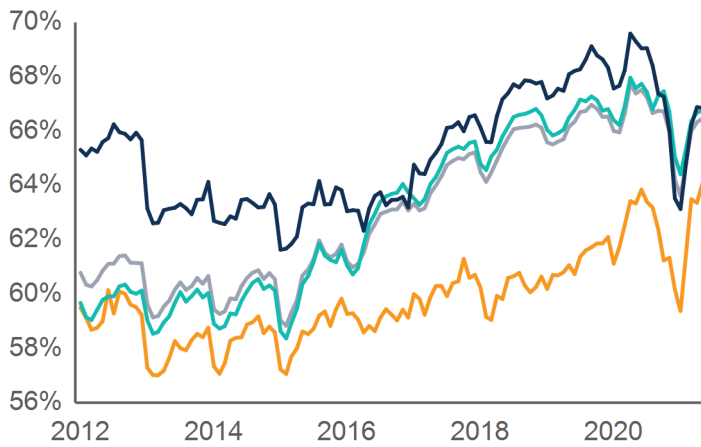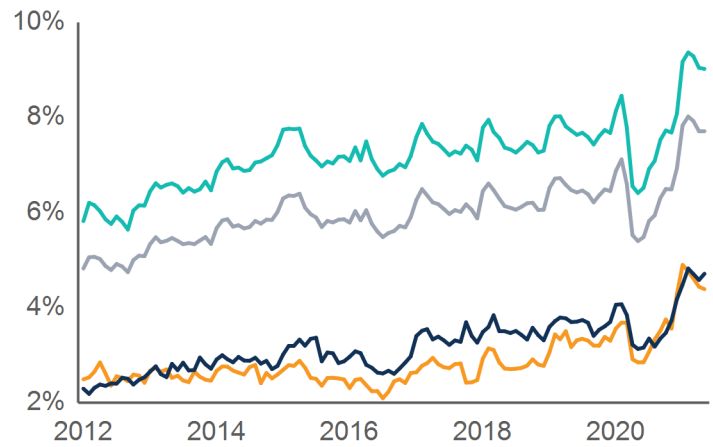
Urban and Rural Trends

Legend: Rural | Urban Area | Urban Cluster | National

Occupancy

Quality Mix

Skilled Mix
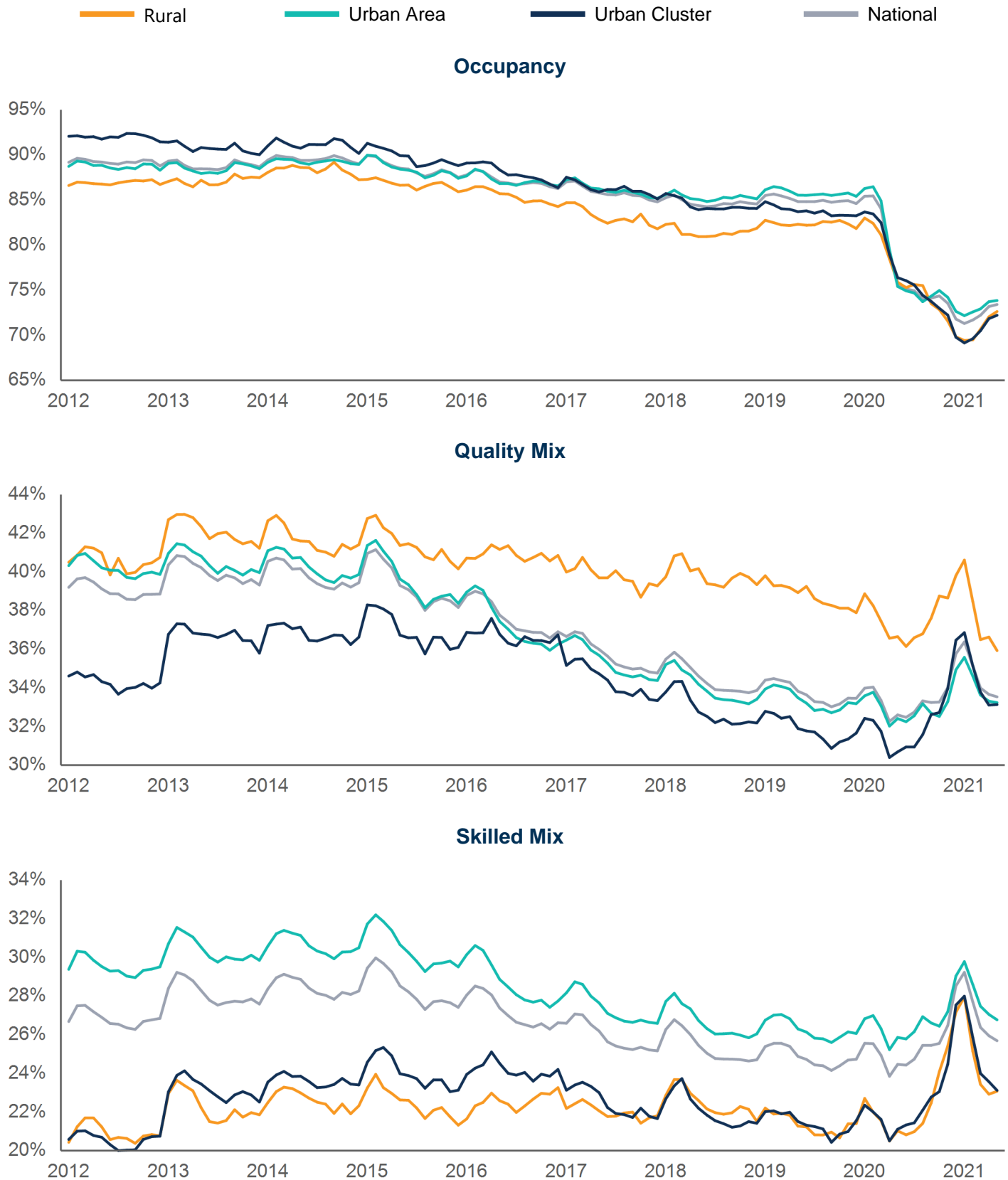
Urban and Rural Trends

Legend: ── Rural ── Urban Area ── Urban Cluster ── National
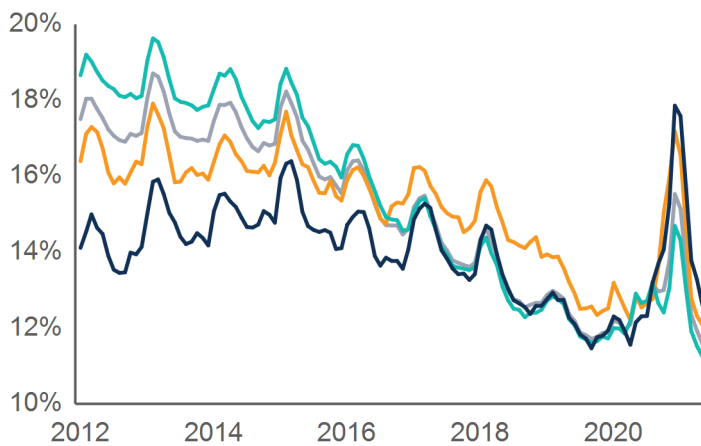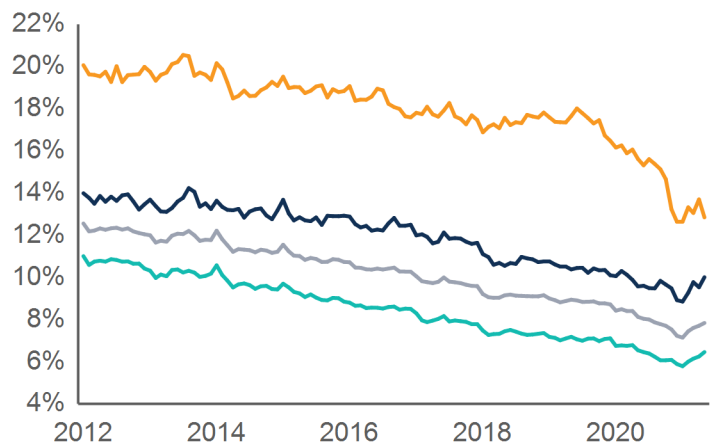
Patient Day Mix

Medicaid
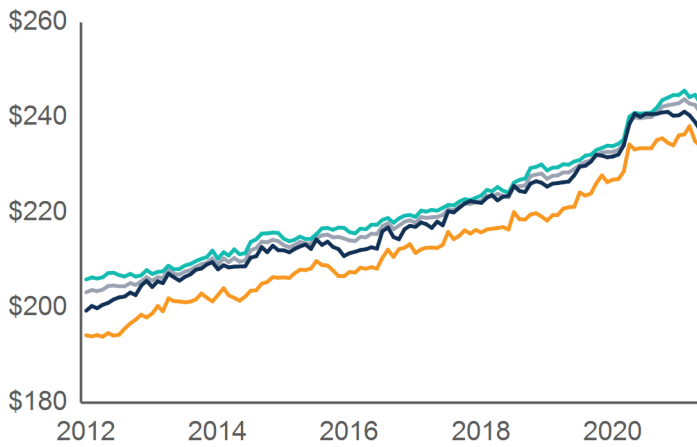

Managed Medicare

Medicare

Private

Urban and Rural Trends
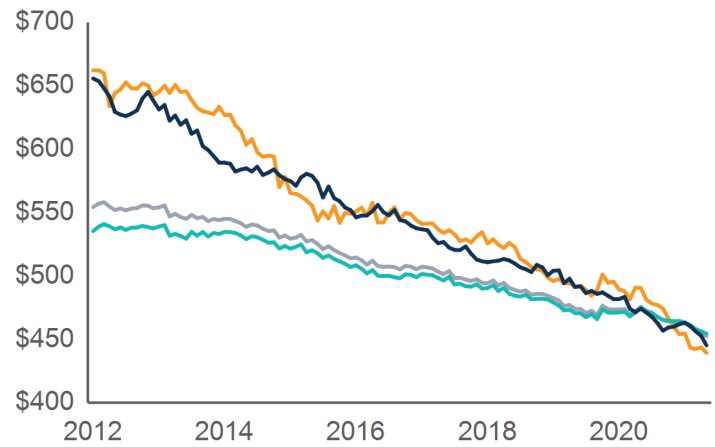
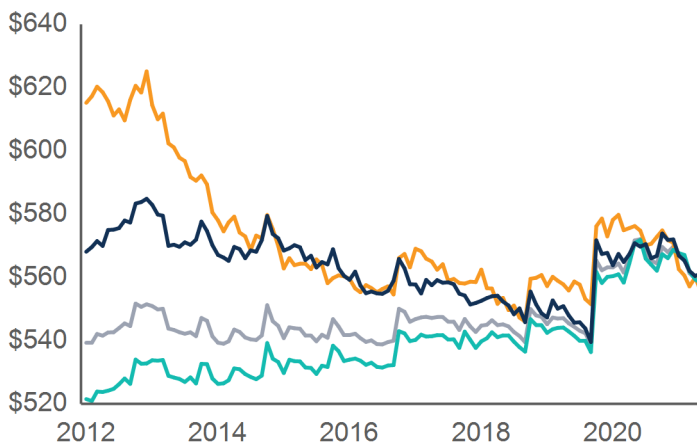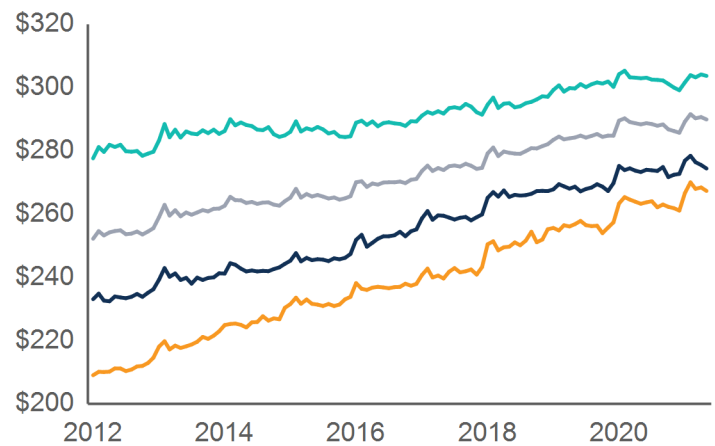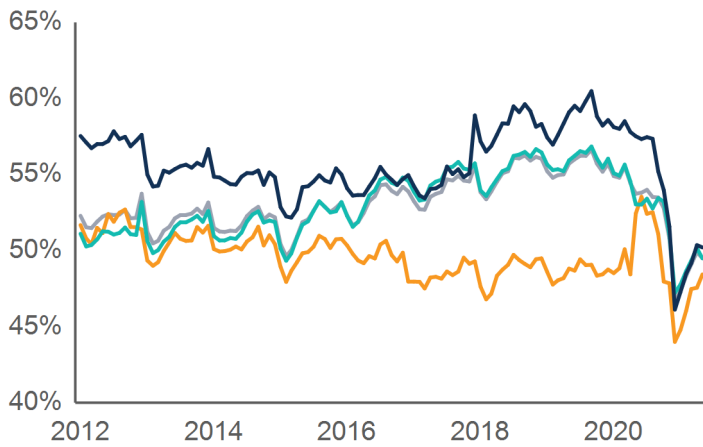Rural —— Urban Area —— Urban Cluster —— National ——

Revenue Per Patient Day

Medicaid

Managed Medicare

Medicare

Private

Skilled Nursing Monthly Report

Urban and Rural Trends

Rural ——— **Urban Area** ——— **Urban Cluster** ——— **National**
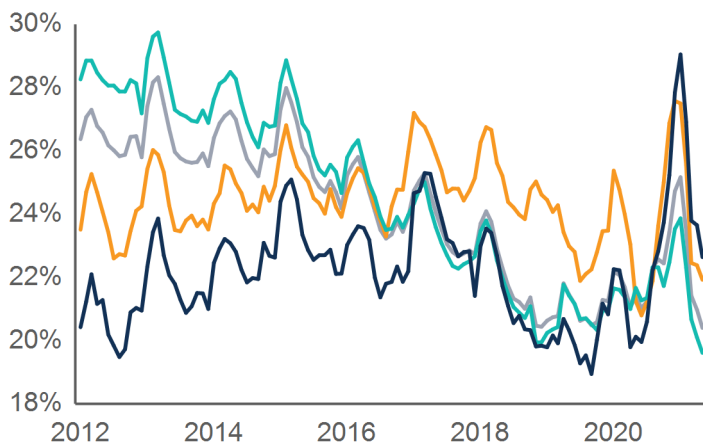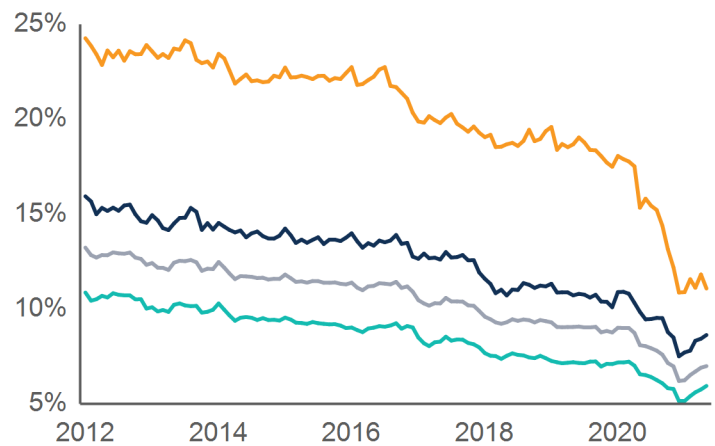
Revenue Mix

Medicaid

Managed Medicare
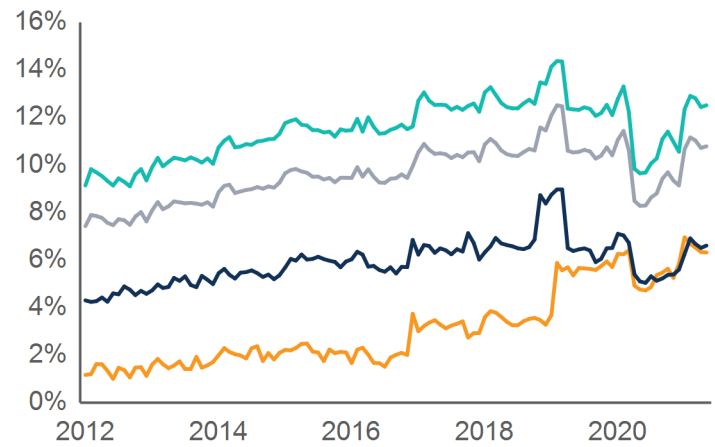
Medicare

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.