

Skilled Nursing Data Report

Key Occupancy & Revenue Trends

**Based on Data from October 2012
through September 2017**



Table of Contents

- 3** Key Takeaways
- 4** National Skilled Nursing Trends
- 5** Skilled Nursing Coverage
- 6** Glossary

Key Takeaways

- » **Despite an uptick in monthly data from July to August, quarterly occupancy reached a new low of 81.6% in the third quarter of 2017, down 29 basis points from the second quarter.** For comparison, occupancy increased in the third quarter in 2013 and 2014 and was flat in 2016, so this year's quarterly decline is most likely not a seasonal phenomenon. The 167-basis point decline in year-over-year occupancy is the second largest decline in the last five years for the third quarter. Downward pressure on occupancy has been steady since May 2015, the last month that occupancy was 85% or higher. Medicaid patient day mix continues to make up a growing share of occupancy, reaching its highest point in the five-year series at 66.8%, while private and Medicare patient day mixes fell to their lowest levels in the time series.
- » **Medicare patient day mix declined 58 basis points from the second quarter and 84 basis points from year-earlier levels, coming in at a new low of 12.2% in the third quarter of 2017.** The average Medicare patient day mix for the 12-month period ending in September 2017 was 13%, compared to 14% from September 2015 to September 2016, and 15% in the 12-month period from September 2014 to September 2015. While Medicare patient day mix was on the decline, the third quarter also ended with Medicare revenue per patient day (RPPD) reaching its lowest level at \$510. Medicare RPPD was down 2%, from \$521 in October of last year.
- » **Managed Medicare revenue per patient day declined from the prior quarter to set a new low within the time series at \$431.** This represents a total decline of 13.2% from five years ago or a negative 2.8% compounded annual growth rate over the same time period. Quarter-over-quarter, the rate fell 1.8%, which was a significant deterioration from the prior quarterly decline of only 0.2%. The rate fell 2.1% from the year-earlier level of \$440 revenue per patient day. Meanwhile, managed Medicare patient day mix declined to 6.2% from its recent five-year high of 6.7% in February of this year. The average managed Medicare patient mix in the latest 12-month period ending September 2017 was 6.3% compared to 5.9% for the previous 12-month period ending September 2016. Managed Medicare patient day mix appears to be steadily growing, up from 5.1% at the beginning of the five-year series.
- » **At 9.1%, private patient day mix matched its lowest point, which occurred in April 2017.** The lowest private patient day mixes in the five-year time series have occurred in 10 of the last 12 months. This mix has not exceeded 10% since January 2016. Simultaneously, the private revenue per patient day increased to its highest amount at \$266. Each of the last 10 months has witnessed the highest private revenue per patient day amounts in five years. The year-over-year increase reached its highest peak in five years in the third quarter at 2.9%.

“ While Medicare patient day mix, which represents the short-term patient population, fell to its lowest level of the five-year time series in the third quarter of 2017, Medicaid patient day mix, which represents the long-term resident population, continued to make up a larger share of occupancy reaching its highest point within the last five years at 66.8%.

- Beth Mace, Chief Economist, NIC ”

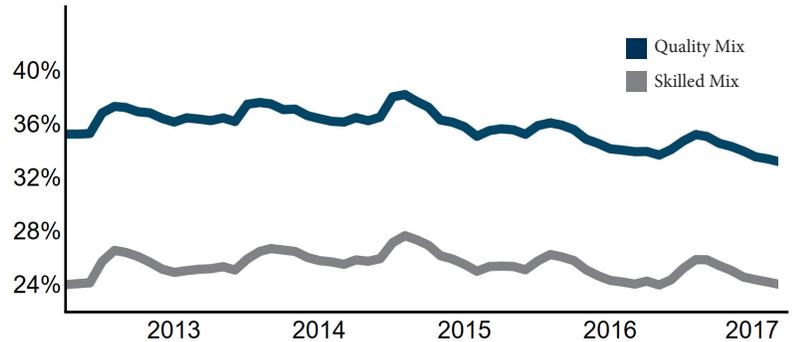
Skilled Nursing Trends

Data through September 2017

Occupancy



Quality and Skilled Mix



Patient Day Mix

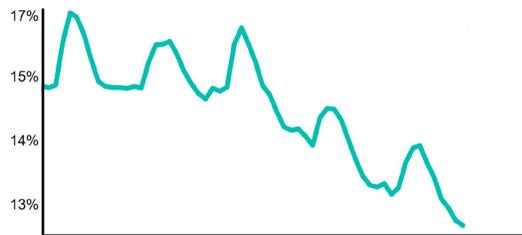


Revenue Per Patient Day

Medicaid



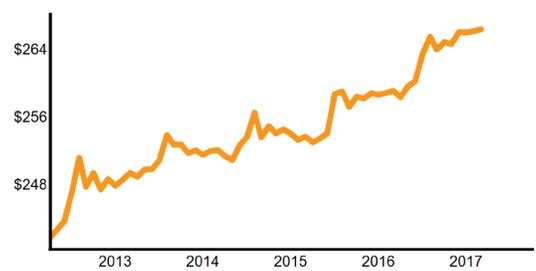
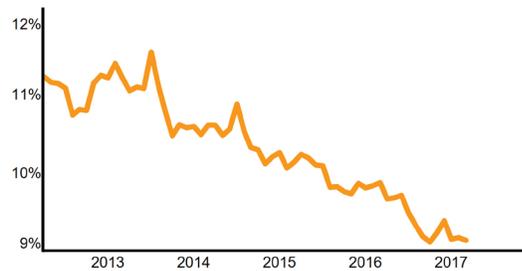
Medicare



Managed Medicare

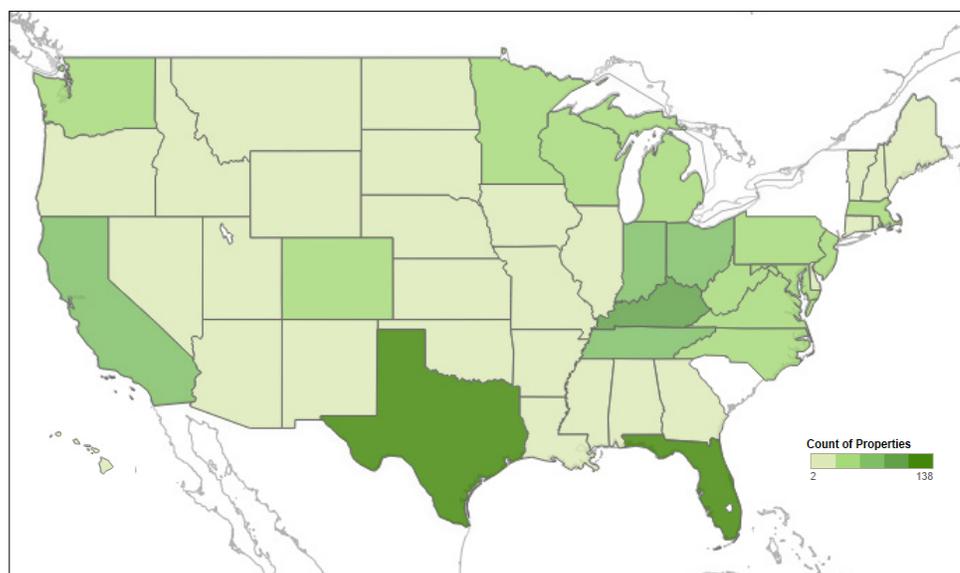


Private



Skilled Nursing Coverage

Data through September 2017



	August	September
States Represented	47	47
Number of Contributors	19	19
Total SNF Properties	1,427	1,426

Key Indicators

Data through September 2017

	September	Month over Month Change
Occupancy	81.6%	-42 bps
Quality Mix	33.2%	-22 bps
Skilled Mix	24.1%	-19 bps
Patient Day Mix		
Medicaid	66.8%	22 bps
Medicare	12.2%	-11 bps
Managed Medicare	6.2%	-8 bps
Private	9.1	-3 bps
Revenue Per Patient Day		
Medicaid	\$203	0.5%
Medicare	\$510	-0.3%
Managed Medicare	\$431	-0.3%
Private	\$266	0.1%

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.

For more information, call (410) 267-0504.