

# Skilled Nursing Data Report

Key Occupancy & Revenue Trends

**Based on Data from April 2012  
through March 2017**

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## Key Takeaways

- » **Occupancy increased 36 basis points in the first quarter from the fourth quarter to 82.6% demonstrating the expected seasonality as the first quarter usually sees an uptick from Q4.** However, occupancy decreased in March from the month of February after exceeding 83% for the first time in eight months. Occupancy has not exceeded 84% since March of last year, and hasn't reached 85% since April 2015. The average occupancy for the last 12 months was 82.9%, compared to 84.3% for the prior 12 months, and 85.7% for the 12 months before that. If occupancy continues at this rate of decline year-over-year, a new low will be expected later in 2017.
- » **Private revenue per patient day (RPPD) rose 1.5% in the first quarter on a quarter-over-quarter basis and by 2.7% on a year-over-year basis.** The yearly increase may not be enough to offset the decline in private patient day mix, which has fallen year-over-year by 62 basis points, although most of the decline in private day mix occurred in the last quarter. Private RPPD is one way operators can mitigate revenue loss from decreased occupancy and skilled mix, which may help to explain why the private RPPD has increased in recent quarters.
- » **Managed Medicare patient day mix reached its highest point within this time-series in Q1 in the month of February.** Managed Medicare patient day mix increased quarter-over-quarter and on a year-over-year basis, mirroring the trend in managed Medicare seen in Q1 2015, which also experienced a relatively significant flu season. All three months of Q1 were among the top 10 months for managed Medicare patient day mix within the data series. Quarter-over-quarter, managed Medicare RPPD actually increased, marking the first time in two years that managed Medicare RPPD increased quarter-over-quarter. The increase, while subtle, reinforces earlier NIC analysis suggesting a trend away from what had been a rapid decline in the managed Medicare RPPD.
- » **The uptick in Medicare and managed Medicare patient day mix were the drivers behind increased quality and skilled mix in the first quarter,** which is not unexpected in terms of seasonality and which may have been heightened by a relatively more significant flu season. Despite this recent increase, the average Medicare mix for the last 12 months decreased by 116 basis points compared to the average for the previous 12-month period (April 2015 to March 2016). In addition, the average Medicare mix for the previous 12-month period decreased by 99 basis points from the average for the 2014-2015 period, following the same trend as overall occupancy.

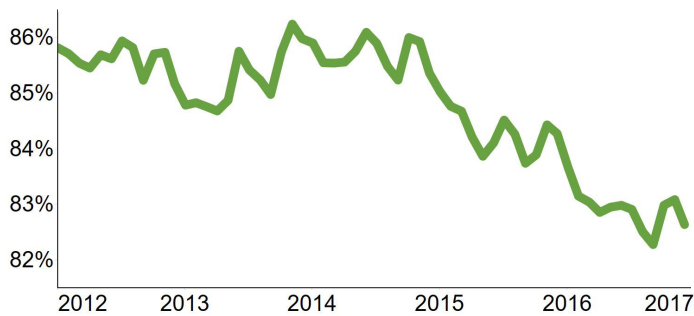
“ We did see a monthly occupancy rate decline in March after increases in January and February, so we will be watching the data carefully to see if the decline continues into the second quarter. Considering the current environment in post-acute care, competition for Medicare patient days is higher than any time in recent memory for skilled nursing property operators. Therefore, occupancy could feel additional pressure until the supply and demand equation comes into better balance.

- Bill Kauffman, Senior Principal, NIC ”

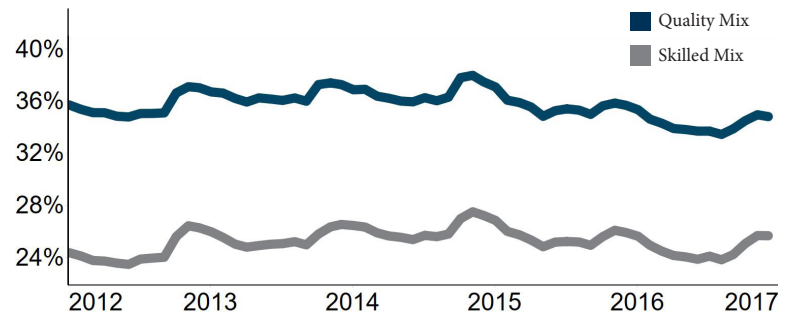
# Skilled Nursing Trends

Data through March 2017

## Occupancy



## Quality and Skilled Mix

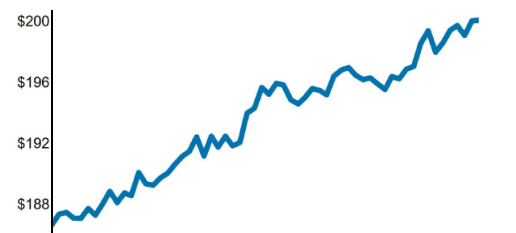


## Patient Day Mix

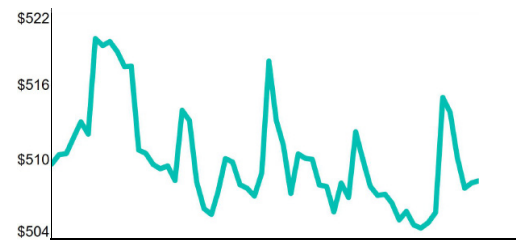
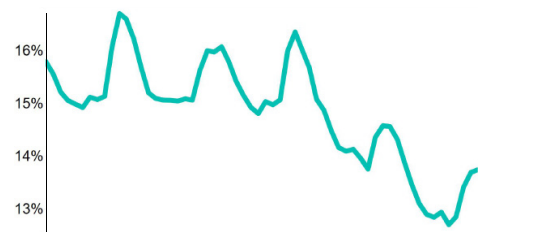


## Revenue Per Patient Day

### Medicaid



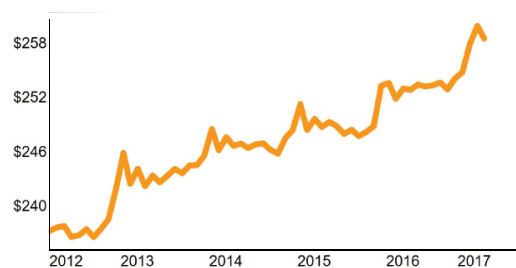
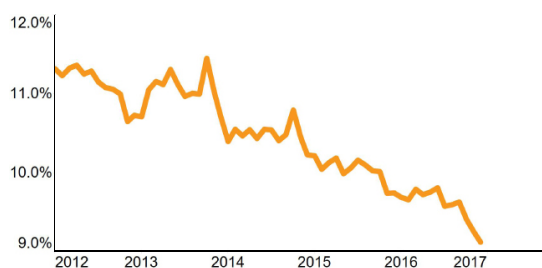
### Medicare



### Managed Medicare

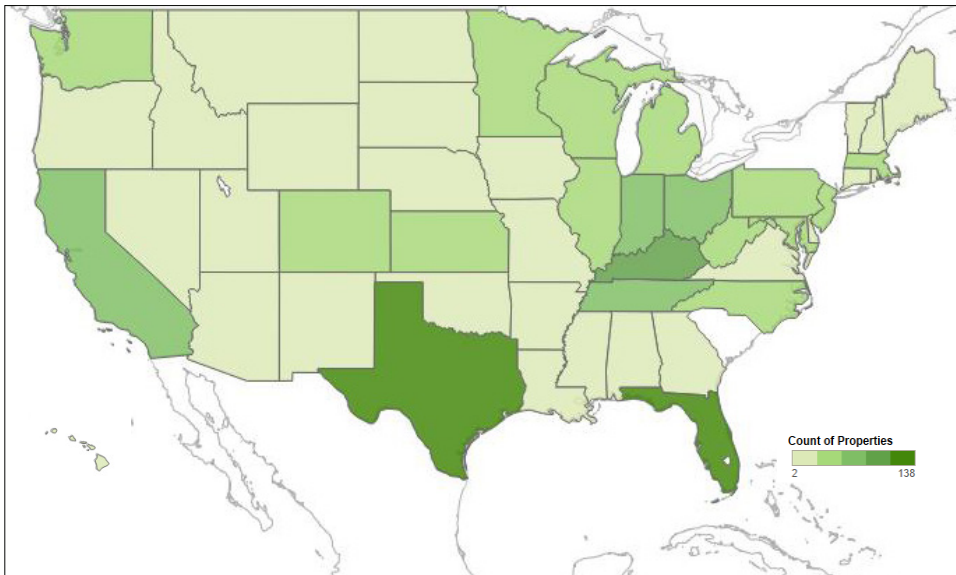


### Private



## Skilled Nursing Coverage

Data through March 2017



	February	March
States Represented	47	47
Number of Contributors	19	19
Total SN Properties	1,485	1,478

## Key Indicators

Data through March 2017

	Current Month	Month over Month Change
Occupancy	82.6%	-45 bps
Quality Mix	34.8%	-14 bps
Skilled Mix	25.7%	-1 bps
<b>Patient Day Mix</b>		
Medicaid	65.2%	14 bps
Medicare	13.7%	5 bps
Managed Medicare	6.7%	-9 bps
Private	9.1%	-13 bps
<b>Revenue per Patient Day</b>		
Medicaid	\$ 200	0.0%
Medicare	\$ 508	0.0%
Managed Medicare	\$ 428	-0.1%
Private	\$ 259	-0.5%

## Glossary of Terms

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**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

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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 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.

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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.

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