



Senior Living Industry Outlook

The Good, The Bad, and the Uncertain

Polling question

What do you see your as your
Organizations biggest
challenge in 2023?



Status of the Industry – Agenda

- ▲ **01** Occupancy
 - NF
 - RCF
- ▲ **02** Medicaid Reimbursement
- ▲ **03** Workforce
 - Minimum staffing requirements
- ▲ **04** Compliance
 - PRF



Learning objectives



- ▲ Understand how your facility's occupancy compares to regional and national occupancy levels
- ▲ Provide insight into the impact of Medicaid reimbursement has on the financial operations of your Organization
- ▲ Inform participants how workforce issues are impacting the senior living industry

Occupancy

Nursing Home Occupancy

Filter by State

Latest Data

75.8%

Average Occupancy

Trend



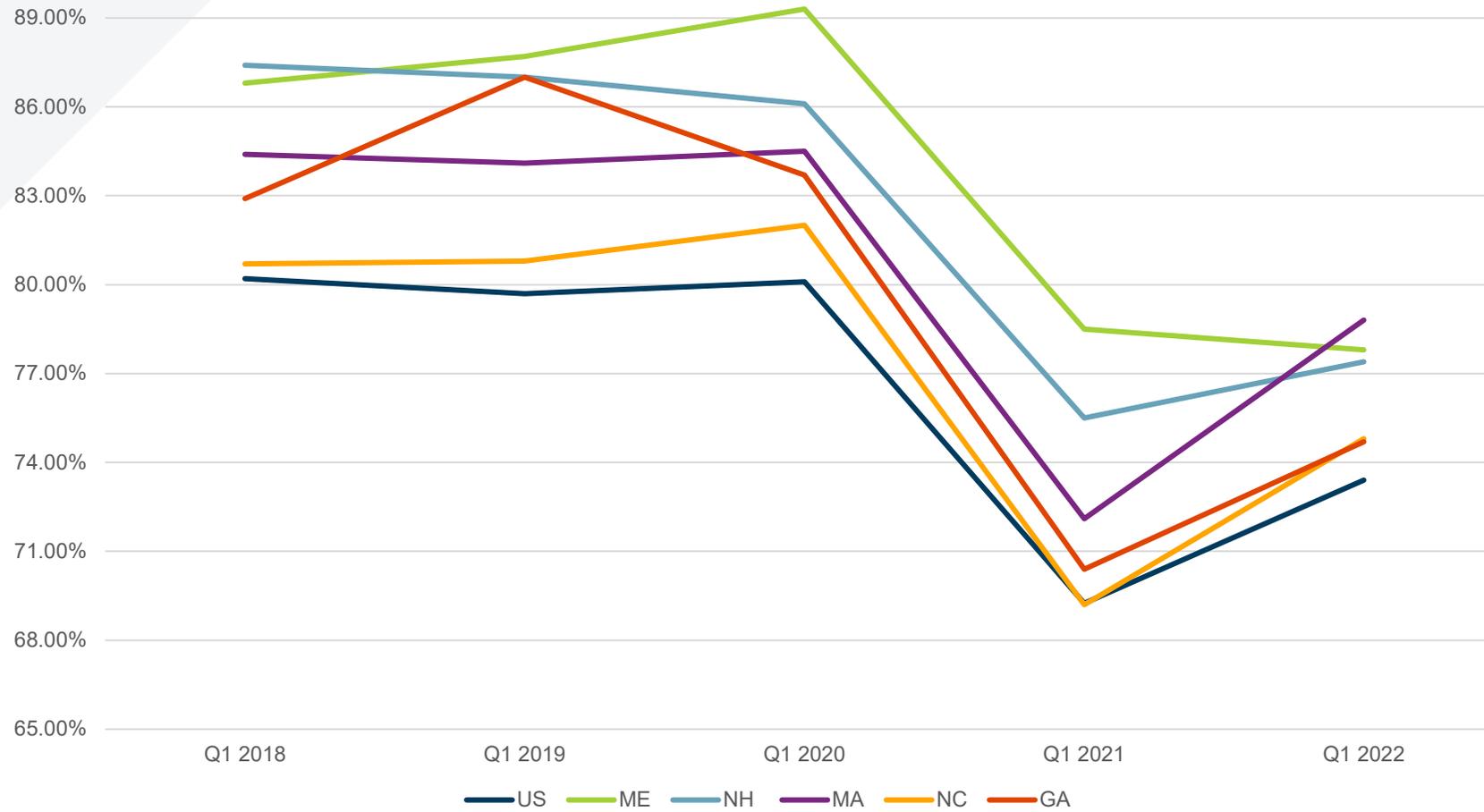
Data Through:

December 18, 2022

Sources: Payroll-Based Journal (PBJ) for 2019 Occupancy, NHSN for 2020-22 Occupancy

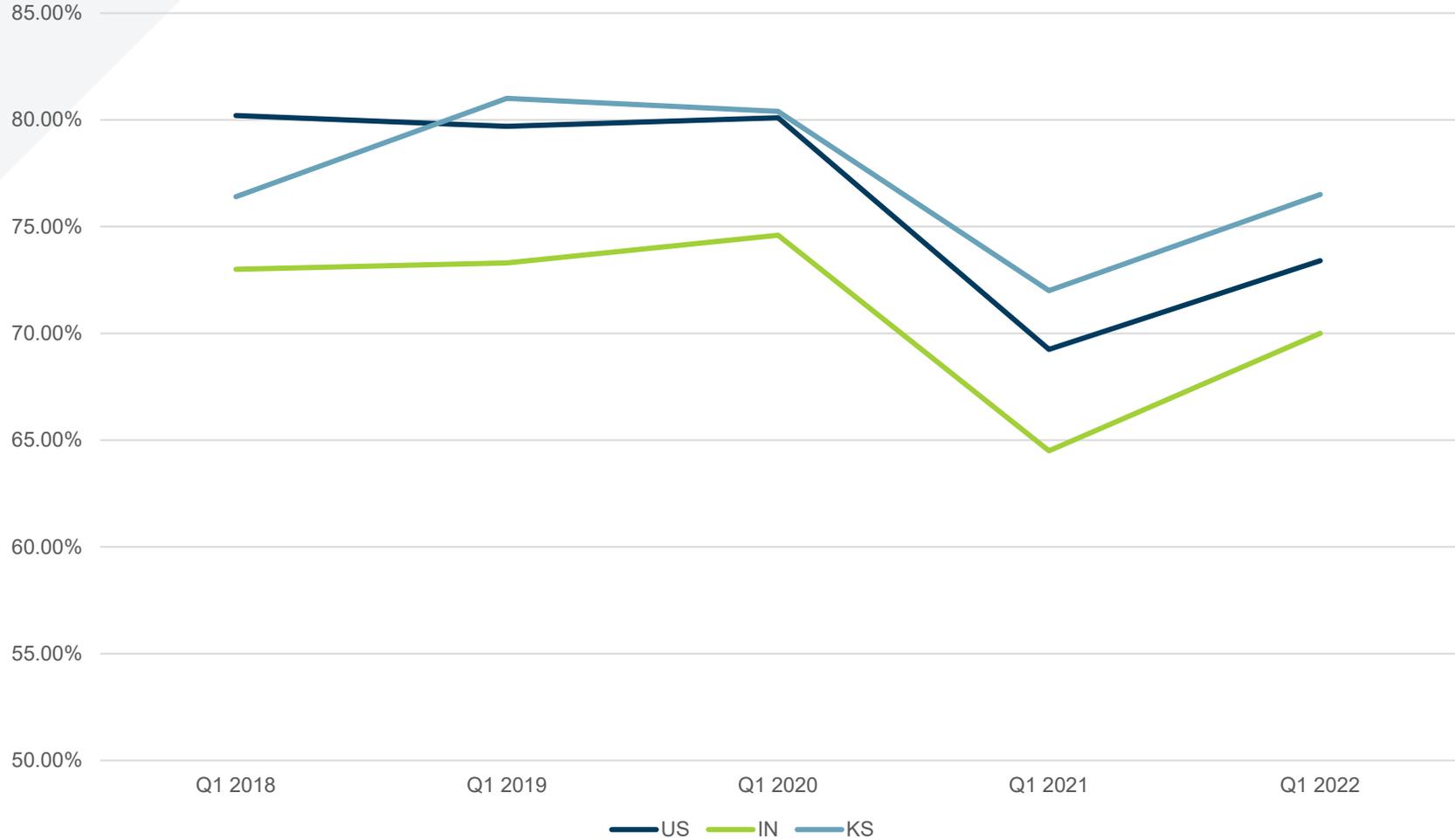


Eastern U.S. Occupancy



Sources: Payroll-Based Journal (PBJ) for 2019 Occupancy, NHSN for 2020-2022

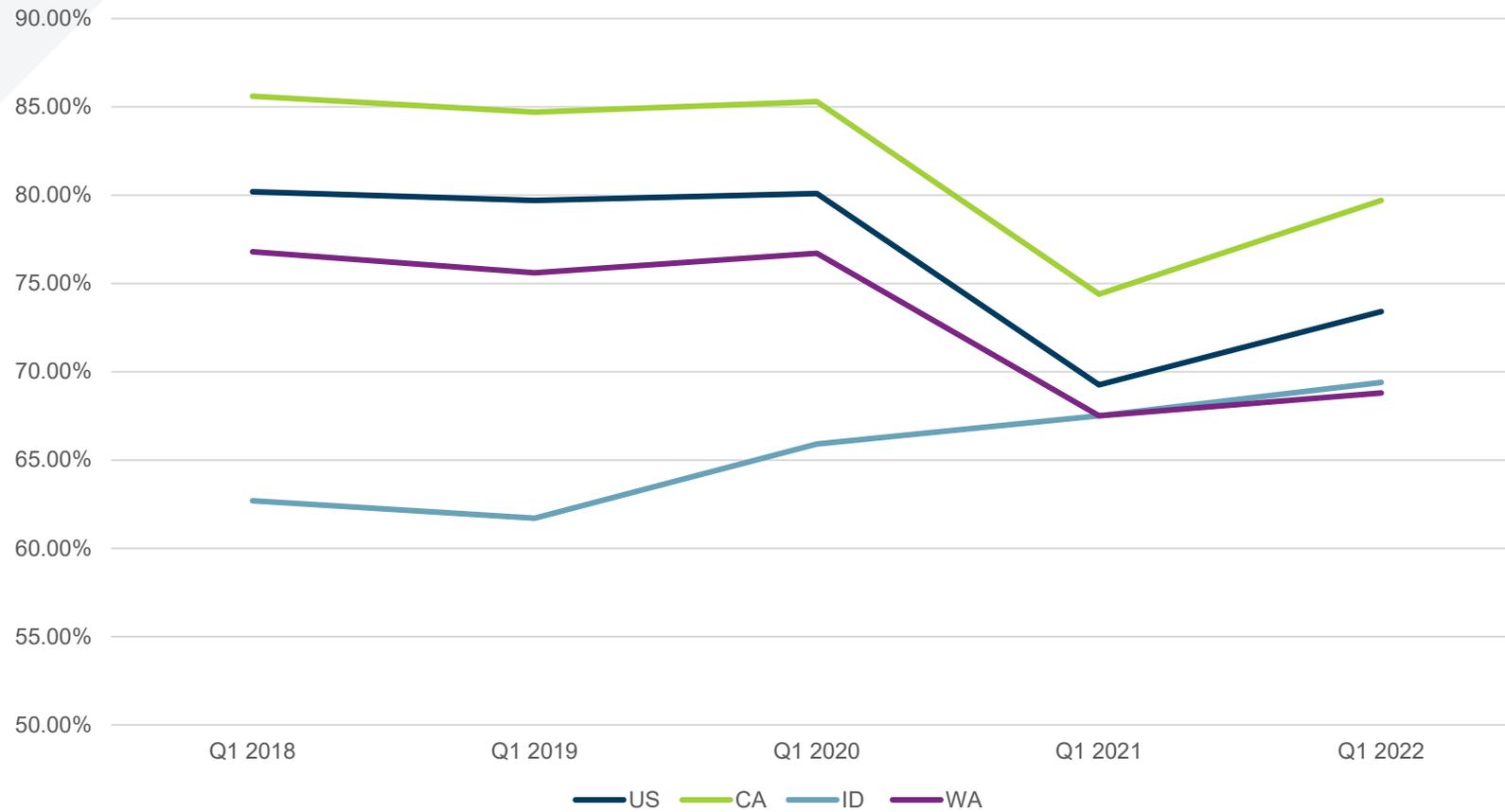
Mid-Western U.S. Occupancy



Sources: Payroll-Based Journal (PBJ) for 2019 Occupancy, NHSN for 2020-2022



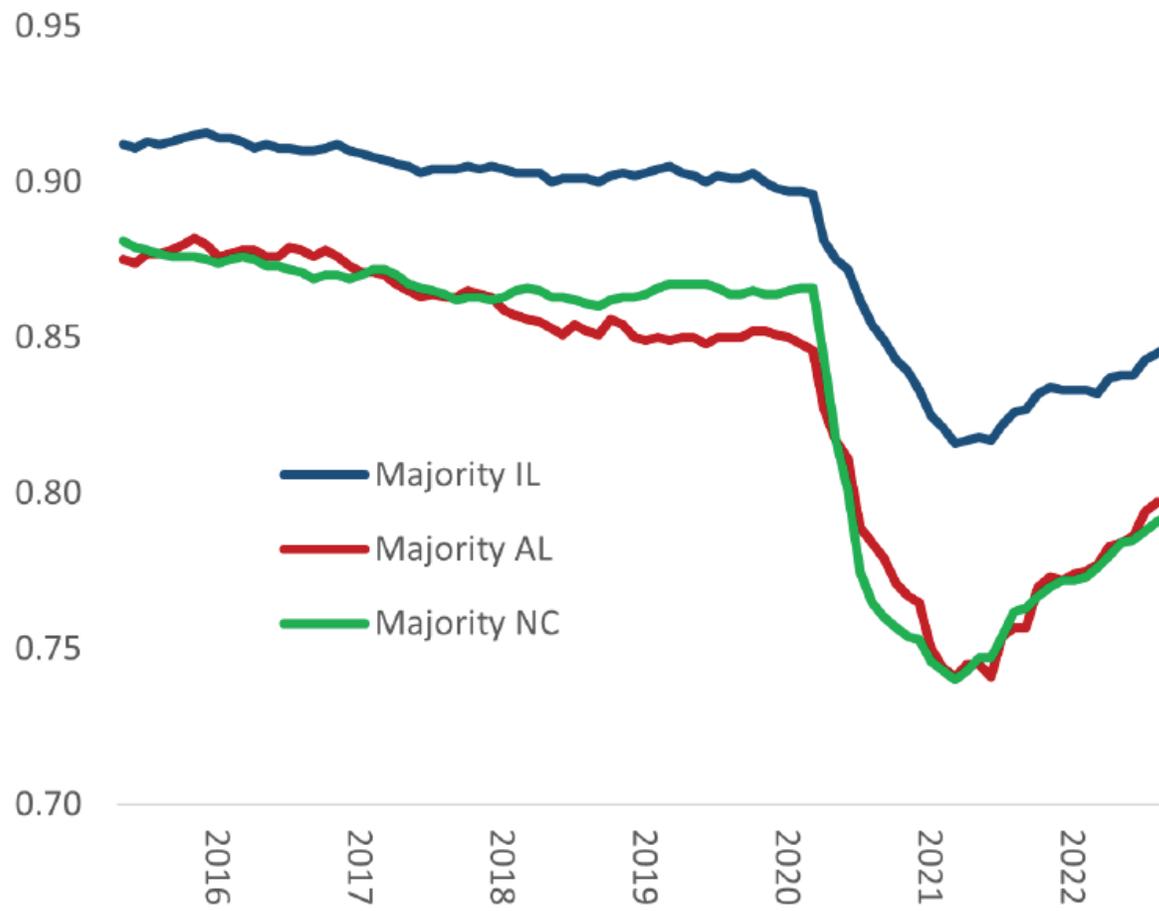
Western U.S. Occupancy



Sources: Payroll-Based Journal (PBJ) for 2019 Occupancy, NHSN for 2020-2022

Assisted Living and Independent Living Occupancy

Occupancy (%) by Property Type
NIC MAP | Primary Markets



Source: NIC MAP® Data, powered by NIC MAP Vision

▲ Medicaid Reimbursement

Polling question

What is your current Medicaid occupancy?



Medicaid Funding Shortfalls

Report: Medicaid funding shortfalls causing nursing homes to close

Illinois skilled-care facilities lose \$15,000 annually per each Medicaid patient on average

Jerry Nowicki Capitol News Illinois

Published 10:41 p.m. CT April 24, 2019 | Updated 11:02 p.m. CT April 24, 2019

[View Comments](#)



The LeRoy Manor and Liberty Village nursing home in the 3,500-population McLean County city of LeRoy is one of 20 state-licensed nursing homes that have closed due to the state's poor Medicaid reimbursement rates since 2014. (JERRY NOWICKI/CAPITOL NEWS ILLINOIS) *Rockford Register Star*

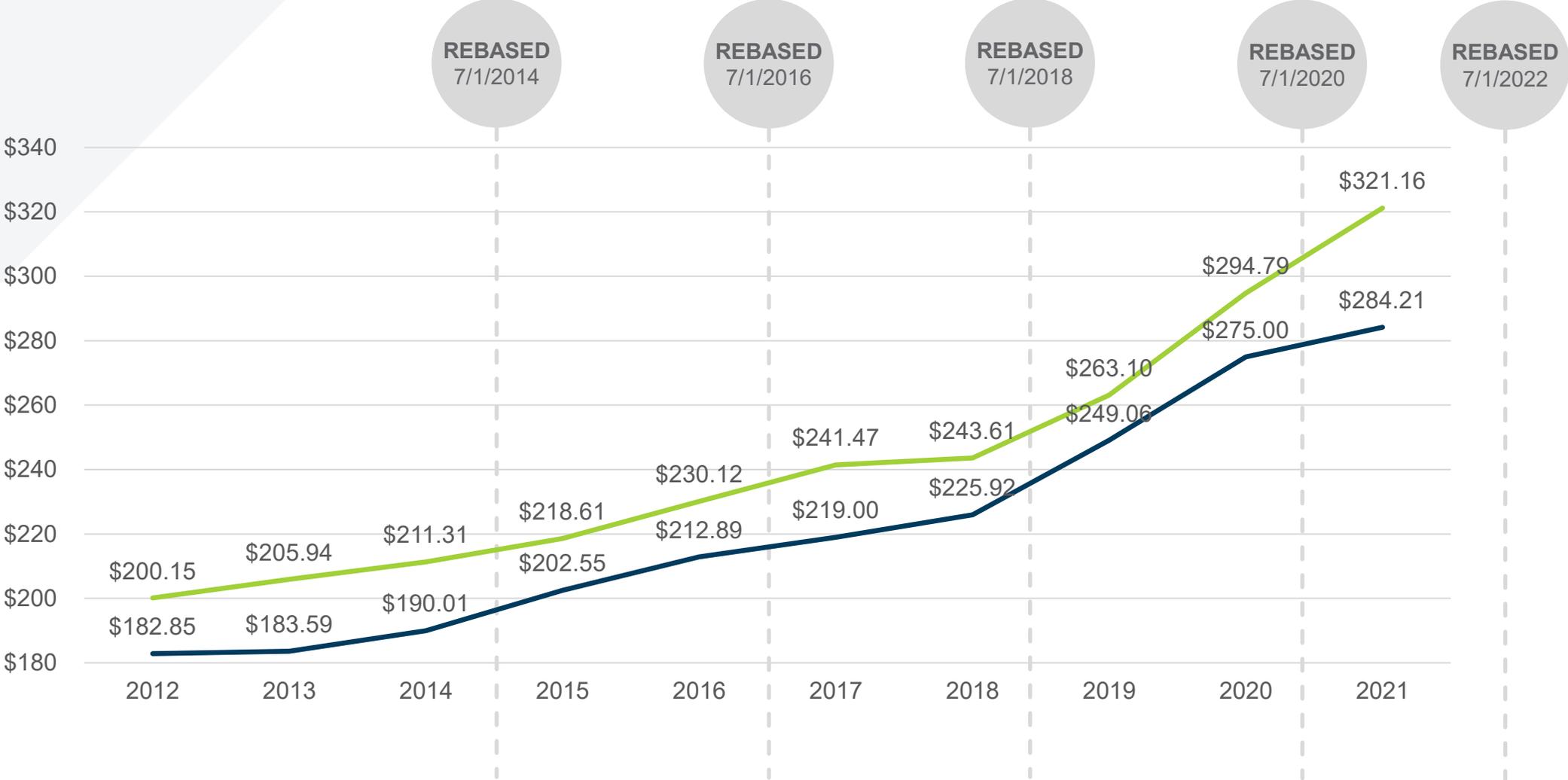
Nursing home closure over finances could be warning to all of N.J. | Editorial

Published: Jan. 16, 2022, 8:42 a.m.



Industry Trends

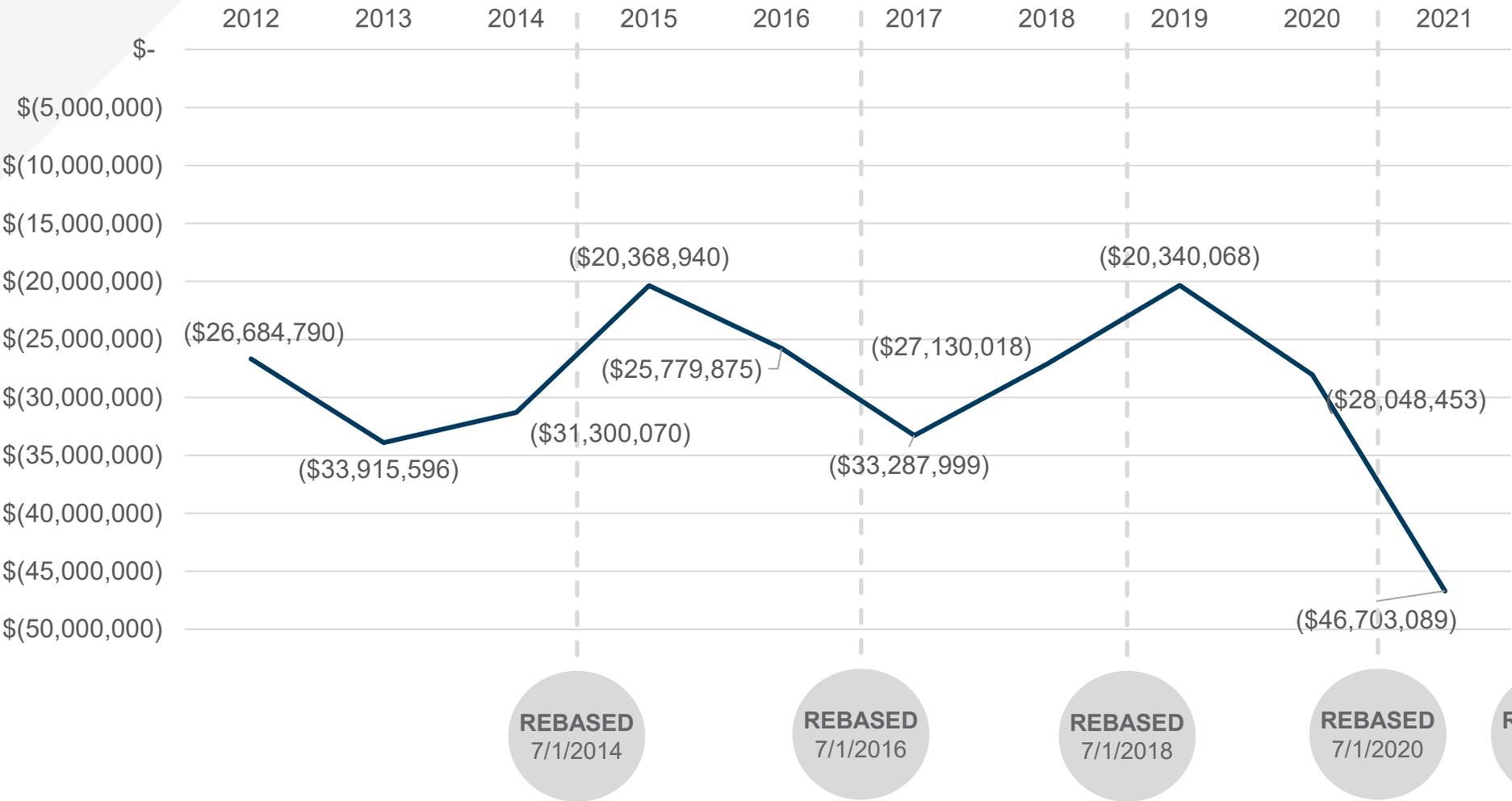
Nursing facility – MaineCare revenue and cost per patient day (PPD)



* Source – As Filed MaineCare Nursing Facility Cost Reports, 2012 - 2021

Industry Trends

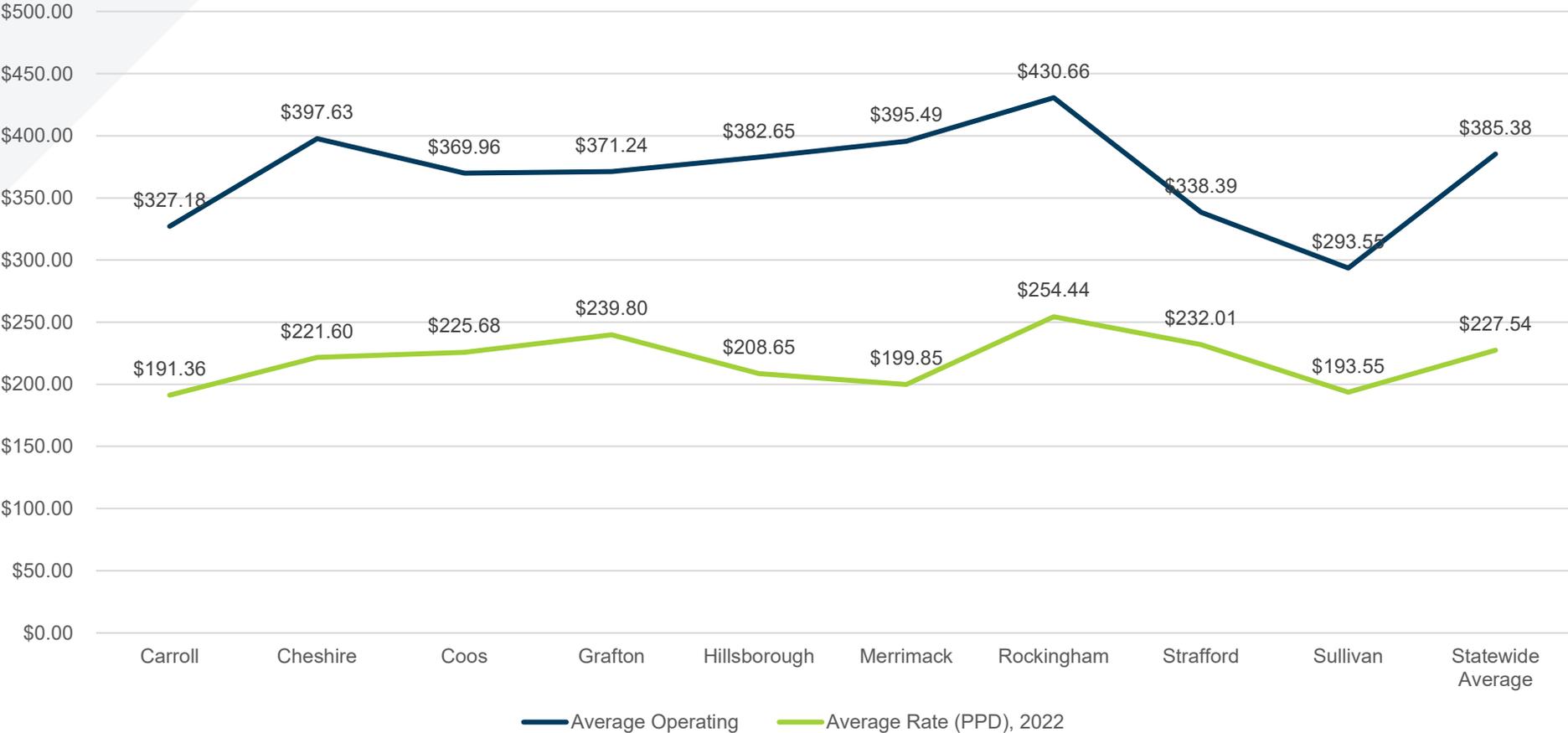
Maine Nursing Facility Shortfall



* Source – As Filed MaineCare Nursing Facility Cost Reports, 2012 - 2021

Industry Trends

New Hampshire Nursing Facility Shortfall



Source: Operating costs -As Filed Medicare Cost Reports, 2020;
 Average Medicaid Rate -PR 22-01, NH Department of Health and Human Services, Nursing Facility rates as of January 1, 2022

Industry Trends

Pennsylvania Nursing Facility Shortfall

	Average MA Revenue Per Resident Day	Average MA Expenses Per Resident Day	Shortfall Per Resident Day	Total Estimated Shortfall
PA Statewide – 2022 Analysis*	\$253.71	\$339.97	\$86.26	\$1,164,783,756
PA Statewide – 2019 Analysis	\$264.64	\$312.49	\$47.85	\$631,586,911
Change	\$10.93	\$27.48	\$38.41	\$533,196,845
Change Explanation	Decrease in Revenue Per Resident Day	Increase in Expense Per Resident Day	Increase in Shortfall Per Resident Day	Increase in Shortfall Overall

* Includes Act 24 and COVID relief funds, which average additional revenue of \$13.96 per MA resident day.





Workforce

Workforce



Long-term care employees at a 13 year low
Lost 307,000 LTC jobs during the pandemic



Average U.S. RN and LPN turnover 53%



Medicaid rates not increasing at same pace as wages



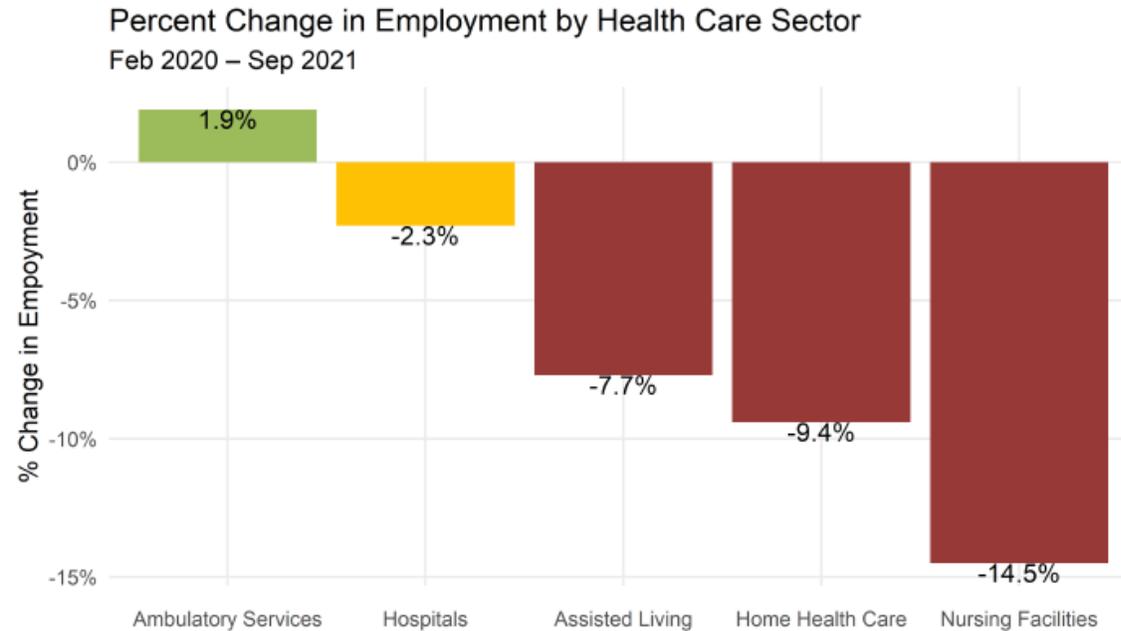
CMS Star Ratings
Minimum Staffing Requirement
Surveys



Maine Workforce

Impact of COVID

While some health care industries have reached or surpassed pre-pandemic staffing levels, long term care facilities are still experiencing substantial job losses alongside rising wage costs and increasing agency staff use.



17.3%

Increase in Average Weekly Wage:
Mar'20 - Sep'21

34%

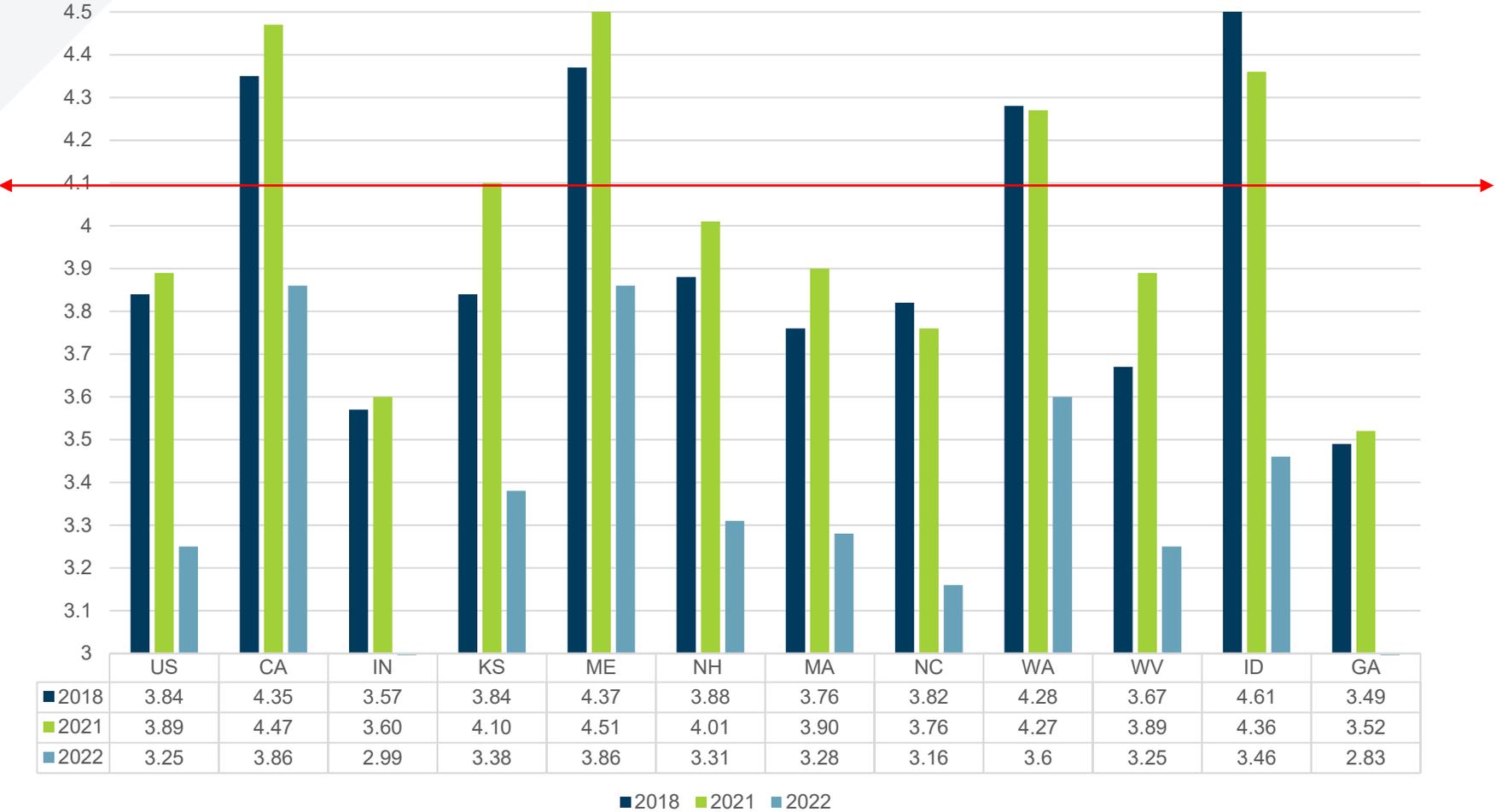
Increase in Average Agency Staff Use:
Q4'19 - Q4'21



Sources: Bureau of Labor Statistics, Quarterly Census of Employment and Wages (Sept 2021) and Occupational Employment and Wage Statistics (May 2021) for NAICS Industries 623 and 6231. CMS Payroll Based Journal (2019-2021)

Direct Care Hours per Patient Day – Minimum Staffing Requirements

Proposed Minimum Staffing 4.1 hours per patient day



Source: CMS nursing home monthly provider information

Direct Care Hours per Patient Day – Weekend Staffing

December 7, 2022, CMS Information Update



▲ Compliance

Polling question

Have you reported to HRSA on your Provider Relief Funding?



Provider Relief Reporting Requirements

	Payment Received Period (Payments Exceeding \$10,000 in Aggregate Received)	Period of Availability	Reporting Time Period
Period 1	April 10, 2020 - June 30, 2020	January 1, 2020 - June 30, 2021	July 1, 2021 - September 30, 2021*
Period 2	July 1, 2020 - December 31, 2020	January 1, 2020 - December 31, 2021	January 1, 2022 - March 31, 2022
Period 3	January 1, 2021 - June 30, 2021	January 1, 2020 - June 30, 2022	July 1, 2022 - September 30, 2022
Period 4	July 1, 2021 - December 31, 2021	January 1, 2020 - December 31, 2022	January 1, 2023 - March 31, 2023
Period 5	January 1, 2022 - June 30, 2022	January 1, 2020 - June 30, 2023	July 1, 2023 - September 30, 2023
Period 6	July 1, 2022 - December 31, 2022	January 1, 2020 - December 31, 2023	January 1, 2024 - March 31, 2024
Period 7	January 1, 2023 - June 30, 2023	January 1, 2020 - June 30, 2024	July 1, 2024 - September 20, 2024



Questions?

Lisa Trundy-Whitten, CPA

Principal

ltrundy@berrydunn.com

207.541.2263



berrydunn.com