

2024 MARCUM
**THREE-YEAR
NURSING HOME
STATISTICAL REVIEW**

(2020-2022)

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MARCUM
ACCOUNTANTS ▲ ADVISORS



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OVERVIEW

Welcome to the 2024 Three-Year Nursing Home Statistical Analysis, covering the period 2020 to 2022. This year's analysis features a closer look at a very controversial proposal on staffing and the funding needed to meet the Centers for Medicare & Medicaid Services (CMS) proposal.

This year's analysis also marks the transition from the pandemic. Though not yet a full year in the rearview mirror, we shed some light on trends we are seeing: some good, some interesting – and I will use my favorite word – some “challenges.”

The good, if you have followed along through the COVID-19 years, the topic of census has been at the forefront of most discussions. I am pleased to see that while we are not yet back to pre-pandemic census levels, we have seen significant strides in the right direction. In fact, and from a statistical standpoint, the future shows significant increases in the aging population not only for those over 65 but also those over 80. These increases further support the continued need for quality care providers throughout the nation.

While the aging population continues to grow, so has the cost associated with the delivery of care. The year 2022 was met with double-digit inflation. The pandemic might be moving into our rearview mirrors, but it has now been replaced with significant inflationary pressure of labor, utilities, and other service delivery expenses. State by state and federally, these inflationary pressures in some instances have been met by increased reimbursement rates, but exponentially is it enough? 2022 marked the largest decline of nursing home operators throughout the country. If demand continues to grow (as expected) what will be the solution for the aging population?

The industry is not only faced with rising costs but also the “challenges” of regulatory oversight. 2022 has shown us some of the highest level of regulatory oversight the industry has ever faced, coupled with federal proposals to increase staffing levels without any discussion of support on payment. Where will the people come from, what is the cost to the industry, and who will care for our most vulnerable aging population?

The following information will illustrate the historical trends of the industry as well as provide insight that will impact future operations of the nursing home industry.



MATTHEW BAVOLACK
PRINCIPAL, NATIONAL
HEALTHCARE INDUSTRY
GROUP LEADER

EXECUTIVE SUMMARY

At the time of publication, the Centers for Medicare & Medicaid Services (CMS) is reviewing the approximate 60,000-plus comments received during the 60-day comment period following the announcement of a federal staffing mandate proposed on September 6, 2023. This mandate requires minimum nursing staffing standards of 0.55 hours per resident day (HPRD) for registered nurses (RNs) and 2.45 HPRD for certified nursing assistants (CNAs). The proposal also requires an RN to be onsite for 24 hours a day, seven days a week. This alone will increase nursing costs and hourly wages for nursing homes to satisfy the mandate. This seems to go hand in hand with the patient-driven payment model (PDPM) because it is a regulation based on resident needs. In 2022, the national RN hourly rate (\$40.84) and CNA hourly rate (\$20.11) both increased 8.67% and 13.75%, respectively. Nursing homes will have to continue to raise their hourly rate in order to retain and recruit new staff. With occupancy on the rise, nursing facilities are expected to face higher nursing costs to comply with the proposed staffing mandate and limited funding increases to pay for said mandates.

2022 was the first year since before the pandemic that experienced a rise in occupancy percentage. Even though national occupancy only increased by 5.33%, this is major considering nursing homes had been steadily decreasing in occupancy for the several years prior. While this news is a breath of fresh air in the nursing home world, staffing shortages and the proposed federal staffing regulation are still looming issues. Rising total costs in combination with staffing shortages and higher occupancy create a trifecta of the challenge nursing homes will face.

Staffing expenses, inflation, and lingering COVID-19 costs all contribute to the rising total cost per patient day (PPD). Nursing homes are in their third year of utilizing the PDPM to receive reimbursement. The patient-centric model and simplified billing permit a more accurate revenue generator for nursing facilities. This can be seen as revenue PPD also increased in 2022 but not enough as all regions across the nation operated at a net loss PPD. Nationally, the net loss PPD was \$14.62 in 2022, which is a higher net loss by 16.78% compared to 2021. The combination of staffing shortages, increasing costs, and rising occupancy percentages will have nursing homes in a predicament where they must either meet regulations or come up with other alternatives to stay in business.





QUALIFICATION OF DATA

The data illustrated in this publication was downloaded from the Centers for Medicare & Medicaid Services (CMS) Healthcare Provider Cost Reporting Information System (HCRIS) for Form 2540-10 Medicare cost reports. Form 2540-10 is used to complete the annual cost reports required for Medicare-certified skilled nursing facilities. The data as filed and is subject to change based on provider amendments and/or compliance.

CMS datasets were also downloaded from the Provider Data Catalog and are updated monthly. At the time of publication, the datasets used for penalties, denied payments, and provider listings are as of October 2023. The datasets used are “as filed” and are subject to change based on compliance.

CMS updates HCRIS quarterly throughout the year. The bell-shape curve methodology was used on the data. Marcum LLP removes outliers in the dataset to illustrate an accurate depiction of the industry. The publication is based on data

from full-year (12 months) cost reports. Each publication is updated from the previous year; therefore, 2021 data has been updated as more data was made available from CMS.

Marcum LLP does not express a conclusion nor provide any form of assurance, completeness, and/or accuracy of the information included or referred to in this analysis. Additionally, Marcum LLP has not independently verified the data gathered or contained in this analysis accordingly. Our procedures do not constitute an audit or examination in accordance with generally accepted auditing standards. This publication is meant to demonstrate an overview of the skilled nursing industry across the United States.

	PREVIOUS PUBLICATION		CURRENT PUBLICATION
2019	13,356	2020	13,606
2020	13,606	2021	13,163
2021	11,205	2022	10,984

Marcum LLP grouped states into the following six regions:

MIDWEST	NORTHEAST	PACIFIC	SOUTHEAST	ROCKY MOUNTAINS	SOUTHWEST
Illinois	Connecticut	Alaska	Alabama		Arizona
Indiana	Maine	California	Arkansas	Colorado	New Mexico
Iowa	Massachusetts	Hawaii	Delaware	Idaho	Oklahoma
Kansas	New Hampshire	Oregon	District of Columbia	Montana	Texas
Michigan	New Jersey	Washington	Florida	Nevada	
Minnesota	New York		Georgia	Utah	
Missouri	Pennsylvania		Kentucky	Wyoming	
Nebraska	Rhode Island		Louisiana		
North Dakota	Vermont		Maryland		
Ohio			Mississippi		
South Dakota			North Carolina		
Wisconsin			South Carolina		
			Tennessee		
			Virginia		
			West Virginia		

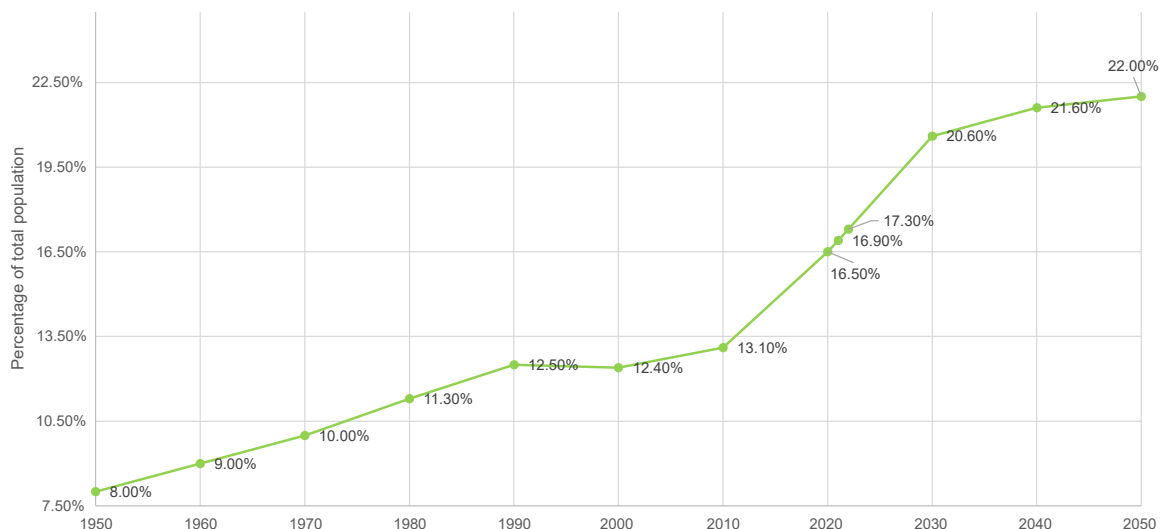
Marcum LLP has not audited the data presented herein and is unable to issue an opinion in terms of accuracy and reasonableness. The purpose of this publication is to present a national and regional overview of the industry.

DEMOGRAPHICS

The population of the United States continues to increase in size. As of July 1, 2022, the total estimated population in the United States had reached 332.6 million, an increase of approximately 0.38% from July 1, 2021, when it was 331.4 million. Total population in the nation grew twice as fast between July 2021 and July 2022 as it did in the prior year when the nation felt the brunt of the pandemic and recorded the lowest increase in several decades. In 2022, population growth began to rebound as births spiked and COVID-19–related restrictions eased. According to [macrotrends.net](#), in 2022 the life expectancy for individuals in the United States was 79.05 years. This figure is expected to continue rising and is projected to reach 83.37 by 2050. As the elderly population continues to live longer, demand for skilled nursing care should continue to increase.

The growing population of the country has also correlated with the growth of those 65 years and older. According to Statista, an online platform that specializes in data gathering and visualization, in 2022, about 17.3% of the American population was 65 years old or over, an increase of 4.2% from just 2010. This figure is expected to reach 22% by 2050. This is a substantial increase from 1950, when only 8% of the population was 65 or over. To put this into perspective, in 1950 there were only around 11.86 million people living in the United States 65 years or older, compared to a projected 82.59 million by 2050, a staggering 596% increase. With a rapidly aging population, access and availability to nursing home care will need to be closely monitored.

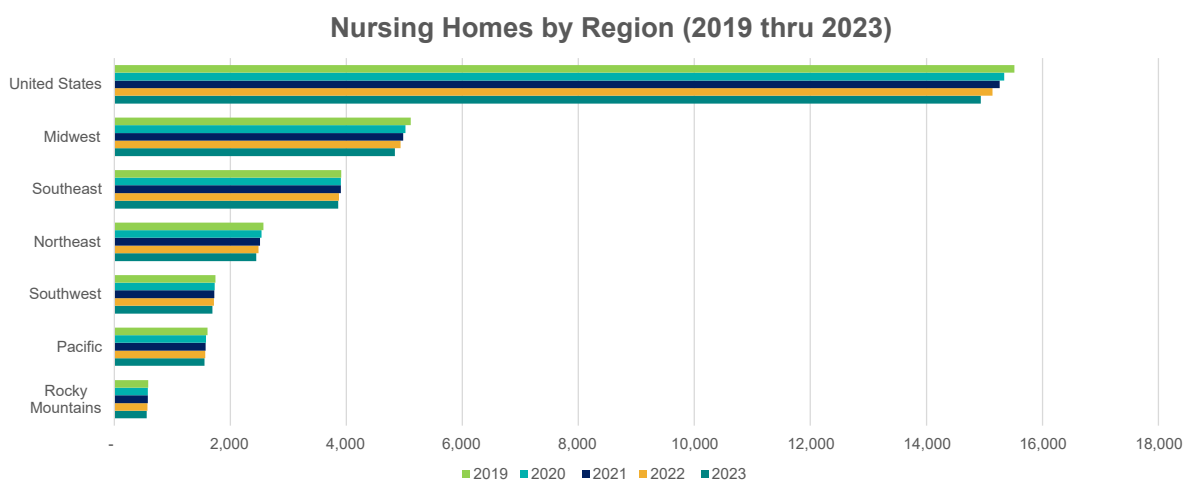
Estimated Percentage of Population (65 years and older) in the Total United States Population Between 1950 and 2050



Demographic changes, particularly population increase and aging, have significant implications for nursing homes. As the population increases and ages, the demand for nursing homes also rises. Older adults often require specialized care and assistance with daily activities, services that nursing homes provide. Therefore, a growing elderly population leads to increased demand for nursing home spaces. As the percentage of individuals 65 and older in the country continues to increase, it remains to be seen if there will be enough beds available in nursing homes to care for them as facilities across the country continue to shut down.

Nursing homes have been facing several challenges leading to closures. The number of total nursing homes in the nation has been decreasing for several years now. The COVID-19 pandemic put additional strain on nursing homes. They have faced increased costs related to personal protective equipment (PPE), testing,

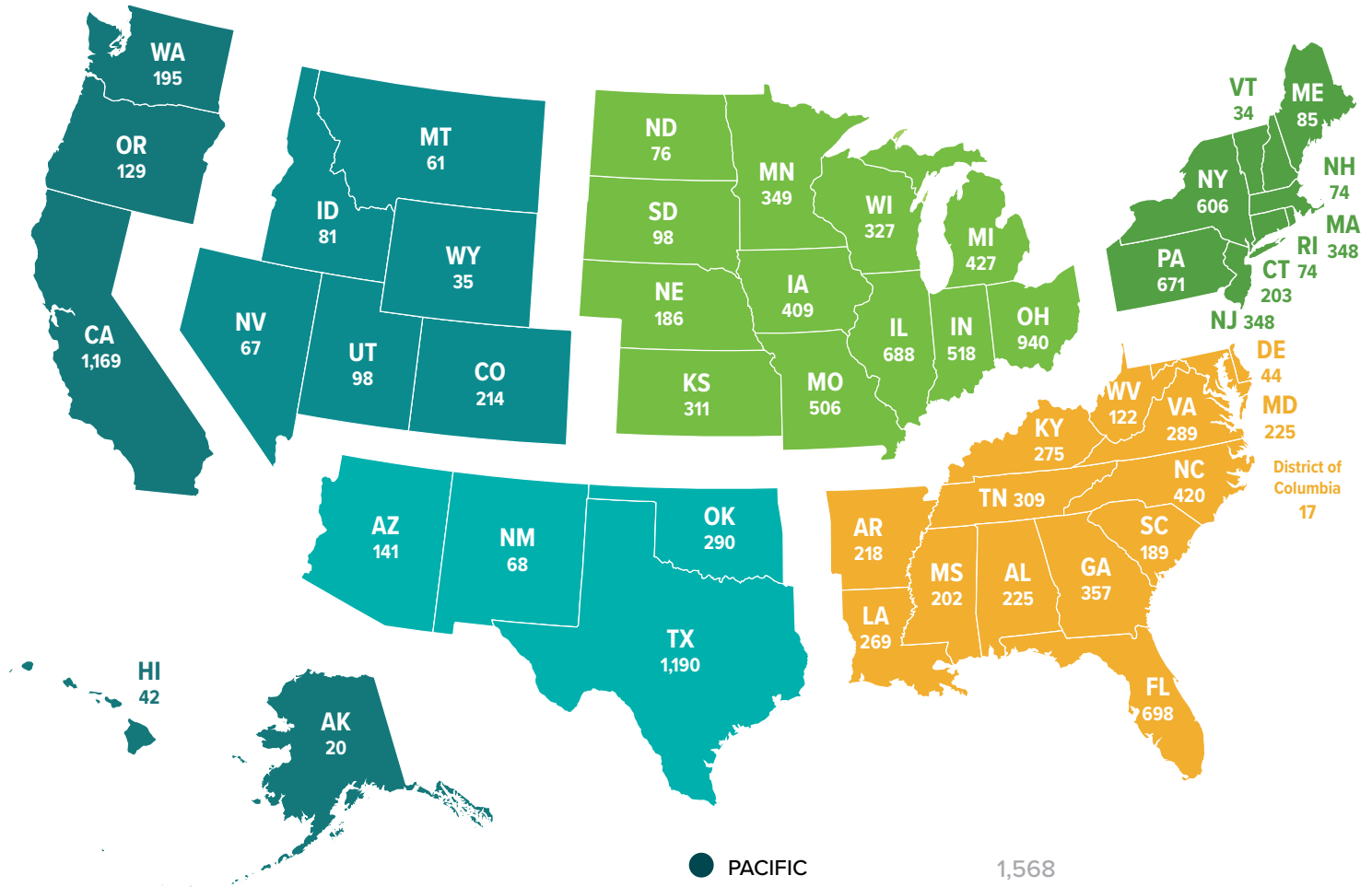
additional staffing, and inflation. At the same time, many have seen a decrease in occupancy due to fears of the virus and restrictions on admissions, resulting in lost revenue. Decreased occupancy, staffing issues, regulatory compliance issues, legal challenges, increased growth, and development of the non-nursing home senior living sector as well as inflation have continued to trigger closures of facilities. As of October 2023, there were 202 fewer nursing homes in the United States compared to October 2022. A total of 36 of the 50 states saw a decline in 2023 in total nursing homes compared to 2022. The state with the largest decline was Iowa, with 23 fewer facilities in 2023 than in 2022. Seven states saw no change and only seven states had a higher count of nursing homes in 2023 compared to 2022. As the chart below displays, there have been 583 nursing home closures across the country since 2019, with the most occurring in the Northeast region (124 closures).



Between 2022 and 2023, Montana, Maine, and Iowa experienced the largest percentage drop in total nursing homes at 14.1%, 5.6%, and 5.3%, respectively. Total nursing home occupancy decreased significantly in each one of these states, but the total population of individuals 65 and over increased slightly in all three

states between 2022 and 2023 by 0.49%. This statistic portrays the trends discussed above of the decrease in total nursing homes as the population increases. A continued monitoring of closures needs to be maintained to determine if there are future access issues.

NUMBER OF SKILLED NURSING FACILITIES BY STATE



14,937

TOTAL
FACILITIES
IN U.S.

PACIFIC	1,568
ROCKY MOUNTAINS	571
SOUTHWEST	1,712
NORTHEAST	2,483
SOUTHEAST	3,871
MIDWEST	4,934

IMPLICATIONS OF THE PROPOSED STAFFING MANDATE

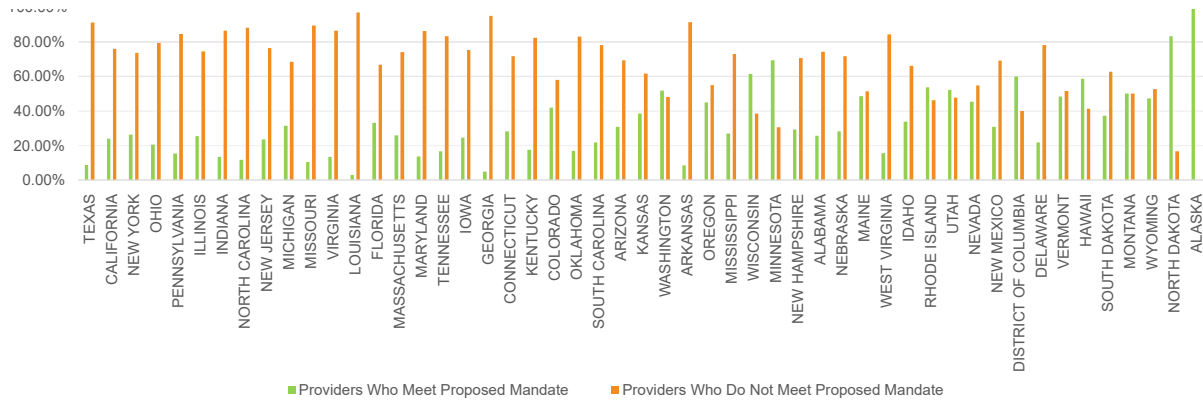
On September 6, 2023, the Centers for Medicare & Medicaid Services (CMS) announced a proposed staffing mandate. This proposal was initiated in response to the Biden administration's persistent safety and quality concerns for residents within facilities. The proposed mandate aimed to mitigate staff burnout and lower staff turnover rates due to the pandemic. The proposed mandate applies to registered nurses (RNs) and certified nursing assistants (CNAs), but interestingly enough, licensed practical nurses (LPNs) are currently excluded from the mandate. There was a 60-day comment period that ended on November 6, 2023. CMS reported that during this period it received more than 60,000 comments regarding the proposed mandate. At the time of this publication, CMS is in the process of reviewing the comments received.

Staffing had been an ongoing issue in this industry prior to the pandemic. Over the past three years, the issue has become more apparent and worsened due to staff burnout and the pandemic. The nursing home industry does not afford the option to work remotely. Extra hours led to burnout and staff leaving the industry altogether. As the industry is facing the shortage of workers, the proposed mandate appears to be an additional hurdle for the industry. One component of the proposed mandate requires RN hours per patient day (PPD) to be at least

0.55 and CNA hours PPD to be at least 2.45. In addition, providers will need to have a RN staff available 24 hours a day, seven days a week and enhanced facility assessment regulations to be enforced. While looking at the minimum hours PPD for RNs and CNAs, 75.46% of providers do not meet this proposed mandate. Providers, who are already facing a shortage of workers will now be scrutinized more as they are not meeting the minimum staffing standard. With year over year revenues only increasing by 3% nationally, this will cause an additional burden on the industry as providers face additional cost to hire staff to meet the proposed staffing mandate. Additionally, the question is: is the workforce even available? CMS had previously estimated a cost of \$4.8 billion annually to meet the proposed mandate based on 2021 data. Our 2022 data indicates that the cost is at least \$5.1 billion across the nation just to meet the first component of the mandate, which is the RN and CNA hours PPD, which excludes the cost to have RN staff available 24 hours a day, seven days a week.

More specifically, the data breaks down the \$5.1 billion between the RN hours PPD and CNA hours PPD. The RN component will result in an additional \$2.4 billion, while the CNA component will result in an additional \$2.7 billion and does not factor annual increases and the impact on employee-related benefits.

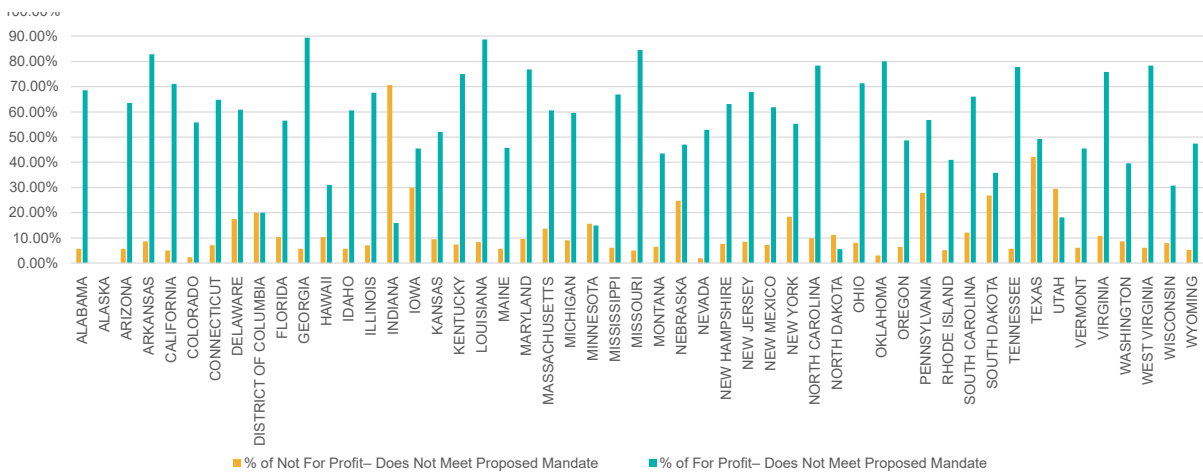
Providers Who Do/Do Not Meet Proposed Mandate



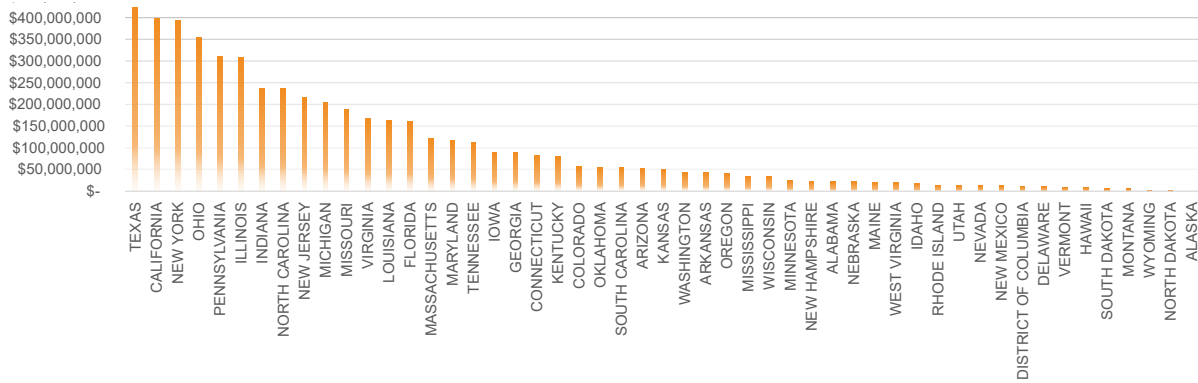
24.54% MEET THE MANDATE

75.46% DO NOT MEET THE MANDATE

Percentage of Not For Profit & For Profit – Does Not Meet Proposed Mandate



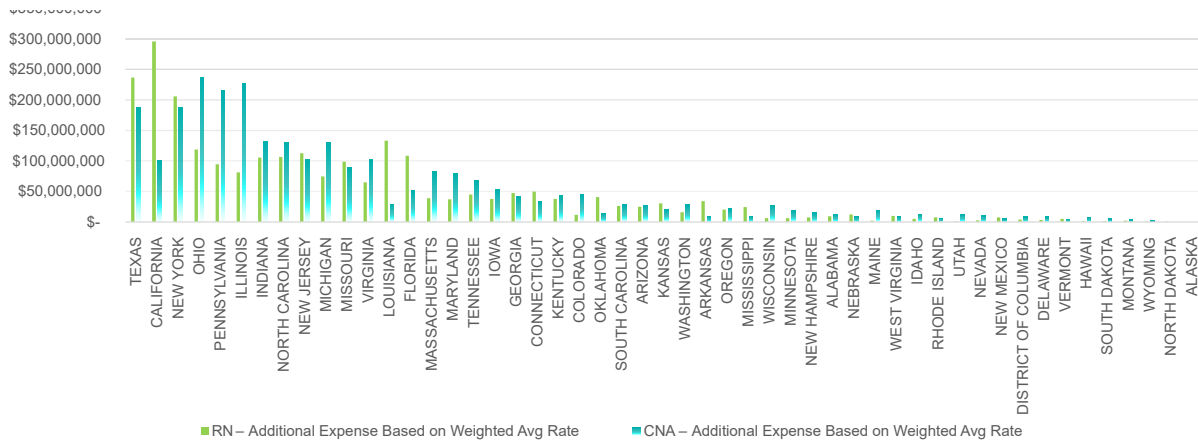
Total Additional Expense Based on Weighted Average Rate



\$5,160,887,184

**TOTAL
ADDITIONAL
EXPENSES**

Additional Expenses Based on Weighted Average Rate



■ RN – Additional Expense Based on Weighted Avg Rate

■ CNA – Additional Expense Based on Weighted Avg Rate

\$2,447,202,943

**RN
ADDITIONAL
EXPENSES**

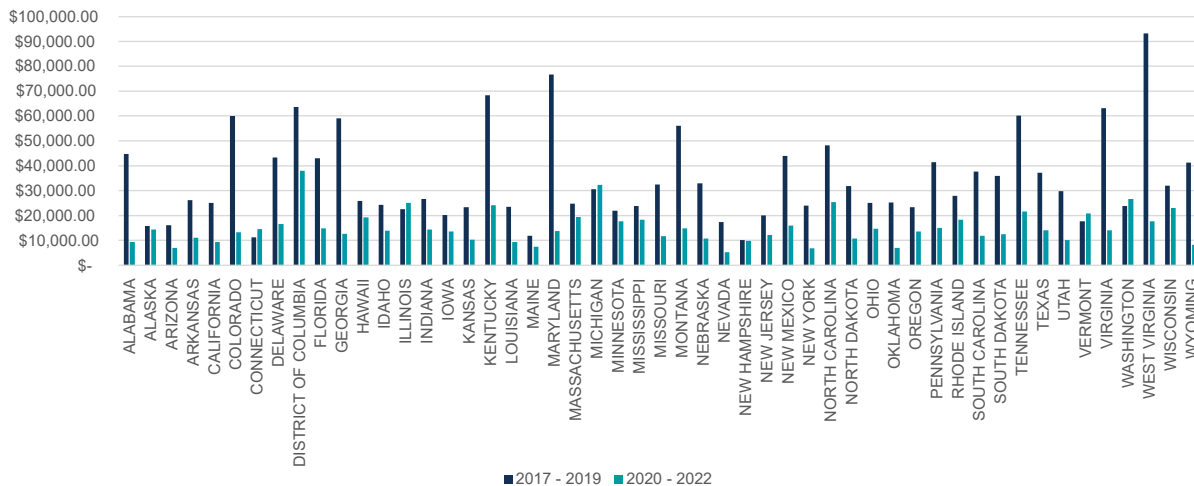
\$2,713,684,241

**CNA
ADDITIONAL
EXPENSES**

Who is impacted: more than 50% of the provider community in 42 out of the 50 states are not in compliance with this section of the proposed mandate. There are 14 states with more than 80% of providers that do not meet this proposed mandate. Where will the residents go? As providers face penalties for not meeting the mandate, will they turn away residents because there is not enough staffing to provide quality of

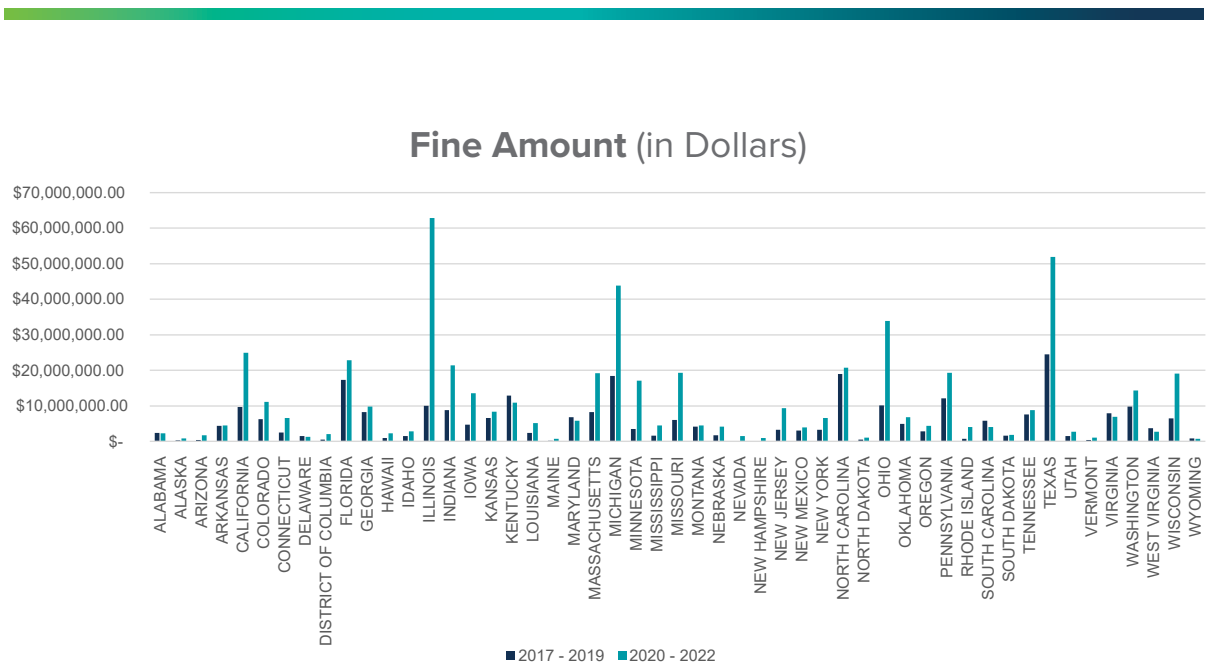
care? Penalties have already increased drastically comparing pre-COVID to current years. There were 8,510 fines from 2017 to 2019 that resulted in \$281 million in fines nationally, while in the period 2020 to 2022, 36,370 fines were given out, which resulted in \$560 million in fines nationally. The amount per fine decreased, but the volume of fines given has quadrupled. This trend will most likely increase if the proposed mandate goes into effect.

Amount per Fine (in Dollars)



\$33,127.44 2017-2019

\$15,417.13 2020-2022

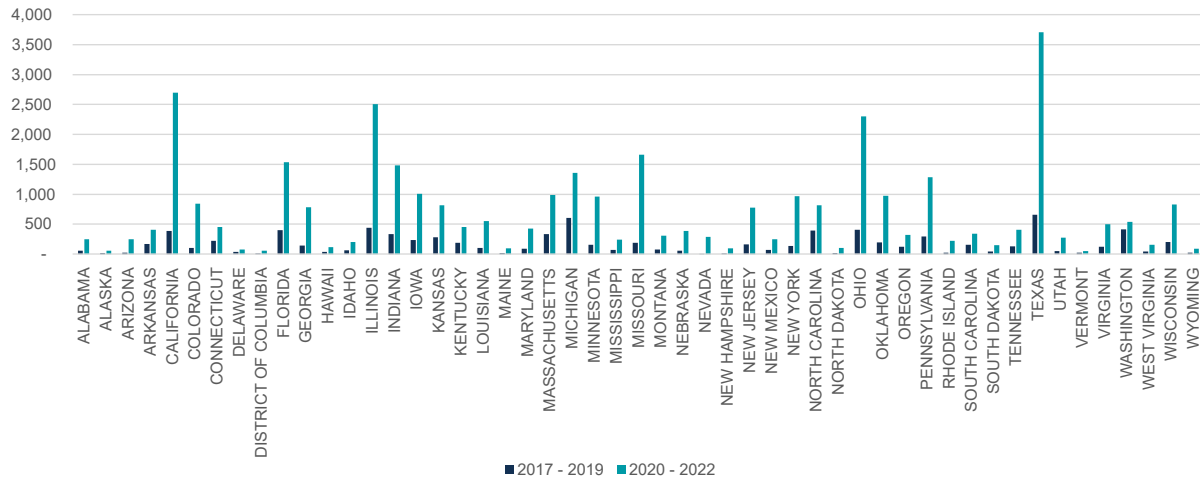


\$281,914,486 2017-2019

\$560,721,192 2020-2022



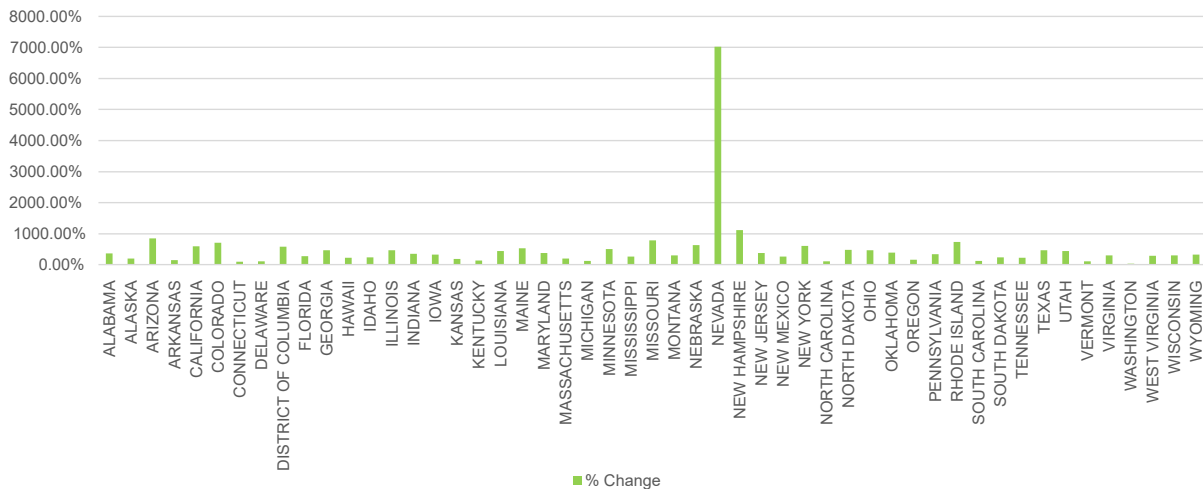
Number of Fines



8,510 2017-2019

36,370 2020-2022

Number of Fines (% Change)

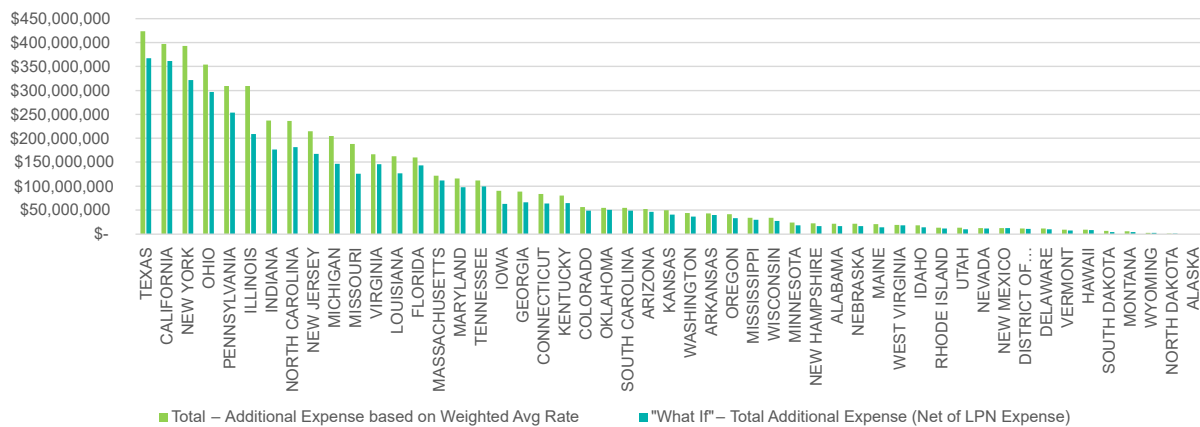


327.38% % CHANGE

Early industry reaction to the proposed mandate is confusion. Why are LPN hours excluded? How will LPNs be factored after CMS reviews the 60,000-plus comments? Considerations likely will discuss whether there will be a separate LPN hours PPD or if the current proposed hours PPD will increase to factor in LPN hours. Our data calculated a “what if” scenario where current LPN expenses are factored into the additional

cost due to the proposed mandate. If the LPN expenses are converted into RN or CNA, how much would this decrease the additional cost needed for providers to meet the proposed mandate? The data shows that it decreases the additional cost from \$5.1 billion to \$4.1 billion. This excludes the cost of the onsite RN 24 hours a day, seven days a week component.

"What If" – Total Additional Expense (Net of LPN Conversion)



\$5,160,887,184 NATIONAL TOTAL

\$4,196,814,653 "WHAT IF" TOTAL

This only accounts for one component of the proposed mandate. Other components include having a RN onsite 24 hours a day, seven days a week, and enhanced facility assessment will only increase the additional cost for providers. As the staffing star rating from CMS illustrates (1 being the lowest and 5 being the highest), 33 states have at least 30% of providers rated with a 1- or 2-star rating. Specifically, out of those 33 states, 15 states have at least 50% of providers rated with a 1- or 2-star rating. The staffing star rating is calculated based on factors including both total staffing and total nurse staffing hours per resident per day in a three-month period, and nurse and administrator turnovers within a given year. The pattern from the staffing star rating continues into the Five-Star Quality Reporting System, which is based on health inspections, staffing, and quality measures. This system resulted in 45 states with at least 30% of providers rated with a 1- or 2-star rating. The domino effect of staffing issues translating into quality measure issues cannot be understated as it can lead to providers closing. The trend has increased prior to the proposed mandate (per the CMS Provider Data Catalog as of October 2023). Since 2019, there have been 761 providers that have closed, which represents

4.92% of all total providers. As illustrated, 15% of total beds have shut down. More than 20 states have had more than 4% of their total bed capacity reduced since 2019. As CMS reviews the comments, it is significant to consider the timing of the proposed mandate on the industry. Bearing additional costs and lack of funding would result in more providers closing, which ultimately takes away the high-quality care that the proposed mandate intended for residents.



Staffing Star Rating by State

STATE	1 STAR	2 STAR	3 STAR	4 STAR	5 STAR
ALABAMA	12.56%	13.00%	23.32%	39.91%	11.21%
ALASKA	5.56%	0.00%	0.00%	16.67%	77.78%
ARIZONA	10.71%	28.57%	21.43%	23.57%	15.71%
ARKANSAS	8.29%	22.12%	35.94%	29.49%	4.15%
CALIFORNIA	12.06%	18.47%	27.41%	31.14%	10.93%
COLORADO	10.85%	20.75%	23.58%	33.49%	11.32%
CONNECTICUT	11.39%	23.76%	31.19%	22.77%	10.89%
DELAWARE	0.00%	4.76%	23.81%	35.71%	35.71%
DIST. OF COLUMBIA	5.88%	0.00%	17.65%	47.06%	29.41%
FLORIDA	7.28%	20.82%	33.19%	28.82%	9.90%
GEORGIA	38.98%	20.62%	23.73%	13.84%	2.82%
HAWAII	5.00%	2.50%	7.50%	35.00%	50.00%
IDAHO	8.97%	12.82%	25.64%	38.46%	14.10%
ILLINOIS	40.50%	22.39%	15.61%	12.08%	9.43%
INDIANA	39.15%	27.13%	17.44%	11.43%	4.84%
IOWA	12.87%	18.56%	21.29%	30.69%	16.58%
KANSAS	15.84%	14.85%	20.13%	31.02%	18.15%
KENTUCKY	24.72%	30.26%	24.72%	12.18%	8.12%
LOUISIANA	43.24%	32.05%	18.92%	3.86%	1.93%
MAINE	2.35%	2.35%	17.65%	45.88%	31.76%
MARYLAND	26.58%	24.32%	22.07%	17.12%	9.91%
MASSACHUSETTS	9.83%	15.90%	32.95%	31.79%	9.54%
MICHIGAN	9.95%	14.69%	26.78%	28.20%	20.38%
MINNESOTA	8.65%	5.48%	14.41%	34.01%	37.46%
MISSISSIPPI	10.55%	19.10%	32.66%	23.62%	14.07%

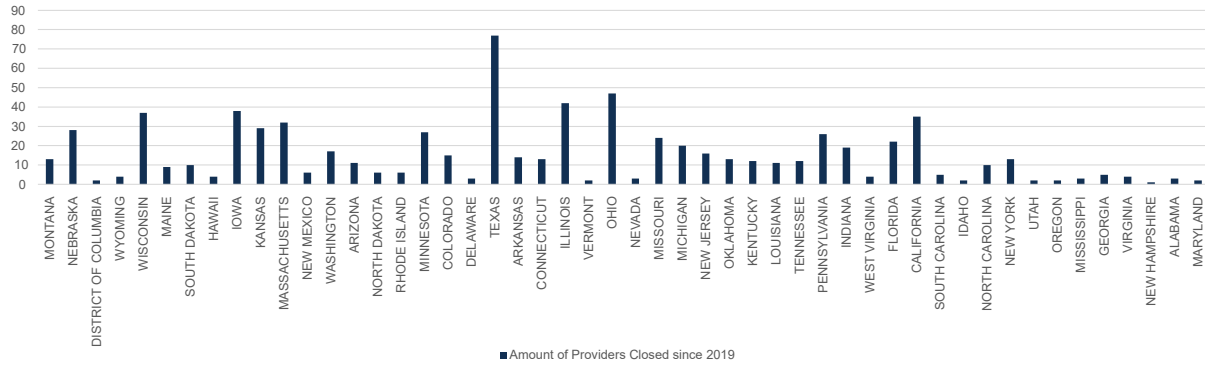
STATE	1 STAR	2 STAR	3 STAR	4 STAR	5 STAR
MISSOURI	44.29%	20.24%	16.83%	13.83%	4.81%
MONTANA	30.00%	13.33%	18.33%	25.00%	13.33%
NEBRASKA	10.99%	12.09%	20.33%	39.01%	17.58%
NEVADA	17.19%	17.19%	31.25%	17.19%	17.19%
NEW HAMPSHIRE	12.33%	16.44%	23.29%	27.40%	20.55%
NEW JERSEY	9.57%	22.90%	30.72%	22.03%	14.78%
NEW MEXICO	17.91%	29.85%	34.33%	10.45%	7.46%
NEW YORK	32.17%	34.67%	17.17%	10.17%	5.83%
NORTH CAROLINA	40.00%	27.56%	15.61%	10.24%	6.59%
NORTH DAKOTA	5.48%	2.74%	6.85%	39.73%	45.21%
OHIO	45.97%	26.47%	16.01%	9.59%	1.96%
OKLAHOMA	29.58%	17.96%	28.87%	20.42%	3.17%
OREGON	21.43%	2.38%	12.70%	39.68%	23.81%
PENNSYLVANIA	22.49%	28.19%	22.34%	15.44%	11.54%
RHODE ISLAND	6.85%	16.44%	30.14%	34.25%	12.33%
SOUTH CAROLINA	17.84%	21.08%	21.62%	27.57%	11.89%
SOUTH DAKOTA	17.71%	12.50%	20.83%	29.17%	19.79%
TENNESSEE	28.15%	27.15%	23.84%	16.23%	4.64%
TEXAS	66.27%	19.68%	7.41%	4.68%	1.96%
UTAH	14.43%	17.53%	28.87%	21.65%	17.53%
VERMONT	15.15%	24.24%	21.21%	30.30%	9.09%
VIRGINIA	43.97%	20.92%	13.48%	10.28%	11.35%
WASHINGTON	10.99%	18.32%	27.75%	30.37%	12.57%
WEST VIRGINIA	23.33%	33.33%	22.50%	10.83%	10.00%
WISCONSIN	17.90%	17.90%	14.51%	27.47%	22.22%
WYOMING	12.12%	18.18%	15.15%	36.36%	18.18%

Nursing Home Star Rating by State

STATE	1 STAR	2 STAR	3 STAR	4 STAR	5 STAR
ALABAMA	21.43%	20.09%	20.98%	19.20%	18.30%
ALASKA	10.00%	15.00%	25.00%	15.00%	35.00%
ARIZONA	13.57%	18.57%	17.86%	19.29%	30.71%
ARKANSAS	20.28%	17.97%	23.50%	20.28%	17.97%
CALIFORNIA	12.52%	21.50%	20.12%	20.90%	24.96%
COLORADO	20.75%	20.28%	18.87%	21.70%	18.40%
CONNECTICUT	22.28%	20.79%	20.79%	17.33%	18.81%
DELAWARE	7.14%	16.67%	19.05%	21.43%	35.71%
DIST. OF COLUMBIA	5.88%	29.41%	17.65%	17.65%	29.41%
FLORIDA	16.52%	21.01%	20.72%	19.86%	21.88%
GEORGIA	33.80%	19.72%	19.44%	18.03%	9.01%
HAWAII	5.00%	17.50%	12.50%	32.50%	32.50%
IDAHO	11.54%	17.95%	15.38%	24.36%	30.77%
ILLINOIS	31.87%	21.93%	17.69%	13.60%	14.91%
INDIANA	23.06%	18.22%	21.71%	18.99%	18.02%
IOWA	24.69%	17.78%	20.49%	16.05%	20.99%
KANSAS	24.43%	20.52%	18.89%	18.89%	17.26%
KENTUCKY	24.63%	24.26%	18.01%	18.01%	15.07%
LOUISIANA	41.73%	21.05%	16.92%	13.53%	6.77%
MAINE	22.35%	18.82%	16.47%	20.00%	22.35%
MARYLAND	23.77%	17.94%	25.56%	14.35%	18.39%
MASSACHUSETTS	22.25%	19.08%	21.10%	17.63%	19.94%
MICHIGAN	17.41%	20.71%	18.12%	18.59%	25.18%
MINNESOTA	17.87%	17.00%	15.27%	19.31%	30.55%
MISSISSIPPI	32.66%	19.60%	20.10%	15.58%	12.06%

STATE	1 STAR	2 STAR	3 STAR	4 STAR	5 STAR
MISSOURI	34.40%	20.00%	21.60%	14.40%	9.60%
MONTANA	26.67%	21.67%	21.67%	15.00%	15.00%
NEBRASKA	21.86%	15.30%	22.40%	18.03%	22.40%
NEVADA	20.31%	23.44%	12.50%	14.06%	29.69%
NEW HAMPSHIRE	26.03%	19.18%	20.55%	15.07%	19.18%
NEW JERSEY	13.01%	25.43%	17.34%	19.65%	24.57%
NEW MEXICO	25.37%	25.37%	19.40%	11.94%	17.91%
NEW YORK	23.05%	19.57%	21.06%	19.90%	16.42%
NORTH CAROLINA	34.45%	17.94%	17.94%	15.55%	14.11%
NORTH DAKOTA	17.57%	20.27%	14.86%	18.92%	28.38%
OHIO	24.59%	22.32%	19.18%	18.85%	15.06%
OKLAHOMA	26.92%	24.48%	18.18%	18.88%	11.54%
OREGON	26.56%	16.41%	17.97%	17.19%	21.88%
PENNSYLVANIA	22.79%	22.49%	18.14%	16.34%	20.24%
RHODE ISLAND	16.44%	24.66%	24.66%	12.33%	21.92%
SOUTH CAROLINA	23.78%	22.70%	18.38%	15.68%	19.46%
SOUTH DAKOTA	26.04%	13.54%	14.58%	22.92%	22.92%
TENNESSEE	28.05%	23.76%	17.16%	17.49%	13.53%
TEXAS	30.56%	23.51%	19.95%	15.37%	10.61%
UTAH	8.25%	21.65%	19.59%	19.59%	30.93%
VERMONT	30.30%	18.18%	6.06%	30.30%	15.15%
VIRGINIA	32.39%	15.49%	17.61%	16.55%	17.96%
WASHINGTON	17.01%	17.53%	20.62%	22.16%	22.68%
WEST VIRGINIA	29.17%	20.83%	24.17%	15.00%	10.83%
WISCONSIN	22.46%	16.62%	20.00%	18.77%	22.15%
WYOMING	18.18%	33.33%	9.09%	18.18%	21.21%

Amount of Providers Closed since 2019



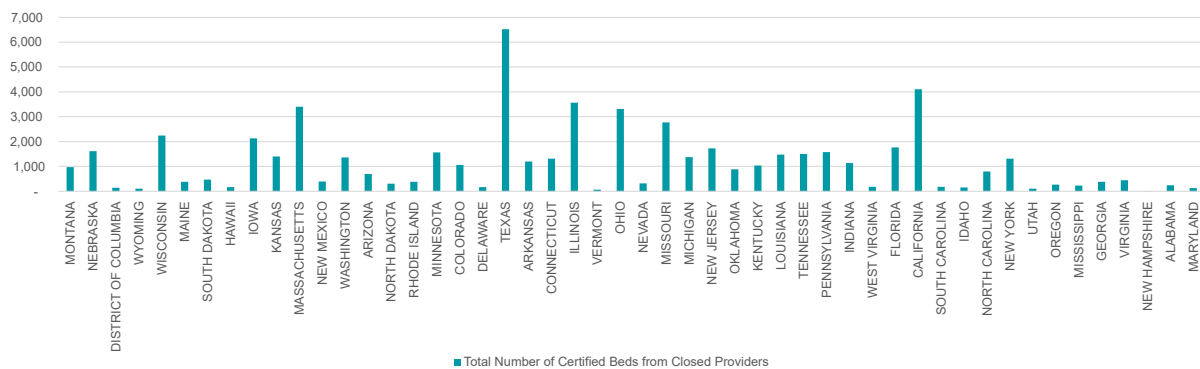
761

**PROVIDERS
CLOSED
SINCE 2019**

4.92%

**OF ALL
PROVIDERS**

Total Number of Certified Beds from Closed Providers since 2019





OCCUPANCY AND PAYOR MIX

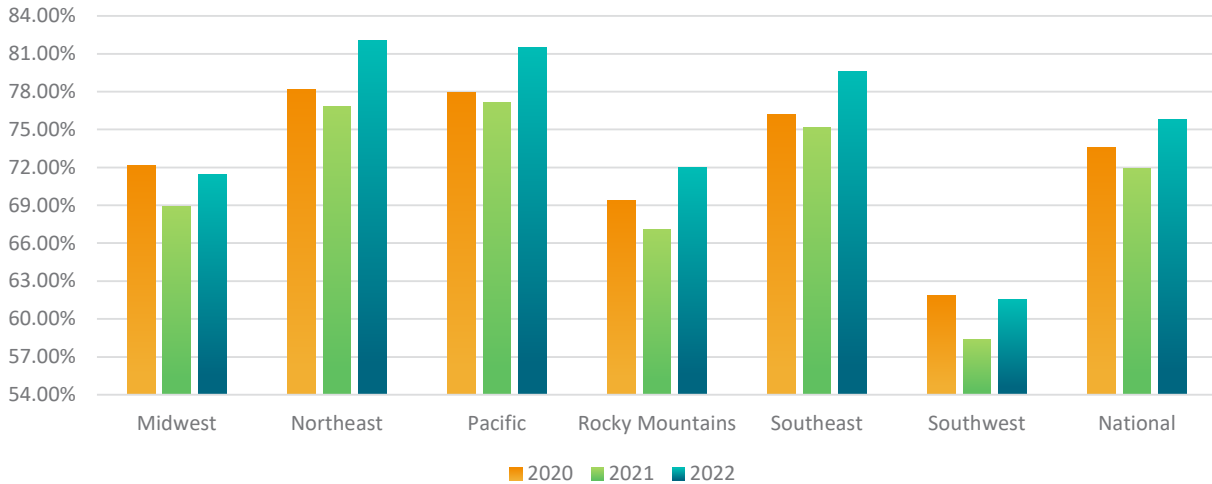
In 2022, nursing home occupancy percentages across the United States reversed course and began to rise for the first time since the negative downtrend, which began at the outset of the pandemic in 2020. Nationally, the average occupancy rate for 2022 was 75.76%, a 5.32% increase from the 2021 levels of 71.93%. All regions saw an increase in occupancy of at least 2.5%, with the Northeast seeing the highest increase of 5.17% and an overall national increase of 3.83%. This reversing trend is in line with what we anticipated as the large decreases that occurred during the pandemic have begun to revert back to pre-pandemic levels. We now expect this positive trend to continue forward until occupancy levels reach those of pre-pandemic standards, which were in the low 80% prior to 2020 and perhaps increase beyond these levels with the aging population that is incoming.

A diversified payor mix is crucial to a nursing facility's financial health. We have analyzed the payor mix percentage fluctuations between Medicare, Medicaid, and other payors (non-Medicare and non-Medicaid) noting some material changes on both the national level and region-specific levels.

On a national level, the Medicare payor mix percentage has increased to 12.48%, up almost a full percentage point from the previous year. The Pacific region has the highest payor mix percentage as well as has seen the largest increase regarding Medicare with a regional average of 17.69% and an increase of 2.7% from its previous year percentage of 14.98%. The Rocky Mountains have seen a large increase in Medicare payor mix percentage as well, going up 1.32% to a total of 13.31%. The only region to see a decrease in Medicare payor mix was the Midwest, which stayed relatively flat, decreasing only 0.09% to a total payor mix of 9.69%.

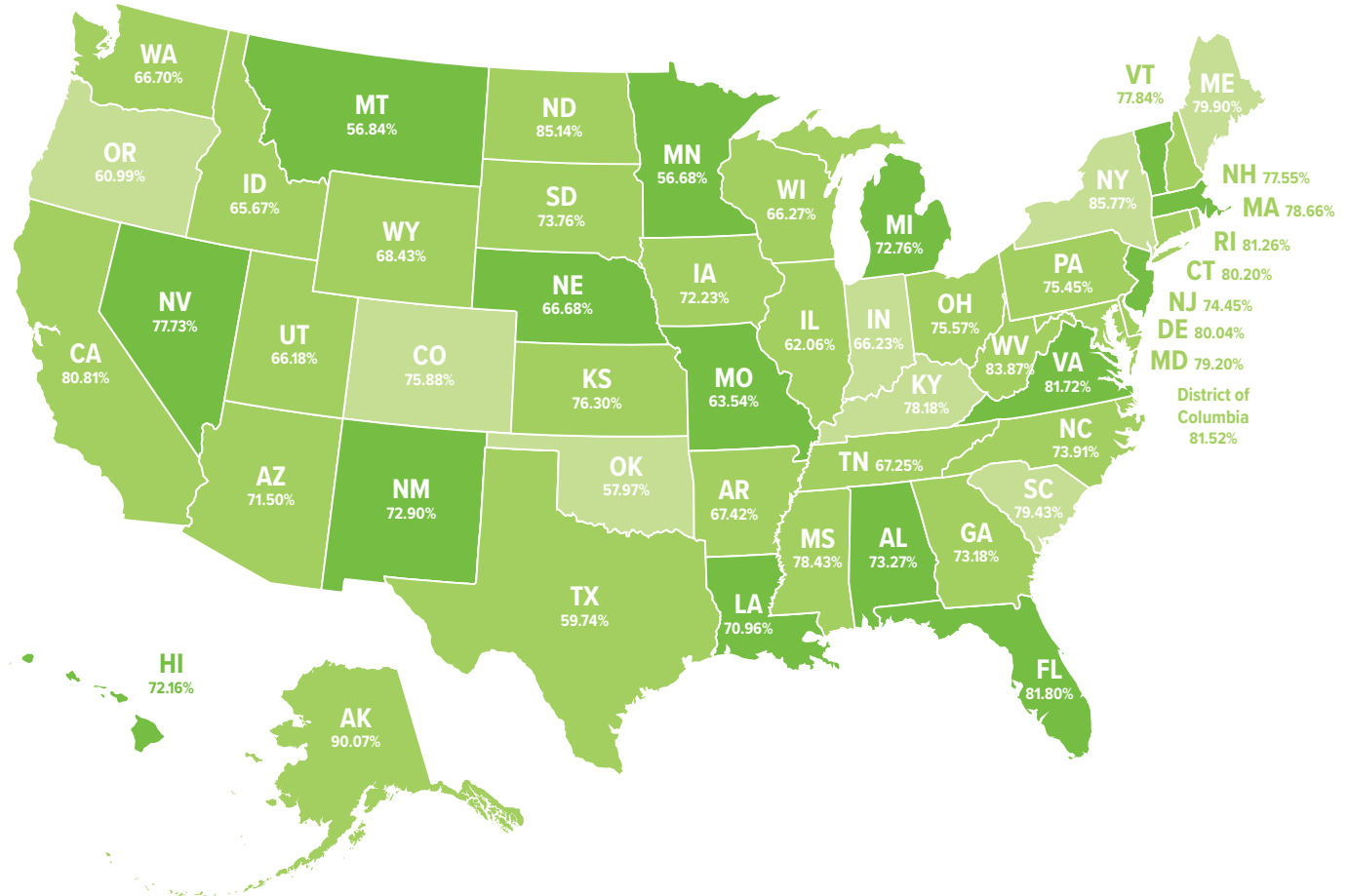
The increase in the Medicare payor mix percentage comes at the decrease of both Medicaid and other payor sources. We have seen both Medicaid and other payor mix percentages decrease on a national level by 0.41% each. Medicaid has seen its largest decreases in the Northeast and Southwest, as these regions have seen 1.09% and 1.33% decreases from 2021 to 2022, respectively. The decreases in other payor source mix come largely from the Pacific and Southeast, with decreases of 2.36% and 1.96% to the total other payor source mix percentage, respectively.

Occupancy Percentage



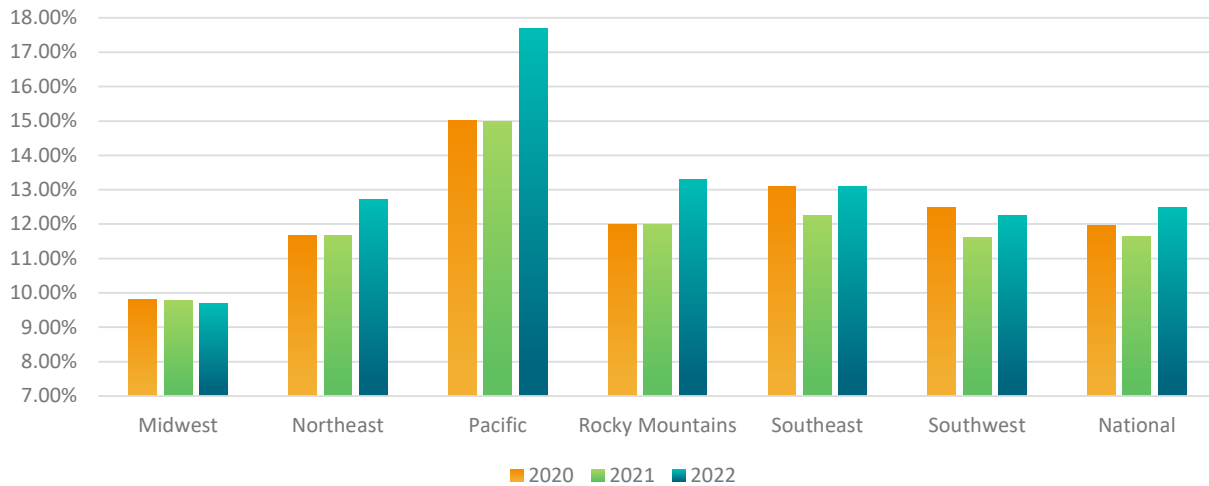
	2020	2021	2022
Midwest	72.13%	68.91%	71.48%
Northeast	78.21%	76.84%	82.02%
Pacific	77.97%	77.14%	81.52%
Rocky Mountains	69.36%	67.07%	71.99%
Southeast	76.20%	75.16%	79.59%
Southwest	61.88%	58.39%	61.54%
National	73.58%	71.93%	75.76%

OCCUPANCY PERCENTAGE BY STATE



ALABAMA	73.27%	LOUISIANA	70.96%	OHIO	75.57%
ALASKA	90.07%	MAINE	79.90%	OKLAHOMA	57.97%
ARIZONA	71.50%	MARYLAND	79.20%	OREGON	60.99%
ARKANSAS	67.42%	MASSACHUSETTS	78.66%	PENNSYLVANIA	75.45%
CALIFORNIA	80.81%	MICHIGAN	72.76%	RHODE ISLAND	81.26%
COLORADO	75.88%	MINNESOTA	74.64%	SOUTH CAROLINA	79.43%
CONNECTICUT	80.20%	MISSISSIPPI	78.43%	SOUTH DAKOTA	73.76%
DELAWARE	80.04%	MISSOURI	63.54%	TENNESSEE	67.25%
FLORIDA	81.80%	MONTANA	56.68%	TEXAS	59.74%
GEORGIA	73.18%	NEBRASKA	66.68%	UTAH	66.18%
HAWAII	72.16%	NEVADA	77.73%	VERMONT	77.84%
IDAHO	65.67%	NEW HAMPSHIRE	77.55%	VIRGINIA	81.72%
ILLINOIS	62.06%	NEW JERSEY	74.45%	WASHINGTON	66.70%
INDIANA	66.23%	NEW MEXICO	72.90%	WEST VIRGINIA	83.87%
IOWA	72.23%	NEW YORK	85.77%	WISCONSIN	66.27%
KANSAS	76.30%	NORTH CAROLINA	73.91%	WYOMING	68.43%
KENTUCKY	78.18%	NORTH DAKOTA	85.14%		

Payor Mix - Medicare



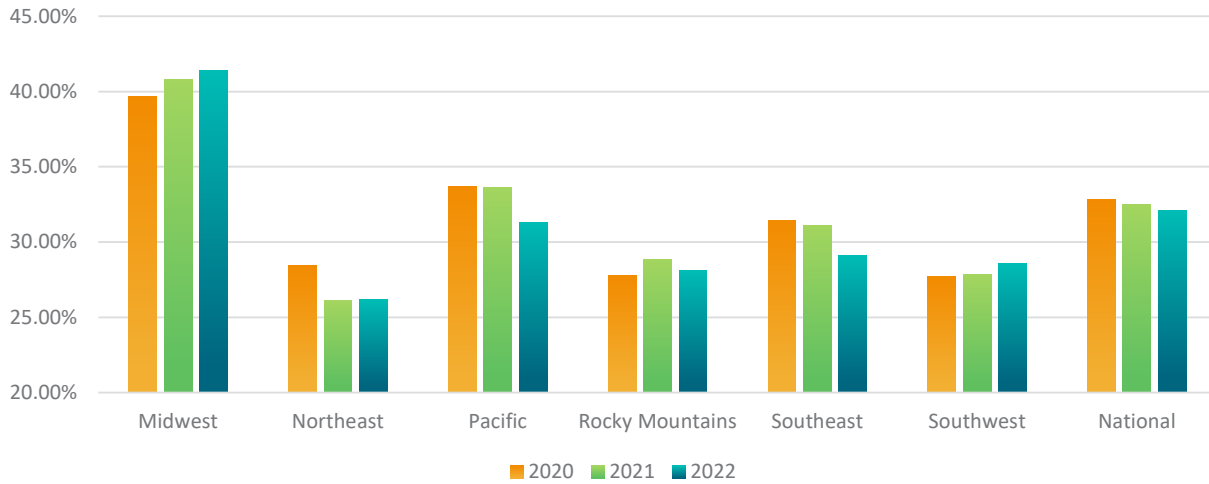
	2020	2021	2022
Midwest	9.79%	9.78%	9.69%
Northeast	11.67%	11.67%	12.71%
Pacific	15.00%	14.98%	17.69%
Rocky Mountains	12.00%	11.99%	13.31%
Southeast	13.11%	12.25%	13.09%
Southwest	12.48%	11.62%	12.24%
National	11.97%	11.65%	12.48%

Payor Mix - Medicaid



	2020	2021	2022
Midwest	50.52%	49.45%	48.95%
Northeast	59.90%	62.20%	61.11%
Pacific	51.29%	51.37%	51.02%
Rocky Mountains	60.19%	59.17%	58.57%
Southeast	55.44%	56.67%	57.79%
Southwest	59.84%	60.54%	59.21%
National	55.21%	55.88%	55.46%

Payor Mix - Other



	2020	2021	2022
Midwest	39.68%	40.78%	41.36%
Northeast	28.43%	26.13%	26.18%
Pacific	33.70%	33.65%	31.29%
Rocky Mountains	27.80%	28.84%	28.13%
Southeast	31.45%	31.08%	29.12%
Southwest	27.68%	27.83%	28.55%
National	32.83%	32.47%	32.06%



AVERAGE LENGTH OF STAY

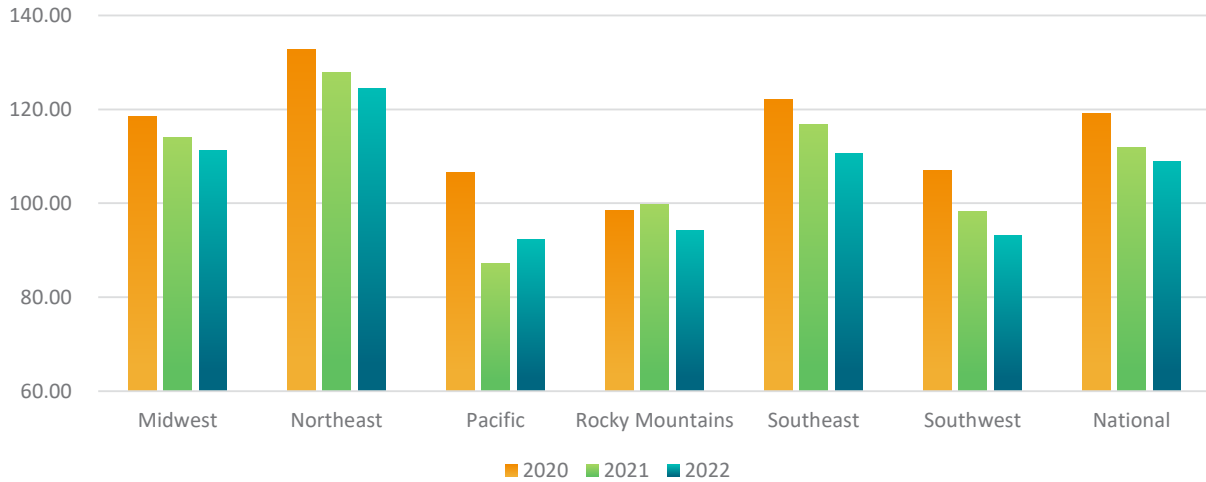
The average length of stay (ALOS) of residents in a nursing facility is computed by dividing the total census days by the total facility discharges in each period. This results in the average number of days a resident spent in a nursing facility and can be very useful for a facility as a way to monitor the quality of care provided. It is also useful for monitoring reimbursement because payors such as Medicare have specific reimbursement policies determined by each resident's length of stay.

ALOS has decreased in every region across the country with the exception of the Pacific. At a national level the ALOS has gone down 2.97 days to a total of 108.99 in 2022. The largest decrease in ALOS was seen in the Southeast, which went down 6.15 days to a total of 110.68 days. The Pacific ALOS increased 5.04 days, and with this increase brought the region to an ALOS of 92.24, the lowest of any region in the country.

In analyzing the ALOS by payor source we have identified that the most significant decrease occurred in Medicaid. The decrease represented a reduction of 18.32 days, equating to a 6% decrease in 2022. Other payor sources (non-Medicare and non-Medicaid) have seen a decrease in 2022 of 4.24 days, equating to a 5% decrease. The only payor source to see an increase was Medicare, which saw an increase in ALOS of 2.88 days or 39.82 days, equating to a 7.79% increase.

The overall downward trend of ALOS goes back to 2020 when there was a large uptick in ALOS between 2019 and 2020, which primarily was a by-product of the COVID pandemic. This downward trend is bringing ALOS back to pre-pandemic standards, and the reduction shows efficiency is returning to nursing facilities and perhaps a return to elective procedures, which bring to nursing facilities many residents who stay only a short time. Ultimately, the ALOS is a tool that management should be utilizing to match with the needs of their in-house residents and track the quality of care being provided.

Average Length of Stay - Overall



	2020	2021	2022
Midwest	118.48	114.10	111.18
Northeast	132.66	127.77	124.48
Pacific	106.50	87.20	92.24
Rocky Mountains	98.51	99.76	94.20
Southeast	122.09	116.84	110.68
Southwest	107.09	98.31	93.13
National	119.13	111.97	108.99



NURSING

The COVID-19 pandemic significantly impacted various industries, with nursing homes being among the most severely affected. These impacts are particularly pronounced within the nursing profession, which includes registered nurses (RNs), licensed practical nurses (LPNs), and certified nursing assistants (CNAs). We believe the pandemic triggered a shift in occupational landscapes, leading to a shortage of RNs, LPNs, and CNAs throughout the country, thereby exerting upward pressure on wages. Correspondingly, fast food outlets and retail businesses wage rates are equal to or higher than wage rates paid to nursing assistants, a development that is, we believe, causing CNAs to leave the industry and further drive up wage rates and increase the agency pool usage.

Upon examining the nursing wages throughout the country, the data illustrates the average blended nursing hourly wage rate has seen a steady increase over the past three years. In 2021, the blended (RN, LPN, and CNA) wage rate increased from \$22.70 in 2020 to \$24.31 in 2021 and to \$27.01 per hour in 2022. This represents a wage rate growth of 7% from 2020 to 2021 and an 11% surge from 2021 to 2022. In 2022, the Pacific region recorded the highest average hourly rate at \$30.33, while the Southeast region reported the lowest at \$24.69.

In the case of RNs, the national average hourly wage rate climbed from \$35.70 in 2020 to \$37.58 in 2021 and to \$40.84 in 2022. This constitutes a 5% wage increase from 2020 to 2021 and a 9% rise from 2021 to 2022. Again, for 2022 the Pacific region offered the highest average hourly rate at \$50.02, whereas the Southeast region registered the lowest at \$38.20.

The future trajectory of wages for LPNs will be closely monitored, considering the federal minimum staffing proposed rule does not specify a minimum number of hours for LPNs. This could potentially lead to a decrease in LPN wages in the future if the proposed rule remains unchanged. Nationally, the average hourly wage rate for LPNs increased from \$27.44 in 2020 to \$29.31 in 2021 and to \$32.71 in 2022. This corresponds to a 7% wage increase from 2020 to 2021 and a 12% hike from 2021 to 2022. In 2022, the Pacific region had the highest average hourly rate at \$37.55, while the Southwest region reported the lowest at \$30.15.

The most substantial wage increase was observed among CNAs. The national average hourly wage for CNAs rose from \$16.34 in 2020 to \$17.68 in 2021, and it increased to \$20.11 in 2022. This signifies an 8% increase from 2020 to 2021 and a significant 14% rise from 2021 to 2022. In 2022, the Pacific region had the highest average hourly rate at \$22.12, with the Southwest region recording the lowest at \$16.66.

The shortage in nursing labor has caused an increase in demand for contract nursing pool usage. The increase in demand has resulted in a rise in contract nurse hourly rates. In the case of RNs, the national average hourly contract rate climbed from \$61.50 in 2020 to \$65.63 in 2021 and to \$69.83 in 2022. This constitutes a 7% increase from 2020 to 2021 and a 6% rise from 2021 to 2022. Again, for 2022 the Pacific region offered the highest average hourly rate at \$79.92, whereas the Southeast region registered the lowest at \$64.91.

The national average hourly contract rate for LPNs climbed from \$49.58 in 2020 to \$53.95 in 2021 and to \$57.04 in 2022. This constitutes a 9% increase from 2020 to 2021 and a 6% rise from 2021 to 2022. In 2022 the Pacific region offered the highest average hourly rate at \$63.64, whereas the Southwest region registered the lowest at \$52.36.

Contract CNA hourly costs increased at a similar rate to LPNs. The national average hourly contract rate for CNAs climbed from \$32.02 in 2020 to \$34.93 in 2021 and to \$36.92 in 2022. This constitutes a 9% increase from 2020 to 2021 and a 6% rise from 2021 to 2022. Similar to LPNs, in 2022 the Pacific region offered the highest average hourly rate at \$42.07, whereas the Southwest region registered the lowest at \$31.51.

Contract nursing cost on a per diem basis has risen dramatically from 2020 to 2022. The national average contract nursing cost in 2022 was \$7.69 per resident day; in 2021 it was \$11.14; and in 2020 it was \$18.62. This represents an incredible 45% increase from 2020 to 2021 and from 2021 to 2022 an even greater increase of 67%.

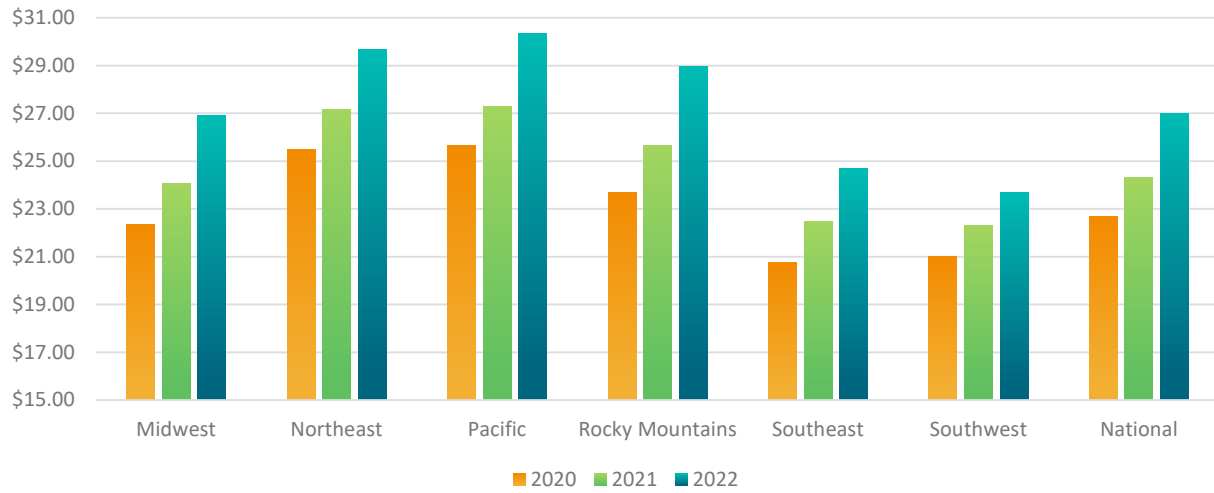
Nationally, the average blended nursing hours worked per day have seen a decrease. They dropped from 4.06 hours in 2020 to 3.8 hours in 2021, and they dipped down further to 3.59 hours in 2022. This represents a 7% decrease from 2020 to 2021 and a 5% decrease from 2021 to 2022. In 2022, the highest average number of nursing hours worked per day was recorded in the Pacific region at 4.14 hours, while the Midwest region reported the lowest at 3.4 hours. This is not to be construed that most providers are meeting the federal proposed direct care staffing requirements. These reported amounts do not differentiate by direct care type and include LPNs, which are not part of the proposed staffing requirement.

The total nursing cost per resident day contains the overall effect of the increase in hourly wage and contract rates offset by the decrease in total hours worked per day. The combination of these factors still results in significant increases to operators. The national average nursing cost per resident day in 2022 was \$109.59 per resident day; in 2021 it was \$116.00; and in 2020 it was \$124.98. This represents a 6% increase from 2020 to 2021 and an 8% increase from 2021 to 2022.

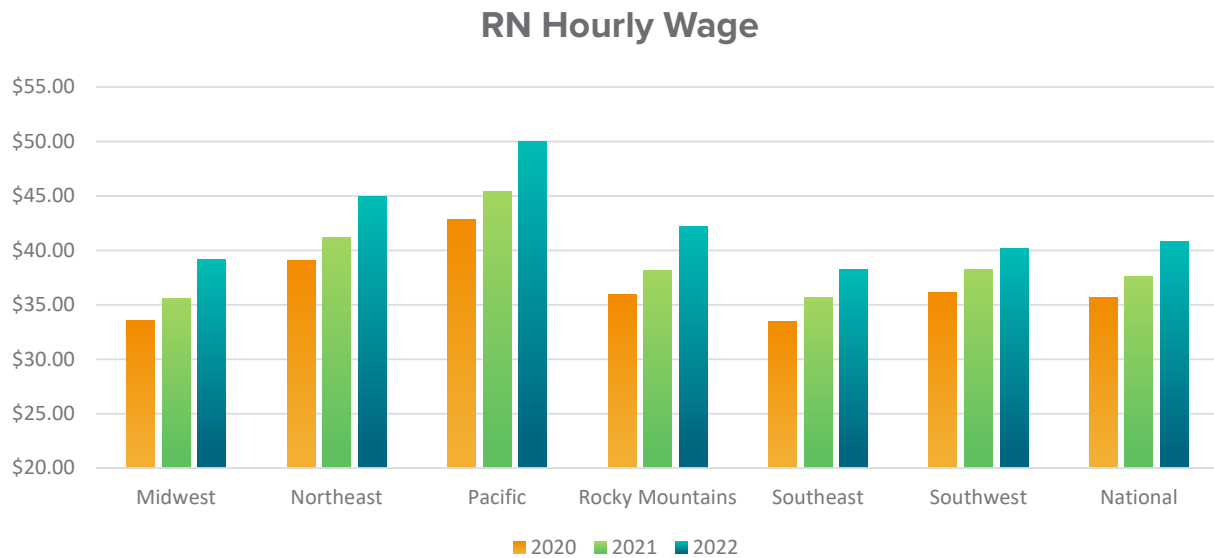
In conclusion, the nursing labor shortage has led to a series of consequential effects, including higher hourly wages, an increase in contract nursing costs, and a reduction in the average number of hours worked per patient day. Skilled nursing facilities will need to engage in strategic planning and budgeting to accommodate these escalating costs in the future.



Nursing Hourly Wage



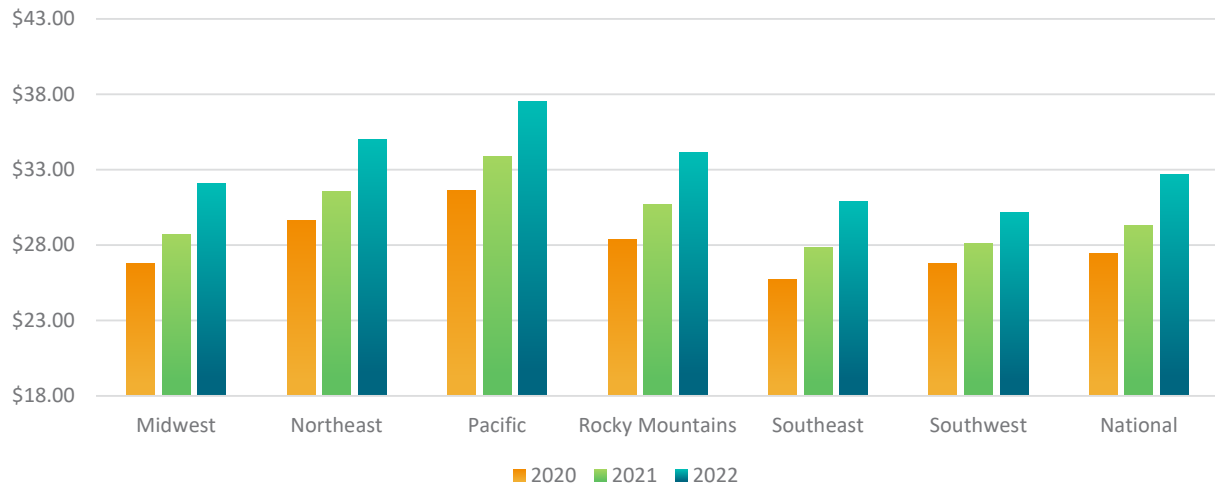
	2020	2021	2022
Midwest	22.34	24.06	26.91
Northeast	25.49	27.15	29.66
Pacific	25.64	27.30	30.33
Rocky Mountains	23.69	25.64	28.96
Southeast	20.74	22.49	24.69
Southwest	21.02	22.30	23.70
National	22.70	24.31	27.01



	2020	2021	2022
Midwest	33.59	35.57	39.12
Northeast	39.08	41.20	44.95
Pacific	42.82	45.44	50.02
Rocky Mountains	35.99	38.11	42.21
Southeast	33.47	35.64	38.20
Southwest	36.15	38.20	40.16
National	35.70	37.58	40.84

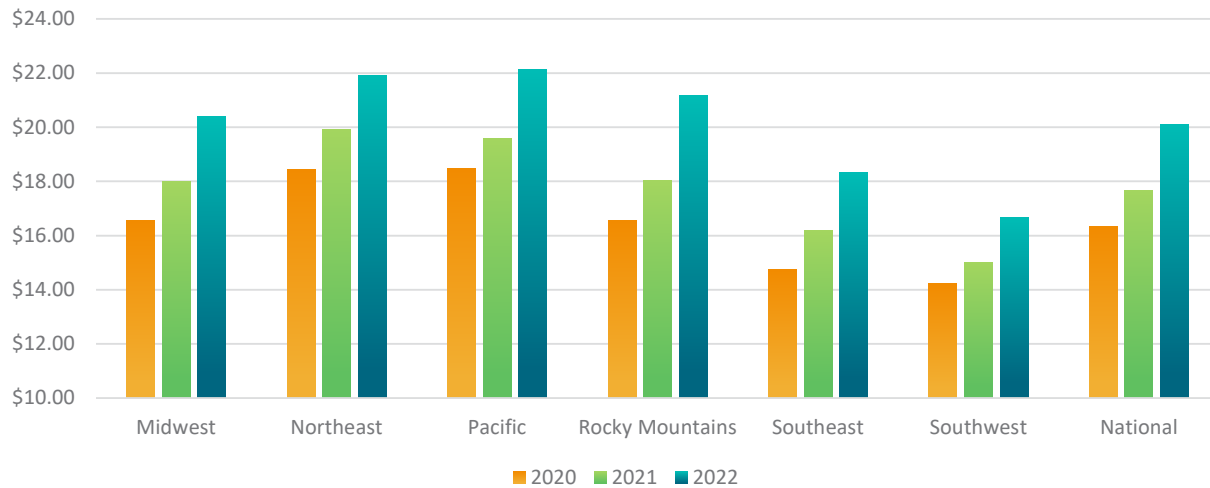


LPN Hourly Wage



	2020	2021	2022
Midwest	26.77	28.72	32.09
Northeast	29.62	31.56	35.03
Pacific	31.65	33.88	37.55
Rocky Mountains	28.38	30.67	34.12
Southeast	25.73	27.87	30.87
Southwest	26.76	28.12	30.15
National	27.44	29.31	32.71

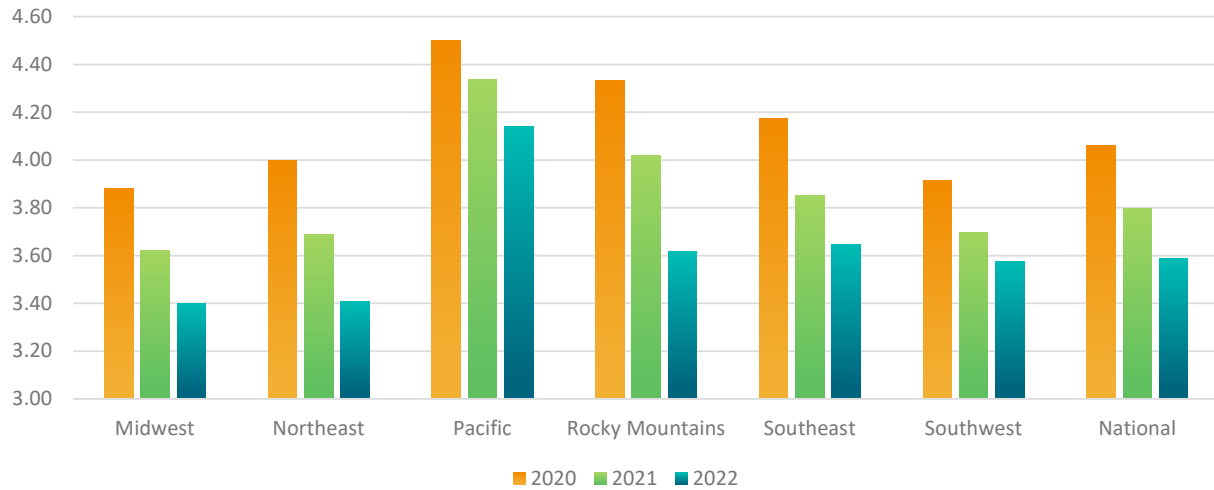
C.N.A. Hourly Wage



	2020	2021	2022
Midwest	16.55	17.99	20.40
Northeast	18.46	19.91	21.90
Pacific	18.46	19.59	22.12
Rocky Mountains	16.56	18.04	21.17
Southeast	14.73	16.18	18.33
Southwest	14.23	15.01	16.66
National	16.34	17.68	20.11

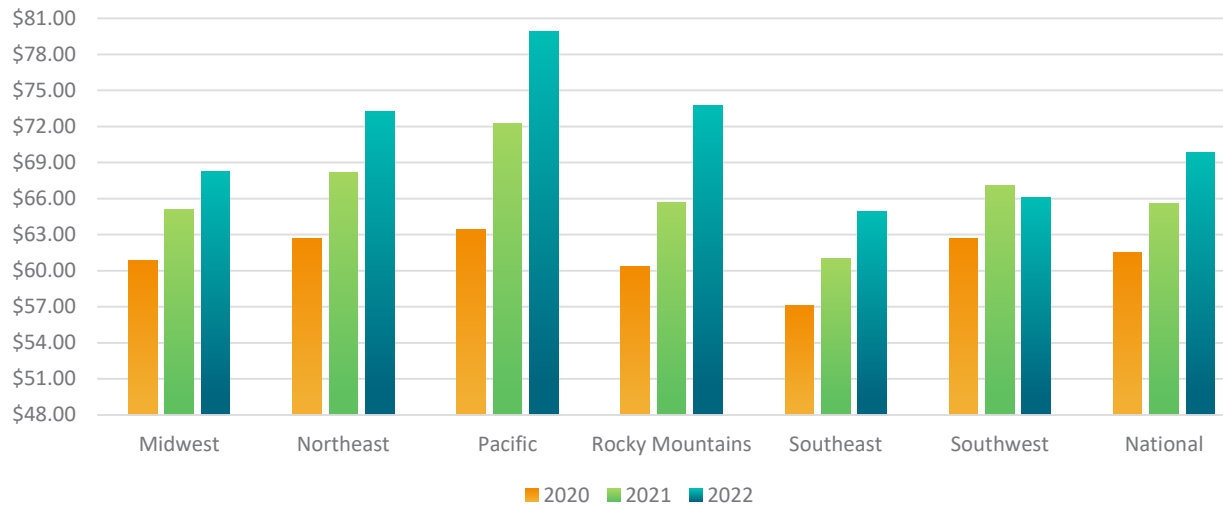


Staff Nursing Hours PPD

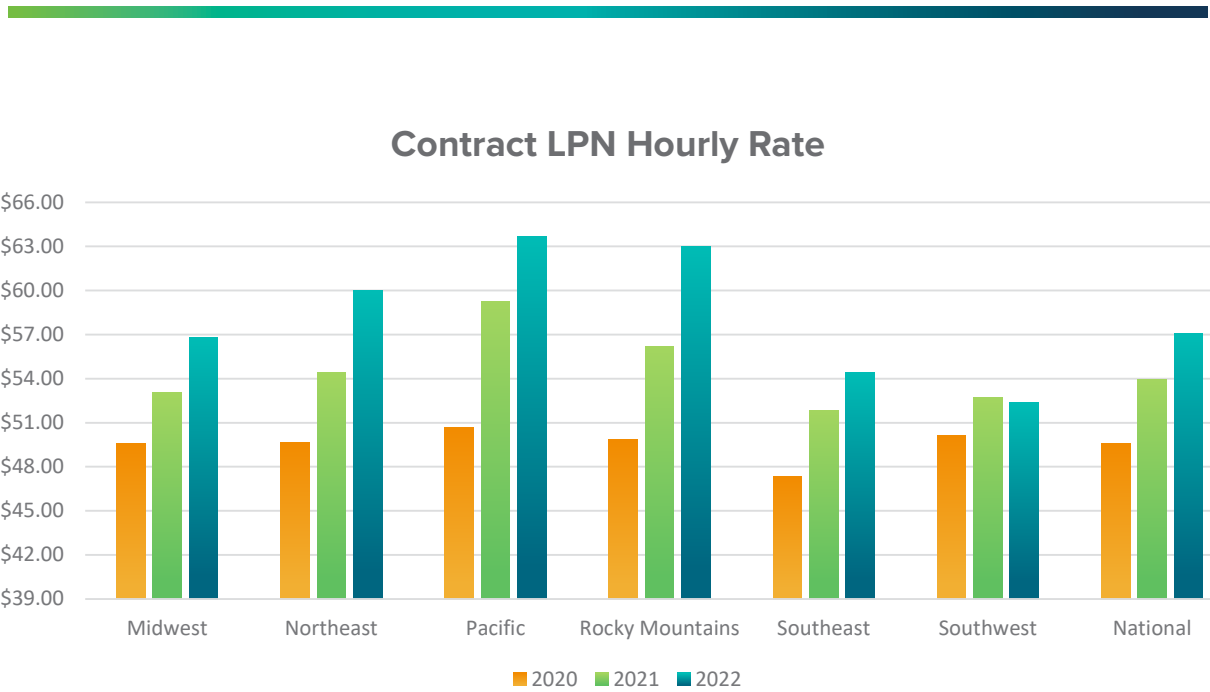


	2020	2021	2022
Midwest	3.88	3.62	3.40
Northeast	4.00	3.69	3.41
Pacific	4.50	4.34	4.14
Rocky Mountains	4.33	4.02	3.62
Southeast	4.17	3.85	3.65
Southwest	3.91	3.70	3.58
National	4.06	3.80	3.59

Contract RN Hourly Rate

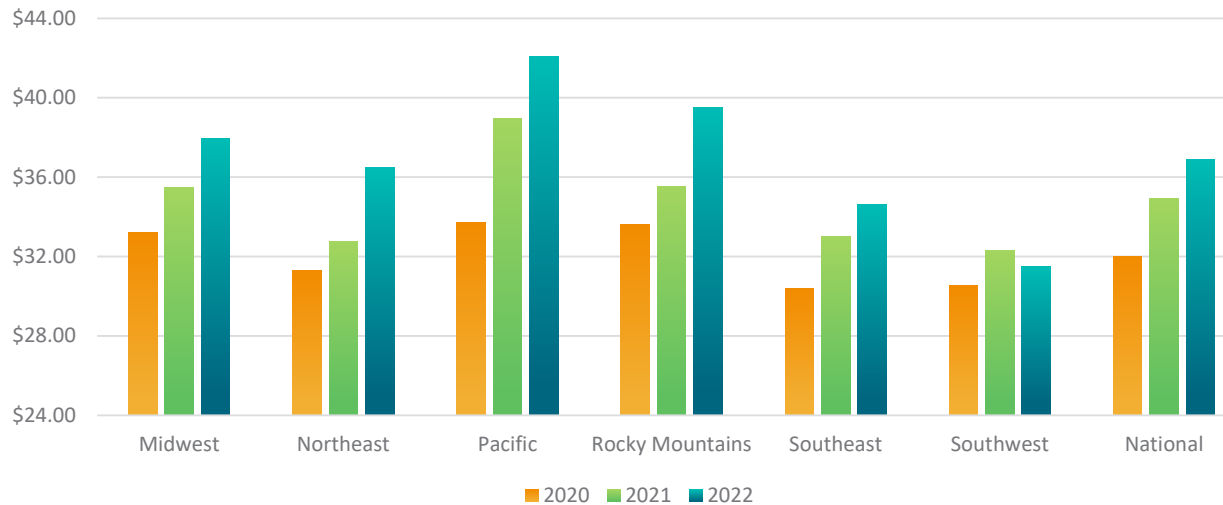


	2020	2021	2022
Midwest	60.82	65.06	68.24
Northeast	62.68	68.16	73.26
Pacific	63.41	72.26	79.92
Rocky Mountains	60.33	65.66	73.79
Southeast	57.10	61.00	64.91
Southwest	62.67	67.11	66.07
National	61.50	65.63	69.83



	2020	2021	2022
Midwest	49.60	53.05	56.78
Northeast	49.68	54.45	59.99
Pacific	50.71	59.27	63.64
Rocky Mountains	49.84	56.16	62.97
Southeast	47.36	51.83	54.43
Southwest	50.15	52.72	52.36
National	49.58	53.95	57.04

Contract C.N.A. Hourly Rate



	2020	2021	2022
Midwest	33.24	35.49	37.97
Northeast	31.32	32.78	36.50
Pacific	33.71	38.95	42.07
Rocky Mountains	33.64	35.55	39.51
Southeast	30.40	33.00	34.63
Southwest	30.52	32.30	31.51
National	32.02	34.93	36.92



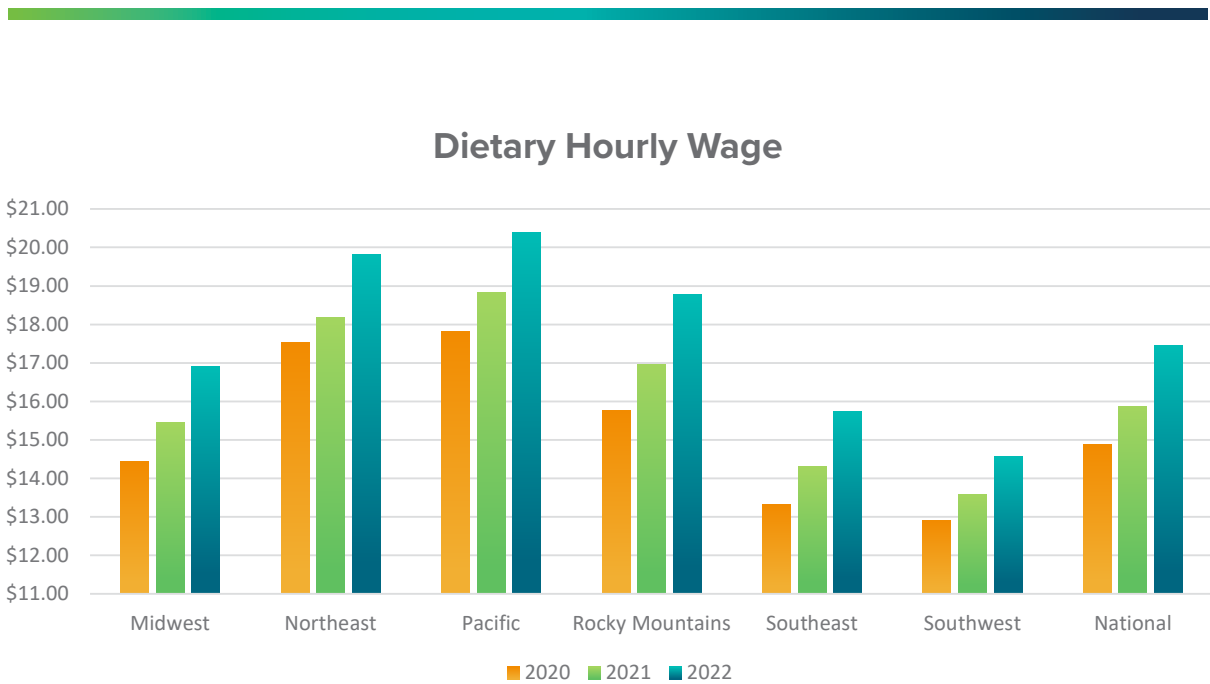
DIETARY

The dietary department is the second largest cost center of a nursing home. Dietary expenses in the nursing home industry continued to rise in 2022. Gross salaries and wages earned by those preparing food, serving food, dishwashing, planning menus, ordering dietary supplies, maintaining dietary inventory, etc., increased by a drastic amount of 9.91% (from \$15.87 to \$17.44) nationally between 2021 and 2022. In addition, dietary nonwage costs per patient day (PPD) also increased significantly (6.38%) between 2021 and 2022 and are directly attributable to inflationary changes.

Between 2021 and 2022, the Rocky Mountains region experienced the highest percentage increase in dietary average hourly wage at 10.7%, while the Southwest region experienced the lowest at 7.14%. The range of percentage increase did not vary much across regions, with only a 3.56% variance between the Rocky Mountains and Southwest regions mentioned previously. By comparison, from 2020 to 2021, the average hourly wage of the dietary department had increased nationally by 6.74% (from \$14.87 to \$15.87), which is significantly lower than the 9.91% national increase seen between 2021 and 2022. These metrics have continued to rise due to the ongoing surge in food prices caused by inflation as well as global disruptions to the food supply chain.

Furthermore, dietary salary PPD has increased nationally by 5.41% between 2021 and 2022, which equates to an overall increase of approximately \$206 million annually. This increase was larger than the national dietary supply PPD increase between 2020 and 2021 of 3.17%. The larger increase in 2022 versus 2021 can also be attributed to ongoing price increases and inflation and coincides with the increase in dietary hourly wages.

In 2022, the dietary nonwage cost PPD not only increased nationally but also across every region of the country. The Northeast region saw the biggest increase of 9.53% due to a higher cost of living, compared to the Southeast region, which saw the smallest increase at 4.05%. This data differs from 2021 where half the regions saw an increase and half the regions saw a decrease in dietary nonwage cost PPD. This is yet another example of dietary expenses increasing across the board and in the entire country in 2022.



	2020	2021	2022
Midwest	14.43	15.45	16.90
Northeast	17.52	18.17	19.81
Pacific	17.83	18.82	20.39
Rocky Mountains	15.76	16.97	18.78
Southeast	13.32	14.32	15.74
Southwest	12.89	13.59	14.56
National	14.87	15.87	17.44

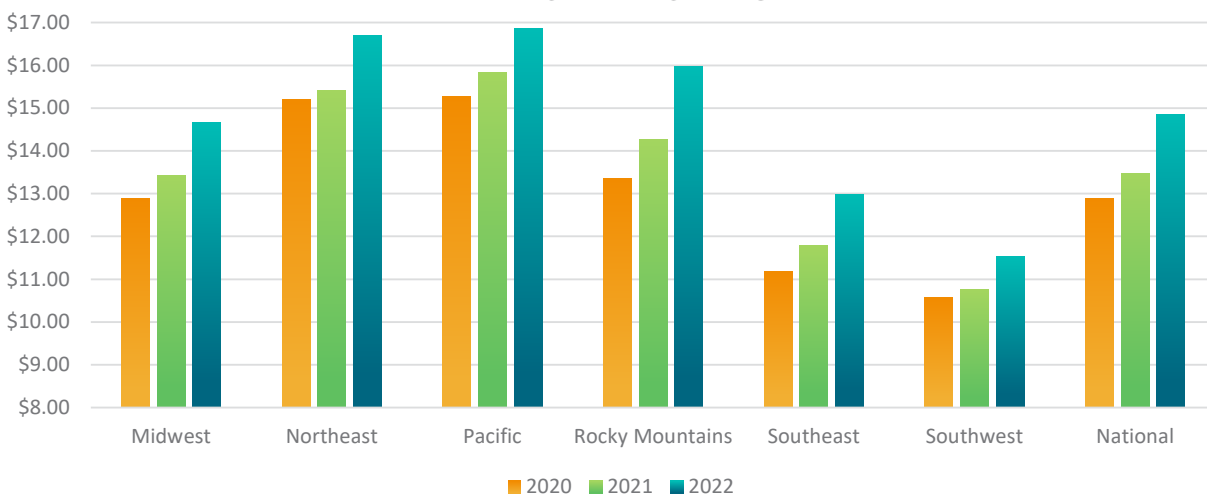
LAUNDRY

The average hourly wage of laundry personnel has continued to rise in nursing facilities nationwide. Every region in the country experienced an increase in the laundry average hourly paid wage between 2021 and 2022, which was also the case in the previous two years. In 2022, the Pacific region had the highest average laundry hourly wage at \$16.85 while the Southwest region had the lowest at \$11.53. This discrepancy can be attributed to the lower cost of living in the Southwest compared to the Pacific and thus lower average wages. Rates continue to rise across the country to keep up with inflation and workforce shortages that were caused by the pandemic. The average laundry hourly wage across all regions in 2022 was \$14.86 compared to just \$13.48 in 2021, which represents a 10.25% increase.

Laundry salaries per patient day (PPD) in most regions had also continued to rise in 2022. Overall, laundry salaries PPD increased 2% from 2021 to 2022. Four of the six regions experienced an increase in laundry salary PPD, with the Rocky Mountains region seeing the highest increase from 2021 to 2022, going up by 16.69% or \$0.34 PPD, from \$2.03 to \$2.37, respectively.

While most regions' salaries and hourly wages have increased, the laundry nonwage cost PPD deviated throughout the country. Three regions (the Midwest, Northeast, and Pacific) reported a decrease, and three regions (the Rocky Mountains, Southeast, and Southwest) reported an increase between 2021 and 2022. Nationally, the laundry nonwage cost PPD increased slightly, by 2.09%, from 2021 to 2022, which equates to \$0.02 PPD, from \$0.85 to \$0.87, respectively.

Laundry Hourly Wage



	2020	2021	2022
Midwest	12.89	13.43	14.65
Northeast	15.19	15.42	16.69
Pacific	15.26	15.83	16.85
Rocky Mountains	13.35	14.26	15.97
Southeast	11.19	11.78	12.99
Southwest	10.57	10.75	11.53
National	12.89	13.48	14.86

HOUSEKEEPING

Housekeeping at nursing facilities is one of the most important services of infection control. Cleaning and sanitizing nursing homes is critical in reducing the spread of diseases and viruses. Given the greater emphasis on infection control, facilities have expanded their housekeeping protocols. This, coupled with staffing shortages, has caused average hourly wages and salaries per patient day (PPD) to rise nationally.

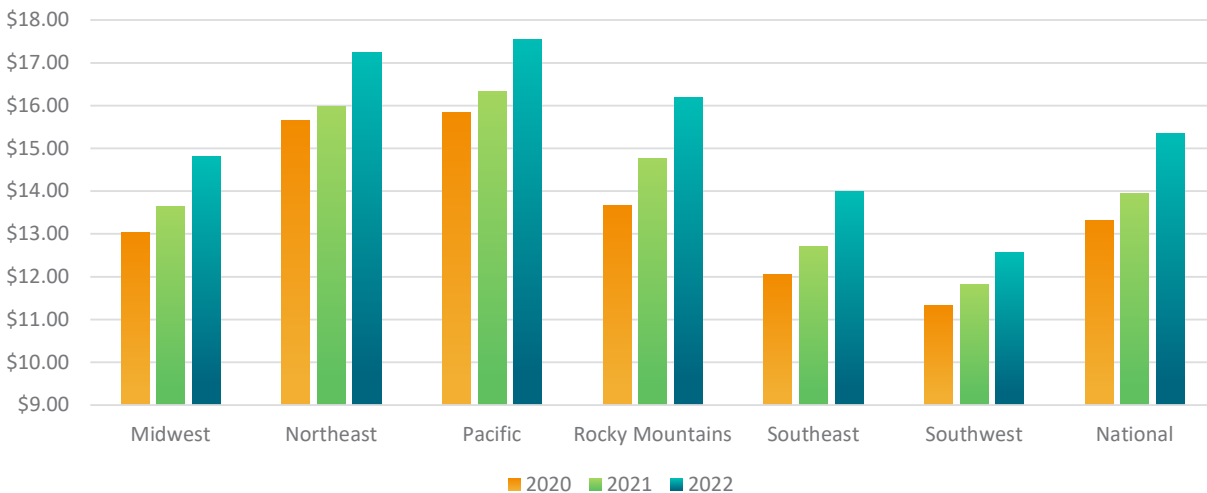
Between 2021 and 2022, the average hourly wage for housekeeping workers increased nationally by \$1.39, from \$13.96 to \$15.35, a significant 9.97% increase, which equated to the additional spending of approximately \$448 million. The Southeast region saw the most significant increase of 10.07%. The Southwest region saw the smallest, yet still significant, increase of 6.34%. Salaries PPD also increased nationally by 3.47%. Each region throughout the country experienced an increase

in housekeeping salary PPD as well as average hourly wage.

Between 2021 and 2022, the housekeeping nonwage cost PPD saw an increase of 0.57% nationally. Spending continued to increase due to the pandemic, staffing constraints, and inflation. Four regions saw an increase, with the highest increase occurring in the Midwest region at 8.03%. On the other hand, two regions also saw a decrease, with the largest decrease occurring in the Southwest region at 13.42%.

With rapid inflation, staffing shortages, and a focus on infection control prominent in the nursing home industry, housekeeping hourly wages and salaries PPD are expected to keep increasing. Housekeeping nonwage costs PPD may see a slower increase as fewer supplies are purchased as we move away from the pandemic.

Housekeeping Hourly Wage



	2020	2021	2022
Midwest	13.03	13.64	14.81
Northeast	15.65	15.97	17.23
Pacific	15.83	16.32	17.53
Rocky Mountains	13.67	14.76	16.19
Southeast	12.04	12.71	13.99
Southwest	11.33	11.82	12.57
National	13.31	13.96	15.35

GENERAL SERVICE COST PER PATIENT DAY

The cost of running a nursing home includes several other expenses besides direct patient care performed by the nursing department. There are a multitude of other general service costs incurred by facilities that are integral to supporting the care needs of an individual. In addition to direct nursing expenses, below is a list of general service non-direct care costs incurred at the facility level:

ADMINISTRATIVE

CENTRAL SERVICE

DIETARY

MAINTENANCE

MEDICAL RECORDS

LAUNDRY

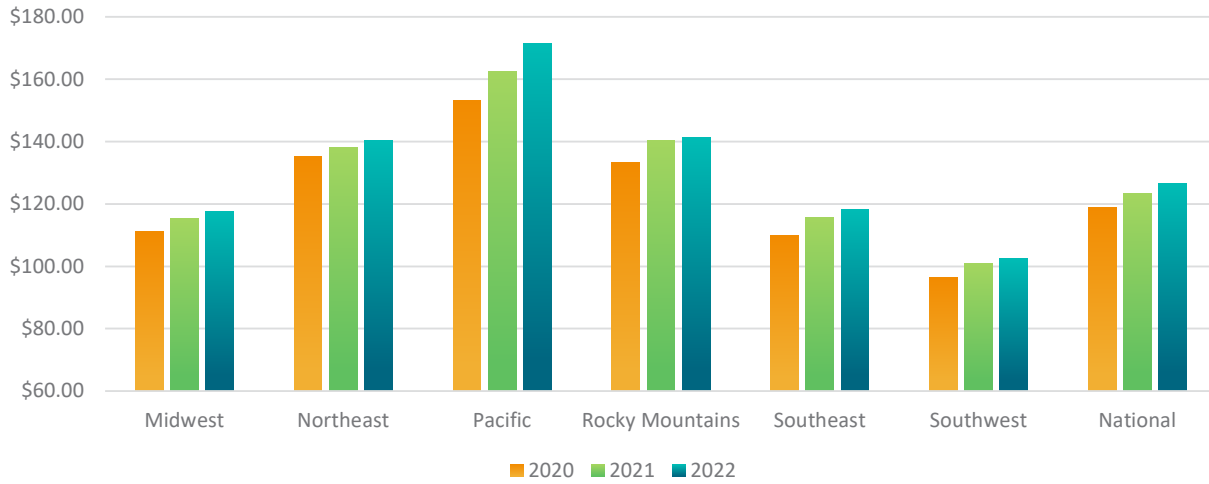
HOUSEKEEPING

PHARMACY

SOCIAL SERVICES

Total general service cost per patient day (PPD) has been increasing nationally as well as regionally every year since 2015. Between 2021 and 2022, the total general service cost PPD increased by 2.63% on a national level. Every region in the country also saw an increase between 2021 and 2022, with the largest increase occurring in the Pacific region at 5.46%. The increase in total general service costs PPD has not been as significant as in the previous three years. Based on the data, facilities' non-direct expenditures seem to be stabilizing the further we move from the COVID-19 pandemic.

General Service Cost PPD



	2020	2021	2022
Midwest	111.13	115.20	117.71
Northeast	135.17	138.18	140.21
Pacific	153.20	162.61	171.50
Rocky Mountains	133.25	140.20	141.19
Southeast	110.01	115.60	118.27
Southwest	96.42	100.85	102.44
National	118.90	123.28	126.52



THERAPY

The patient-driven payment model (PDPM), which was introduced during the fourth quarter of 2019, marked a significant shift in the provision of therapy services performed in skilled nursing facilities. The full-year data for 2020 offers the first comprehensive look at this new system. Unlike the previous Resource Utilization Groups (RUGs) system, which tied reimbursement directly to the number of therapy minutes provided to a patient, the PDPM correlates reimbursement to the assessed need for therapy, regardless of the actual minutes of therapy provided.

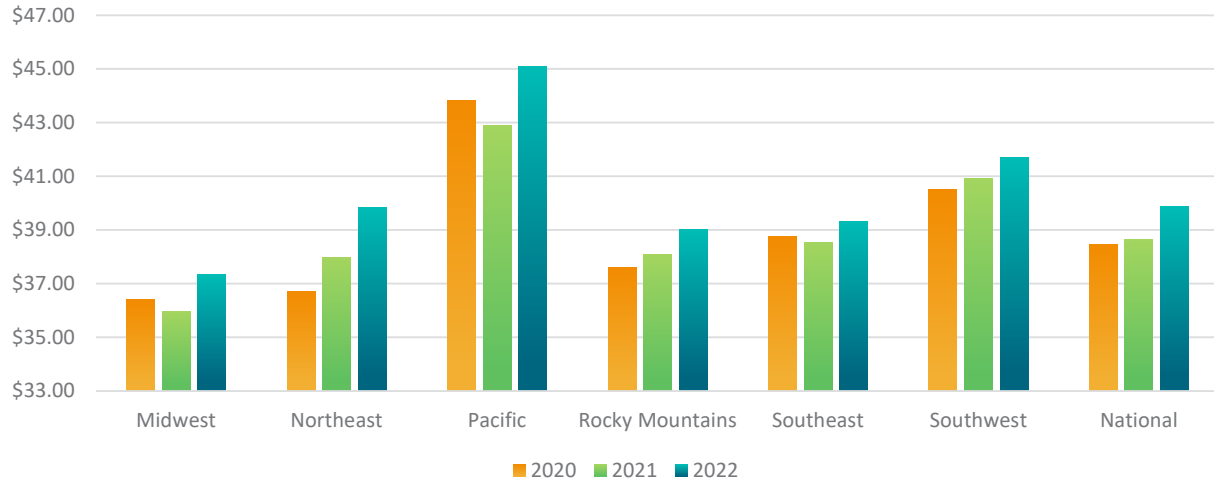
Looking at the data, in 2018, the last full year under the RUGs system, the national average hours of therapy provided per patient day stood at 0.45 hours, equivalent to 27 minutes. However, under the PDPM, this figure has been on a declining trend. In 2020, the national average therapy hours per day dropped to 0.41. The decrease continued into 2021, with the figure standing at 0.40 hours per day and further dipped to 0.37 hours per day in 2022.

This sequence of figures represents a decrease of 8% in the two years from 2018 to 2019. From 2020 to 2021, the decrease was 3%, and from 2021 to 2022, it was another 8%. In total, from 2018 to 2022, the average therapy minutes per day decreased from 27 minutes to 22.20 minutes.

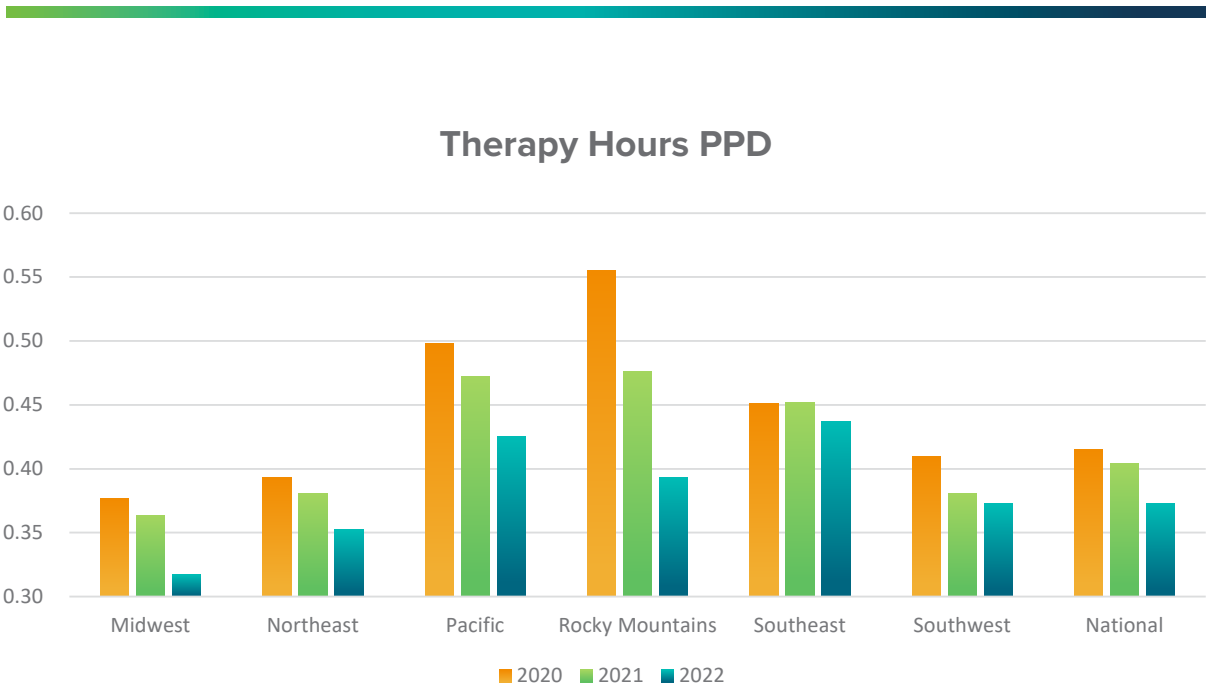
Interestingly, despite the decrease in demand for therapy in skilled nursing facilities, there have been slight increases in average therapy hourly wages nationally. The average hourly wage increased marginally from \$38.47 in 2020 to \$38.65 in 2021, and then to \$39.88 in 2022. This equates to just a 3% increase in average hourly wages over the two-year period. The highest average hourly wage in 2022 was \$45.10, recorded in the Pacific region, and the lowest was \$37.35, recorded in the Midwest region.

PDPM, which was designed to reimburse based on the patient's need for care rather than the amount of therapy provided, appears to have had a noticeable impact on the provision of therapy in skilled nursing facilities.

Therapy Hourly Wage



	2020	2021	2022
Midwest	36.40	35.96	37.35
Northeast	36.72	37.97	39.85
Pacific	43.84	42.88	45.10
Rocky Mountains	37.62	38.10	39.00
Southeast	38.76	38.55	39.31
Southwest	40.50	40.90	41.69
National	38.47	38.65	39.88



	2020	2021	2022
Midwest	0.38	0.36	0.32
Northeast	0.39	0.38	0.35
Pacific	0.50	0.47	0.43
Rocky Mountains	0.56	0.48	0.39
Southeast	0.45	0.45	0.44
Southwest	0.41	0.38	0.37
National	0.41	0.40	0.37



AVERAGE HOURLY WAGE

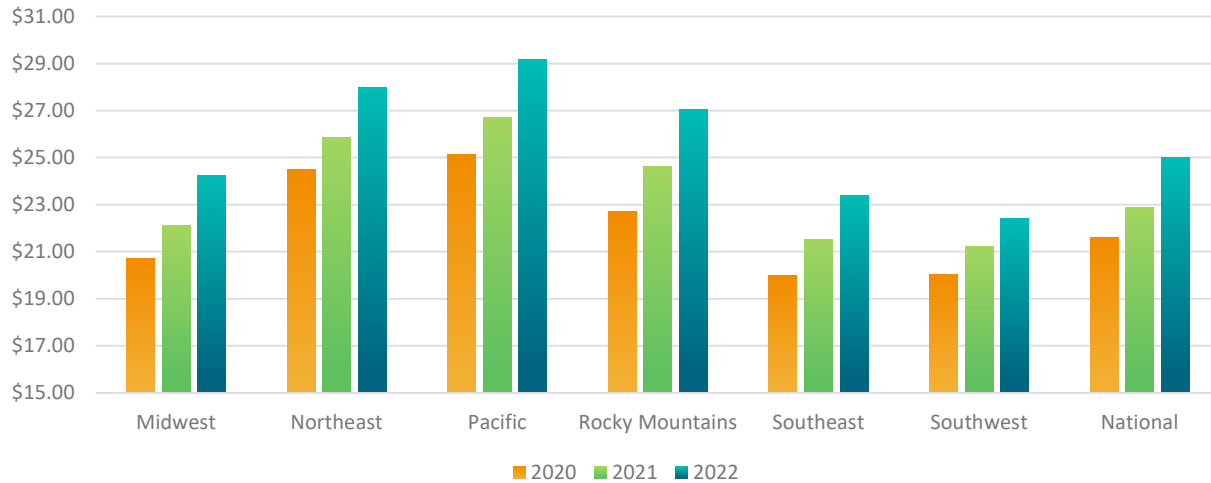
The average hourly wage statistic can be an extremely useful tool in providing operators with necessary information they can use to determine a competitive wage. This is an important factor when considering staff retention and recruiting, which is critical given the current staffing shortage the healthcare industry is experiencing.

The average hourly wage represents the total compensation per position divided by the total number of hours paid, including hours for paid time off. Per the charts, the average hourly wage between 2020 and 2022 has increased by 15.71% across the country. Continuity of staffing provides nursing facilities with the best opportunity to provide consistent quality service for its residents. However, because of the labor market the continuity of staff has also been a challenge over the past three years and more noticeably in 2022 due to the pandemic.

The national average for nursing home hourly wages increased \$2.11 from \$22.89 in 2021 to \$25.00 in 2022 for a 9.2% increase, which was at a higher rate than the 5.63% average increase from 2020 to 2021. The Pacific region experienced the largest dollar per hour increase at \$2.45 while the Rocky Mountains region had the largest percentage increase at 9.84% between 2021 and 2022. However, over the three-year report period, the Rocky Mountains region experienced both the highest per diem and percentage increases of \$4.33 per hour and 19.04%, respectively.

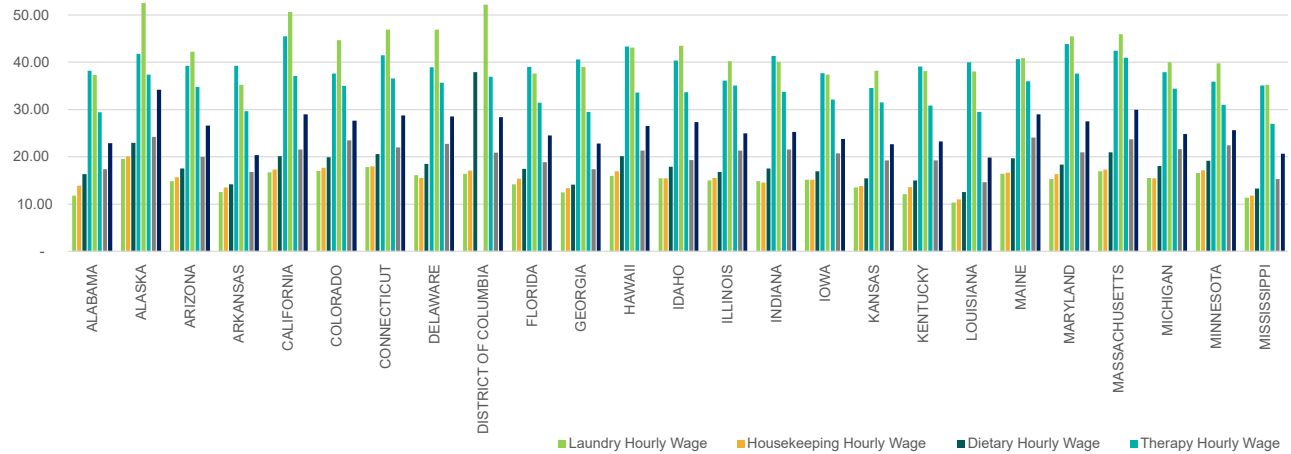
The Southwest and Southeast regions continue to be on the low end of the average hourly wage rate at \$22.43 and \$23.41, respectively. These two regions are almost \$6.00 less than the Pacific region with the highest average hourly wage rate at \$29.17. The Midwest region is ranked in the middle with an average hourly wage rate of \$24.26 per hour for 2022. The average hourly wage will continue to increase as the demand for staff becomes greater due to the continuing effects of the COVID-19 pandemic and workforce shortages.

Average Hourly Wage

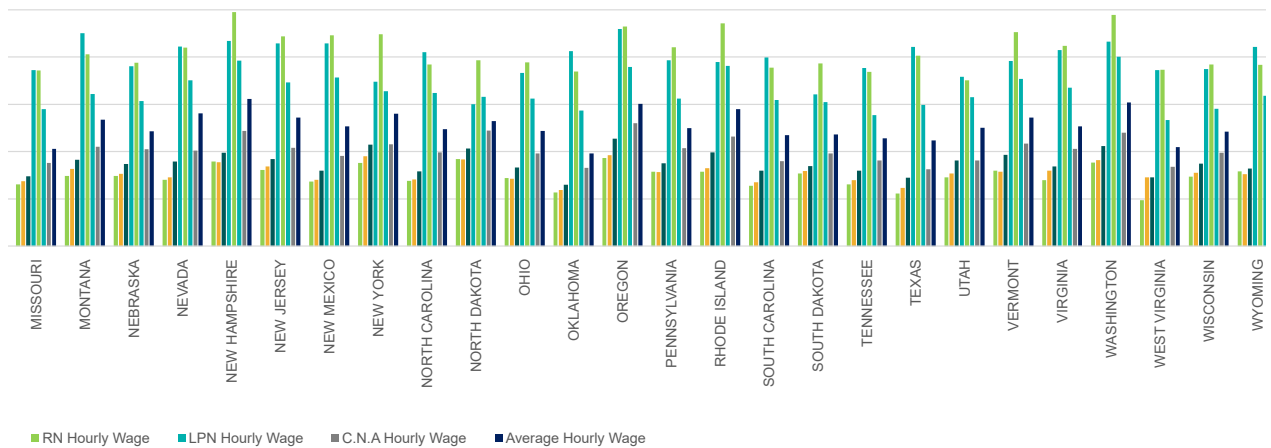


	2020	2021	2022
Midwest	20.71	22.13	24.26
Northeast	24.51	25.85	27.97
Pacific	25.14	26.72	29.17
Rocky Mountains	22.72	24.63	27.05
Southeast	20.00	21.54	23.41
Southwest	20.05	21.23	22.43
National	21.60	22.89	25.00

Average Hourly Wage By State (Alabama - Mississippi)



Average Hourly Wage By State (Missouri-Wyoming)



RELATIONSHIP OF EMPLOYEE BENEFITS TO TOTAL SALARY

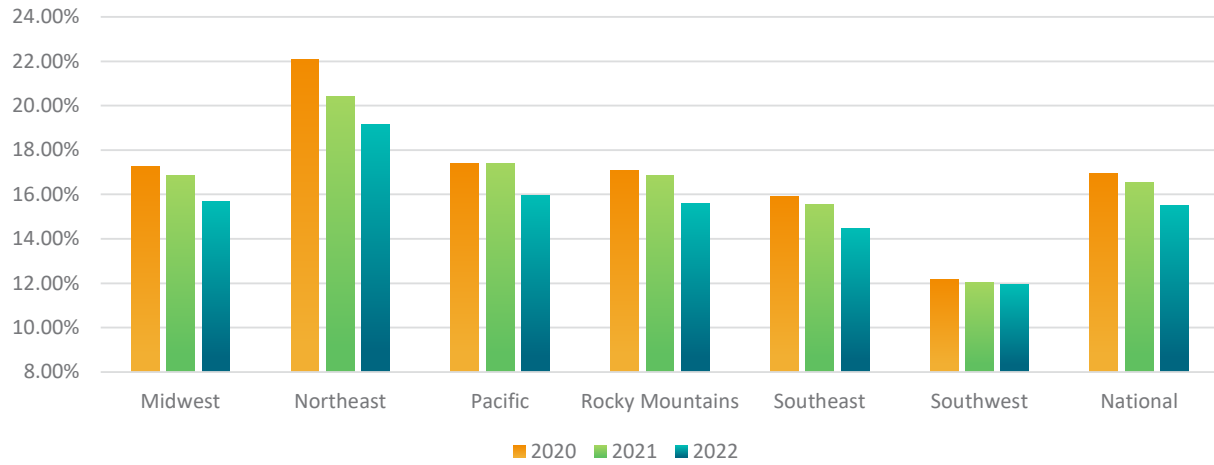
Employee benefits are a useful tool for employee retention for almost any organization. When combined with salaries, they are the single largest expense category of any facility. Employee benefits include health insurance, workers compensation insurance, 401(k) expenses, payroll-related taxes, and other miscellaneous items.

The 2022 national average of employee benefits to salaries was 15.5%, which is more than a one percentage point decrease from 2021, where the percentage was 16.55%. In fact, all of the regions experienced a decrease in this ratio between 2020 and 2022. The Northeast region historically sees the highest percentage (19.15% in 2022) and the Southwest region experiences the lowest (11.96% in 2022). The remaining four regions of the United States have a very similar benefit to salary percentage ranging from 14.49% (Southeast) to 15.97% (Pacific) in 2022. We speculate the reason for the decrease in the three-year national average for the percentage of employee benefits to salaries is attributable to increased agency usage. While the cost of employee salaries and benefits has risen, the number of W-2 employees in a nursing home has decreased.

While the actual per patient day (PPD) cost for nursing staff increased \$2.59 per day and 2.83% between 2020 and 2022, the actual nursing staff hours decreased by 0.47 hours PPD and by 11.65% during the same period. However, the contract nursing cost increased by \$10.92 PPD, representing a 141.97% increase in cost between 2020 and 2022.

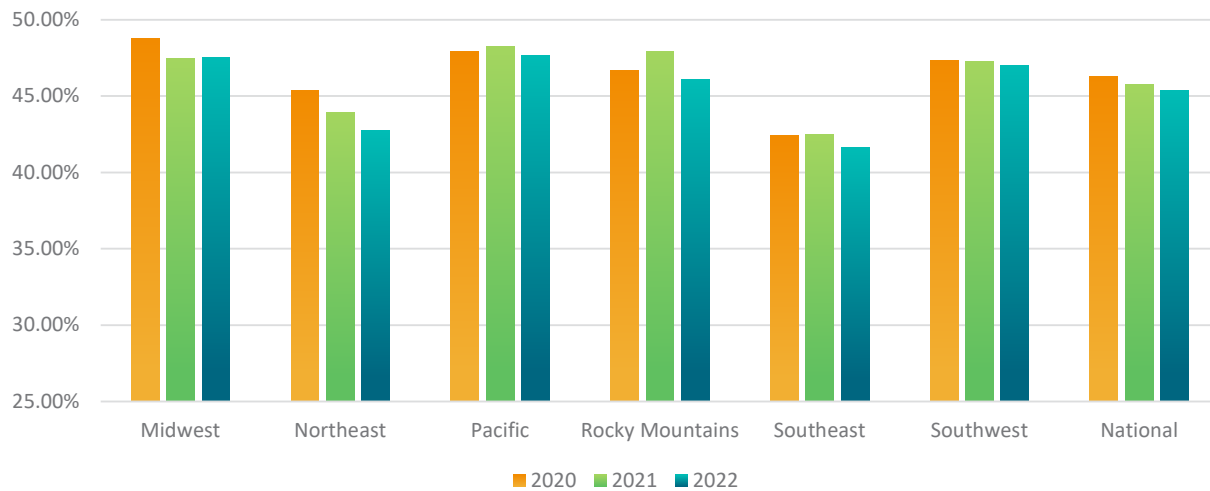
As mentioned previously, salaries combined with employee benefits are the largest expense category of a long-term care facility. In 2022, the Pacific and Midwest regions had the highest percentage of salaries and benefits to revenue of 47.63% and 47.56%, respectively. In 2020, the Midwest had the highest percentages at 48.77%, while the Pacific was the next highest at 47.96%. Throughout our three-year study, the Southeast has had the lowest percentages, ranging from 42.45% in 2020 to 41.66% in 2022. The national average of salaries and benefits to revenue in 2022 was 45.37%. Overall, the fluctuations in any region from year to year are very minimal.

Benefits to Salary Percentage



	2020	2021	2022
Midwest	17.26%	16.84%	15.67%
Northeast	22.10%	20.43%	19.15%
Pacific	17.39%	17.39%	15.97%
Rocky Mountains	17.09%	16.85%	15.59%
Southeast	15.92%	15.55%	14.49%
Southwest	12.16%	12.05%	11.96%
National	16.93%	16.55%	15.50%

Salaries and Benefits to Total Revenue Percentate



	2020	2021	2022
Midwest	48.77%	47.43%	47.56%
Northeast	45.38%	43.92%	42.77%
Pacific	47.96%	48.25%	47.63%
Rocky Mountains	46.70%	47.95%	46.08%
Southeast	42.45%	42.49%	41.66%
Southwest	47.35%	47.26%	47.02%
National	46.28%	45.73%	45.37%

Supplemental Chart – Salary-Benefit to Revenue Comparison



4th Benchmark Book



5th Benchmark Book



6th Benchmark Book

Benefits/Salary

	2018	2019	2020
Midwest	17.48%	17.15%	16.92%
Northeast	22.35%	21.79%	22.02%
Pacific	17.75%	17.53%	17.47%
Rocky Mountains	16.94%	16.63%	17.09%
Southeast	16.11%	15.57%	16.15%
Southwest	12.74%	12.25%	12.19%
National	17.11%	16.71%	16.87%

	2019	2020	2021
Midwest	17.15%	17.26%	17.09%
Northeast	21.79%	22.10%	22.18%
Pacific	17.53%	17.39%	17.65%
Rocky Mountains	16.63%	17.09%	16.96%
Southeast	15.57%	15.92%	15.93%
Southwest	12.25%	12.16%	11.93%
National	16.71%	16.93%	16.83%

	2020	2021	2022
Midwest	17.26%	16.84%	15.67%
Northeast	22.10%	20.43%	19.15%
Pacific	17.39%	17.39%	15.97%
Rocky Mountains	17.09%	16.85%	15.59%
Southeast	15.92%	15.55%	14.49%
Southwest	12.16%	12.05%	11.96%
National	16.93%	16.55%	15.50%

Salaries and Employee Benefits to Total Revenue

	2018	2019	2020
Midwest	45.26%	45.48%	47.71%
Northeast	41.71%	41.65%	45.31%
Pacific	43.46%	43.82%	47.54%
Rocky Mountains	43.57%	43.01%	45.94%
Southeast	38.95%	39.30%	41.66%
Southwest	42.06%	43.45%	47.05%
National	42.47%	42.77%	45.68%

	2019	2020	2021
Midwest	45.48%	48.77%	47.72%
Northeast	41.65%	45.38%	44.40%
Pacific	43.82%	47.96%	48.65%
Rocky Mountains	43.01%	46.70%	46.53%
Southeast	39.30%	42.45%	41.56%
Southwest	43.45%	47.35%	47.42%
National	42.77%	46.28%	45.63%

	2020	2021	2022
Midwest	48.77%	47.43%	47.56%
Northeast	45.38%	43.92%	42.77%
Pacific	47.96%	48.25%	47.63%
Rocky Mountains	46.70%	47.95%	46.08%
Southeast	42.45%	42.49%	41.66%
Southwest	47.35%	47.26%	47.02%
National	46.28%	45.73%	45.37%



REVENUE ANALYTICS

Revenue, Total Cost, and Net Income/Loss Per Patient Day

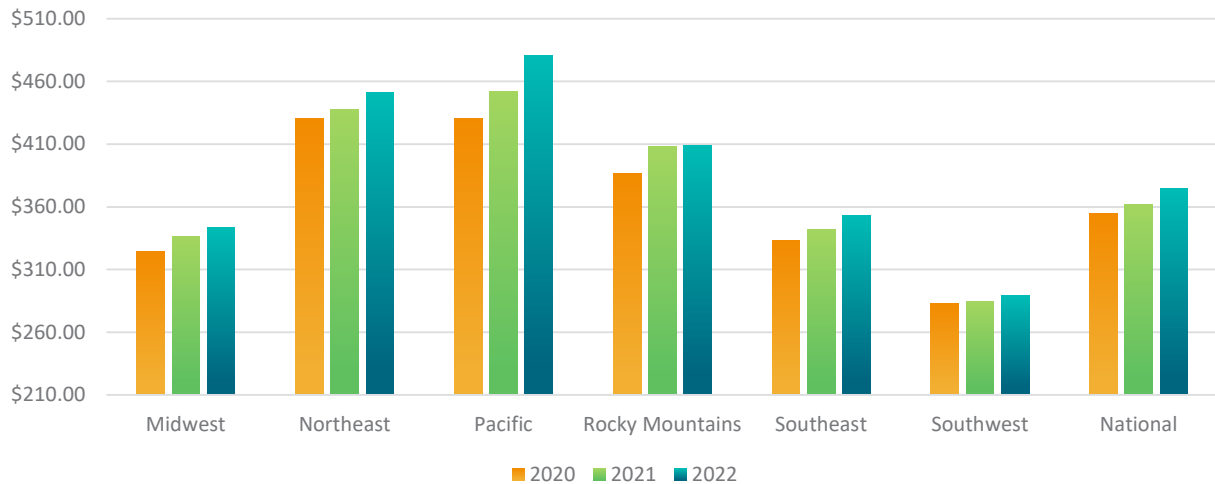
Total revenue per patient day (PPD), excluding COVID-19 public health emergency (PHE) funding, continued to grow over the past three years. All regions saw an overall increase in revenues, with the Pacific region experiencing the highest increase, growing 6.38% from 2021 to 2022. This increase equates to 3.36% or \$3.9 billion. We attribute this increase to the following factors:

- Patient-driven payment model (PDPM) reimbursement. Since its inception in 2019, skilled nursing facilities (SNFs) are more comfortable with the PDPM system, which allows for more accurate compensation based on the care they provide.
- Increased overall Medicare utilization.
- Increased funding for Medicare and Medicaid.

The growth in revenue also has a positive correlation this year to the rise in occupancy. With the rise in occupancy also has come a rise in inflationary-impacted expenses that far outpace any increase in revenue. Therefore, for the past three years nursing homes have reported increases in net loss both nationally and regionally. Nationally, the net loss PPD is \$14.62, excluding COVID-19 PHE funding. The Northeast region had the highest net loss PPD at \$31.22 and the Southeast had the lowest net loss PPD at \$3.71.

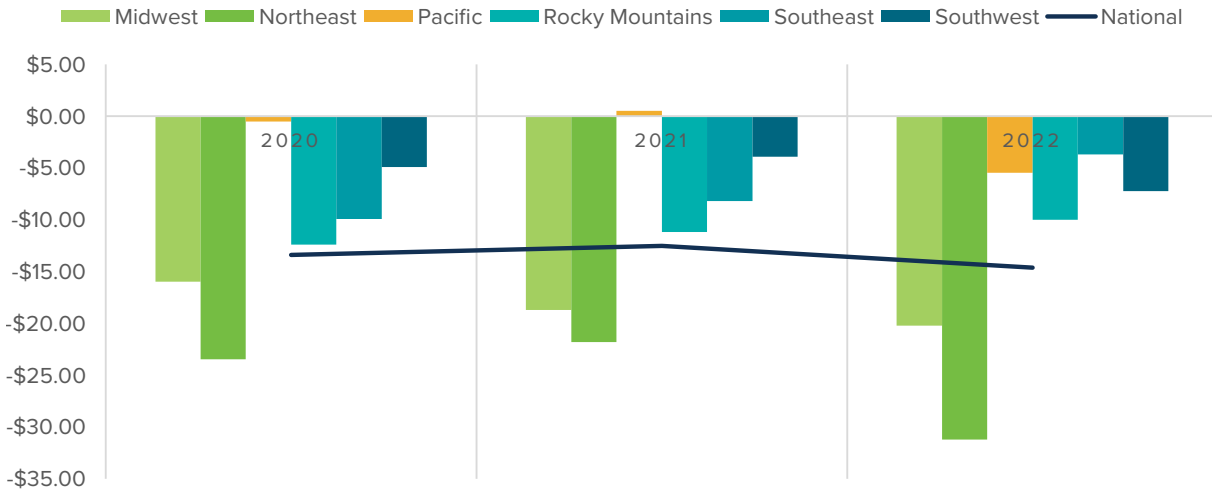
Rising costs of operation have impacted all regions across throughout the country. The Pacific region had the highest increase in total cost PPD, rising 5.47% from 2021 to 2022. The Southwest region had the lowest increase, rising only by 1.39%, and nationally, the total cost PPD increased by 3.25%. Additionally, since staffing costs constitute the largest portion of a nursing home's budget, increased costs of labor are attributed to the majority of these expense increases. The need for additional staff to comply with regulatory protocols, and more recently, the proposed staffing mandate, will further increase costs. Fully complying with the proposed staffing rule is estimated to cost nursing homes in the United States \$6.8 billion. As a result, nursing facilities across the nation will experience rising total cost PPD for years to come without necessarily receiving a corresponding rise in revenues.

Total Revenue PPD (excluding PHE)



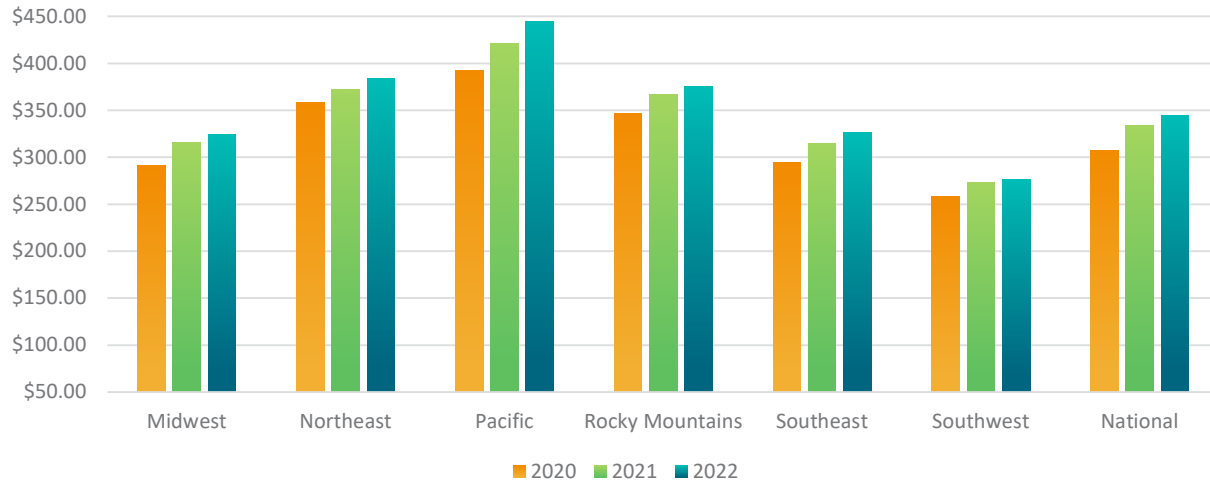
	2020	2021	2022
Midwest	324.68	336.44	343.13
Northeast	430.23	437.32	451.43
Pacific	430.68	452.14	481.00
Rocky Mountains	386.90	408.22	409.25
Southeast	333.49	342.00	353.45
Southwest	283.22	284.15	289.52
National	354.38	362.16	374.32

Net Income/Loss PDD (excluding PHE funding)



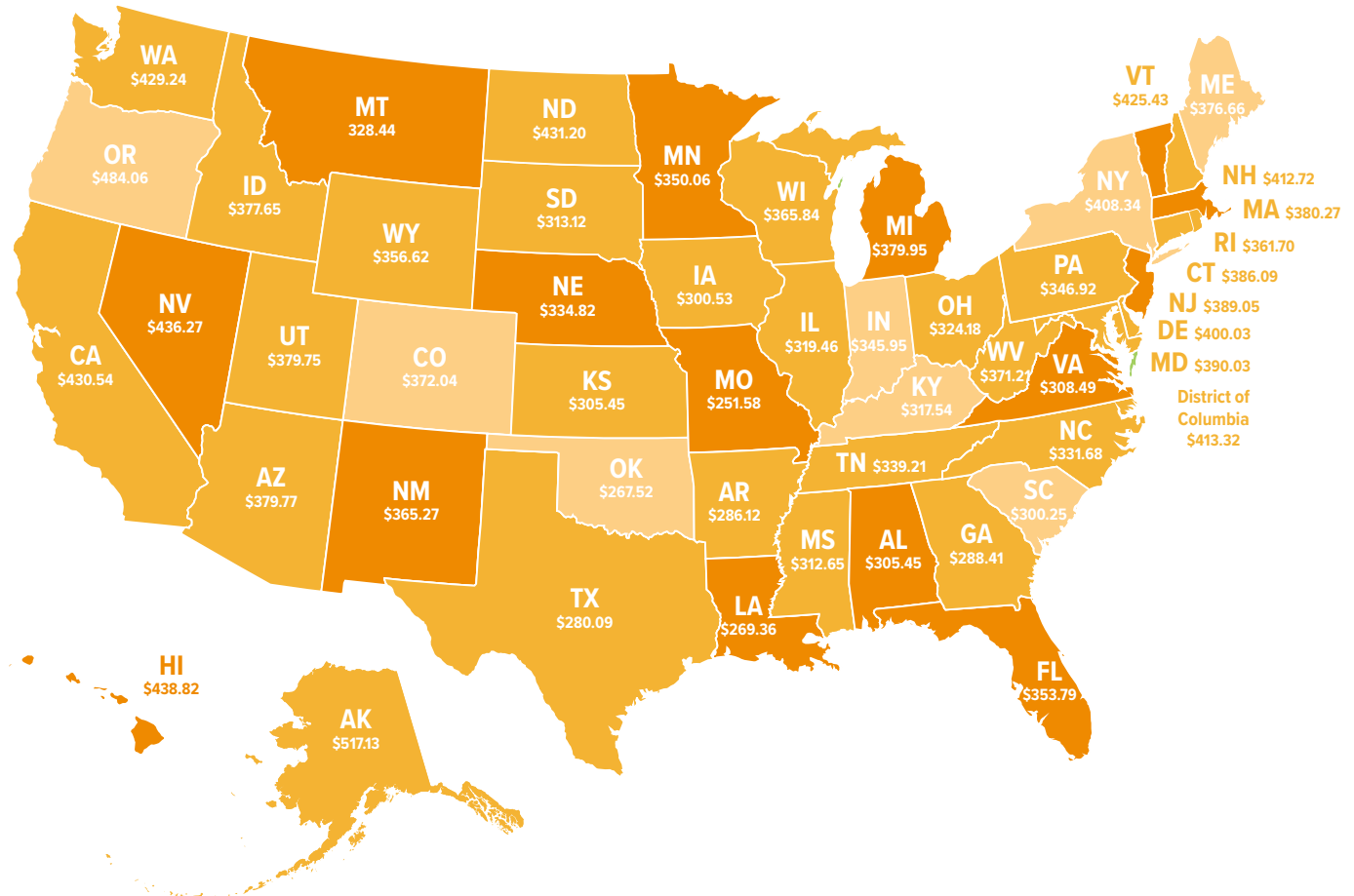
	2020	2021	2022
Midwest	(15.97)	(18.71)	(20.20)
Northeast	(23.46)	(21.81)	(31.22)
Pacific	(0.51)	0.52	(5.47)
Rocky Mountains	(12.38)	(11.16)	(9.99)
Southeast	(9.93)	(8.20)	(3.71)
Southwest	(4.92)	(3.91)	(7.24)
National	(13.38)	(12.52)	(14.62)

Total Cost PPD



	2020	2021	2022
Midwest	290.88	315.35	323.90
Northeast	358.20	371.71	383.51
Pacific	392.20	421.28	444.32
Rocky Mountains	346.24	366.71	374.84
Southeast	294.06	314.89	325.86
Southwest	258.19	272.75	276.54
National	306.97	333.51	344.35

Average of Total Cost PPD by State in 2022



ALABAMA	\$305.45	KENTUCKY	\$317.54	NORTH DAKOTA	\$431.20
ALASKA	\$517.13	LOUISIANA	\$269.36	OHIO	\$324.18
ARIZONA	\$379.77	MAINE	\$376.66	OKLAHOMA	\$267.52
ARKANSAS	\$286.12	MARYLAND	\$390.03	OREGON	\$484.06
CALIFORNIA	\$430.54	MASSACHUSETTS	\$380.27	PENNSYLVANIA	\$346.92
COLORADO	\$372.04	MICHIGAN	\$379.95	RHODE ISLAND	\$361.70
CONNECTICUT	\$386.09	MINNESOTA	\$397.96	SOUTH CAROLINA	\$300.25
DELAWARE	\$400.03	MISSISSIPPI	\$312.65	SOUTH DAKOTA	\$313.12
DISTRICT OF COLUMBIA	\$413.32	MISSOURI	\$251.58	TENNESSEE	\$339.21
FLORIDA	\$353.79	MONTANA	\$350.06	TEXAS	\$280.09
GEORGIA	\$288.41	NEBRASKA	\$334.82	UTAH	\$379.75
HAWAII	\$438.82	NEVADA	\$436.27	VERMONT	\$425.43
IDAHO	\$377.65	NEW HAMPSHIRE	\$412.72	VIRGINIA	\$308.49
ILLINOIS	\$319.46	NEW JERSEY	\$389.05	WASHINGTON	\$429.24
INDIANA	\$345.95	NEW MEXICO	\$365.27	WEST VIRGINIA	\$371.21
IOWA	\$300.53	NEW YORK	\$408.34	WISCONSIN	\$365.84
KANSAS	\$305.45	NORTH CAROLINA	\$331.68	WYOMING	\$356.62

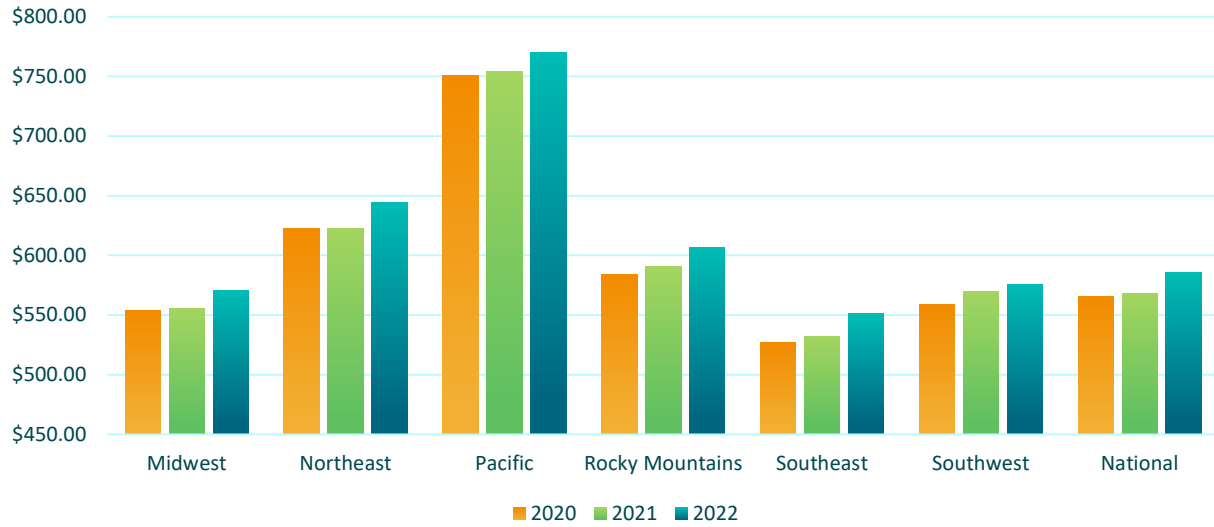
MEDICARE GROSS REVENUE PER MEDICARE DAY

Since the conversion from the RUGs (Resource Utilization Groups) system to the new Medicare patient-driven payment model (PDPM), significant increases in Medicare revenue on a PPD (per patient day) basis have occurred. In 2019 the national average Medicare revenue PPD was \$527.07, and this has increased substantially each year through 2022, where it is currently \$585.82 PPD. This level of increase was unexpected by the Centers for Medicare & Medicaid Services (CMS). In order to rectify this substantial increase, CMS instituted a “parity adjustment” effective October 1, 2023, which will represent a reduction to the approved Medicare rate increase calculation of 4.6%.

During the year 2022, each region exhibited an increase in Medicare revenue on a PPD basis. The largest increase of \$21.93 PPD occurred in 2021 in the Northeast, equating to an increase of 3.52%. The smallest increase occurred in the Southwest region of the country and represented a \$6.59 PPD increase, or 1.16%. Nationally, there was an increase from 2021 to 2022 of \$17.62 PPD, equating to an overall increase of 3%.

Attributing the trending increase to any one factor is likely not the case as there are a variety of factors at play driving this uptrend. Some of these factors may include improved admissions, documentation and coding processes, and policy changes made by the program itself. However, based upon the parity adjustment proposed by Medicare, we will likely see this uptrend begin to level off.

Medicare Gross Revenue per Medicare Day



	2020	2021	2022
Midwest	554.17	555.60	570.65
Northeast	622.54	622.42	644.35
Pacific	750.48	753.83	770.43
Rocky Mountains	584.03	590.39	606.60
Southeast	526.71	531.75	551.28
Southwest	558.88	569.41	576.00
National	565.59	568.20	585.82

BALANCE SHEET ANALYTICS

CURRENT RATIO

BACKGROUND

The current ratio is calculated by dividing the current assets by current liabilities. This ratio can help assess an organization's capacity to meet financial obligations within one year and measure the organization's overall financial health. An organization with a current ratio no less than 1.5 is considered healthy. On the contrary, a current ratio below 1.0 indicates that an organization's current assets cannot cover its current liabilities at a point in time. This ratio can also be misleading at times depending on the organization's financing structures.

THIS YEAR'S ANALYSIS

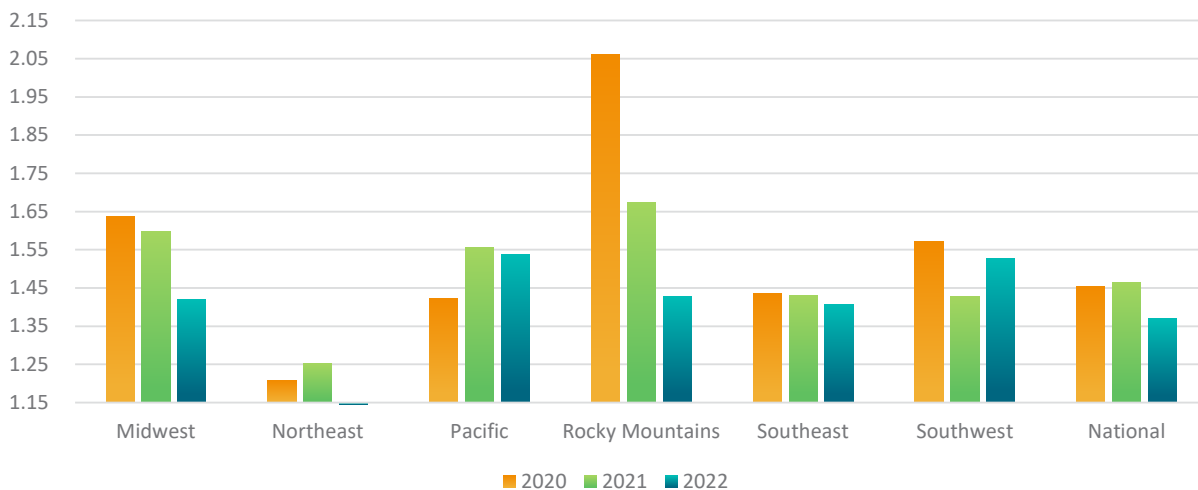
On a national basis, the current ratio remained consistent from 2020 to 2021 with a decrease from 2021 to 2022. The Midwest, Southeast, and Southwest had declines while the Rocky Mountains had the largest decrease from 2.06 to 1.67 from 2020 to 2021. The Northeast and Pacific were the only regions with improvements of 0.04 and 0.13, respectively, from 2020 to 2021. However, both the Northeast and Pacific regions experienced decreases in occupancy that point to the possibility of increases in the ratio; whether

temporary or permanent remains to be seen. The current ratio declined in all regions from 2021 to 2022 except for the Southwest, which improved by 0.10. We attribute this decrease to the following:

- Increase in occupancy coupled with staffing shortages have placed a significant demand on cash flow, for example, occupancy increases throughout each region from 2021 to 2022 ranging from 2.57% in the Midwest to 4.92% in the Rocky Mountains.
- A decrease in federal COVID funding.
- The Rocky Mountains continued with the largest decline from 1.67 to 1.43 from 2021 to 2022. It is important to note that the 2020 and 2021 figures are almost certainly impacted by Dept. of Health and Human Services (HHS) Provider Relief Funding (PRF) and the Paycheck Protection Program (PPP) loans. Without that additional funding, it is very likely the industry would have experienced a significant downturn. During 2022, unless providers applied for additional funding, funding were not given like they did in 2020 and 2021.



Current Ratio



	2020	2021	2022
Midwest	1.64	1.60	1.42
Northeast	1.21	1.25	1.15
Pacific	1.42	1.56	1.54
Rocky Mountains	2.06	1.67	1.43
Southeast	1.44	1.43	1.41
Southwest	1.57	1.43	1.53
National	1.45	1.46	1.37

DAYS IN ACCOUNTS RECEIVABLE

BACKGROUND

Days in accounts receivable (AR) are a measure of the average number of days it takes to collect payment after a service has been billed. In general, a lower ratio is indicative of quicker collections and consequently better cash flow.

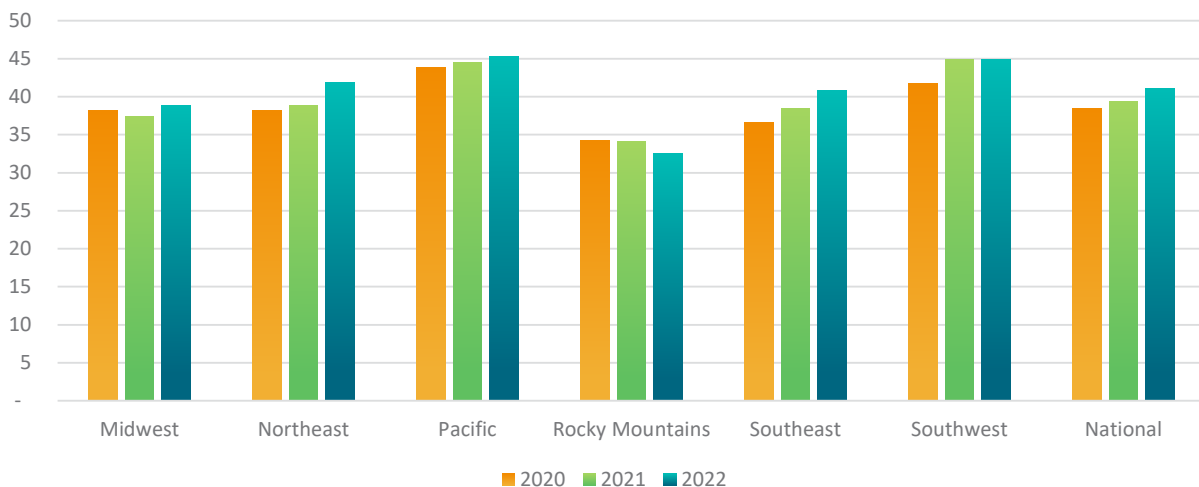
THIS YEAR'S ANALYSIS

The national average of days in accounts receivable has increased by one day from 2020 to 2021 and two days from 2021 to 2022 as presented in our analysis. The Pacific and Southwest continue to suffer from the slowest payors at 45 days, or nearly a month and a half. The Northeast and Southeast regions experienced the largest increase from 2021 to 2022, increasing from 39 to 42 days and 38 days to 41 days, respectively, in accounts receivable. The Rocky Mountains region remains consistent

decreasing by one day from 2021 to 2022 and continues its positive collections history at just over one month on average. Overall, the data displays minor consistent decline in days in accounts receivable.

Traditionally, it is our experience that if a provider's admission process and billing process are functioning correctly, days in accounts receivable should not exceed 45. While the above data suggests that the days are at or below 45 days, it represents a pooling of all payor sources. It is our experience that days in accounts receivable are significantly below 45 days for all non-Medicaid payors and significantly above 45 days for Medicaid. This is primarily attributable to Medicaid pending cases and can greatly impact an organization's cash flow.

Days in AR



	2020	2021	2022
Midwest	38	37	39
Northeast	38	39	42
Pacific	44	45	45
Rocky Mountains	34	34	33
Southeast	37	38	41
Southwest	42	45	45
National	38	39	41

DAYS IN ACCOUNTS PAYABLE

BACKGROUND

The days in accounts payable (AP) is a measure of the average number of days it takes a provider to pay its operating expenses. In general, the lower the days in accounts payable the better it is for providers as it indicates the ability to keep vendor payables current. Additionally, there is a direct correlation to higher days in accounts receivable, payor mix, and higher days in accounts payable.

THIS YEAR'S ANALYSIS

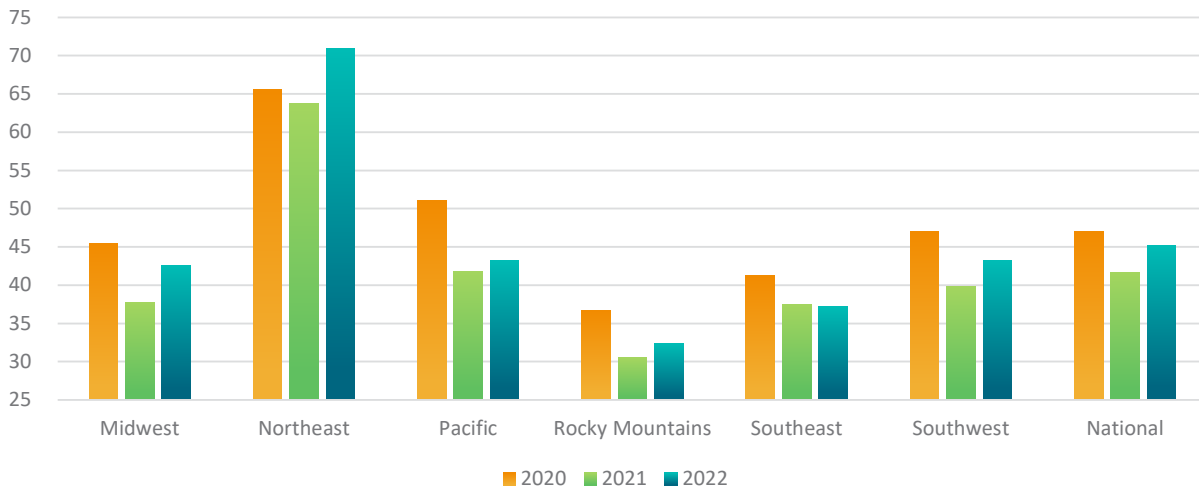
On a national basis, the days in accounts payable decreased from 2020 to 2021 from 47 days to 42 days while increasing from 2021 to 2022 from 42 days to 45 days. All regions decreased, ranging from the Northeast at two days to the Pacific at nine days in accounts payable from 2020 to 2021. In the following period from 2021 to 2022, all regions experienced reductions except for

the Southeast, which remained consistent. The Southwest region experienced a reduction of three days while both the Midwest and Northeast experienced increased of five days and seven days, respectively. The Northeast ratio is still high at 71 days, suggesting that providers take more than two months on average to pay their vendors. We speculate this increase in days in accounts payable is attributable to the following factors:

- Decrease of federal and state COVID-19 funds
- Increased inflation
- Increased use of nursing agencies to meet staffing needs

The Rocky Mountains once again had the lowest days in accounts payable, which is no surprise as it correlates with having the lowest days in accounts receivable as well (see separate chart).

Days in AP



	2020	2021	2022
Midwest	45	38	43
Northeast	66	64	71
Pacific	51	42	43
Rocky Mountains	37	30	32
Southeast	41	37	37
Southwest	47	40	43
National	47	42	45

APPENDIX



DATA REFERENCE TABLE

	OCCUPANCY %	NURSING SALARY PPD	LAUNDRY SALARY PPD	HOUSE- KEEPING SALARY PPD	DIETARY SALARY PPD	THERAPY SALARY PPD	NURSING HOURLY WAGE	LAUNDRY HOURLY WAGE	HOUSE- KEEPING HOURLY WAGE	DIETARY HOURLY WAGE
2020										
Midwest	72.13%	85.97	2.21	5.55	11.75	13.58	22.34	12.89	13.03	14.43
Northeast	78.21%	102.51	2.22	7.75	14.41	14.28	25.49	15.19	15.65	17.52
Pacific	77.97%	113.84	2.72	6.87	13.22	21.37	25.64	15.26	15.83	17.83
Rocky Mountains	69.36%	104.54	1.99	6.27	14.06	21.35	23.69	13.35	13.67	15.76
Southeast	76.20%	85.65	1.93	6.06	9.28	17.30	20.74	11.19	12.04	13.32
Southwest	61.88%	80.91	1.85	5.03	8.89	16.05	21.02	10.57	11.33	12.89
National	73.58%	91.38	2.16	6.07	11.45	15.69	22.70	12.89	13.31	14.87
2021										
Midwest	68.91%	85.64	2.20	5.63	12.05	13.18	24.06	13.43	13.64	15.45
Northeast	76.84%	99.92	2.12	7.69	14.25	14.51	27.15	15.42	15.97	18.17
Pacific	77.14%	117.39	2.96	7.32	13.93	20.21	27.30	15.83	16.32	18.82
Rocky Mountains	67.07%	99.98	2.03	6.36	13.75	19.29	25.64	14.26	14.76	16.97
Southeast	75.16%	85.48	1.97	6.20	9.71	17.30	22.49	11.78	12.71	14.32
Southwest	58.39%	81.64	1.81	5.17	9.10	16.08	22.30	10.75	11.82	13.59
National	71.93%	90.48	2.14	6.21	11.81	15.63	24.31	13.48	13.96	15.87
2022										
Midwest	71.48%	89.76	2.23	5.87	12.56	12.23	26.91	14.65	14.81	16.90
Northeast	82.02%	100.61	2.05	7.87	14.55	13.86	29.66	16.69	17.23	19.81
Pacific	81.52%	125.00	3.06	7.53	14.67	20.14	30.33	16.85	17.53	20.39
Rocky Mountains	71.99%	104.25	2.37	6.90	14.74	15.93	28.96	15.97	16.19	18.78
Southeast	79.59%	88.31	2.02	6.32	10.37	16.93	24.69	12.99	13.99	15.74
Southwest	61.54%	82.43	1.80	5.22	9.48	15.92	23.70	11.53	12.57	14.56
National	75.76%	93.97	2.18	6.43	12.45	15.05	27.01	14.86	15.35	17.44

DATA REFERENCE TABLE

	THERAPY HOURLY WAGE	TOTAL HOURLY WAGE	NURSING HOURS PPD	LAUNDRY HOURS PPD	HOUSE- KEEPING HOURS PPD	DIETARY HOURS PPD	THERAPY HOURS PPD	LAUNDRY – NONWAGE COST PPD	HOUSE- KEEPING – NONWAGE COST PPD	DIETARY – NONWAGE COST PPD
2020										
Midwest	36.40	20.71	3.88	0.17	0.43	0.82	0.38	0.68	1.34	9.92
Northeast	36.72	24.51	4.00	0.15	0.50	0.82	0.39	2.53	3.63	13.72
Pacific	43.84	25.14	4.50	0.18	0.43	0.74	0.50	2.13	3.27	10.11
Rocky Mountains	37.62	22.72	4.33	0.15	0.46	0.90	0.56	1.41	2.68	12.67
Southeast	38.76	20.00	4.17	0.17	0.51	0.72	0.45	1.81	3.24	12.49
Southwest	40.50	20.05	3.91	0.18	0.45	0.70	0.41	1.38	2.50	10.27
National	38.47	21.60	4.06	0.17	0.46	0.78	0.41	1.62	2.63	11.29
2021										
Midwest	35.96	22.13	3.62	0.16	0.41	0.78	0.36	0.63	1.20	10.17
Northeast	37.97	25.85	3.69	0.14	0.48	0.78	0.38	1.78	2.04	11.71
Pacific	42.88	26.72	4.34	0.19	0.44	0.74	0.47	1.06	1.89	10.84
Rocky Mountains	38.10	24.63	4.02	0.15	0.43	0.82	0.48	0.69	1.61	11.92
Southeast	38.55	21.54	3.85	0.17	0.49	0.69	0.45	1.03	2.08	12.06
Southwest	40.90	21.23	3.70	0.17	0.44	0.68	0.38	0.73	1.33	9.34
National	38.65	22.89	3.80	0.16	0.45	0.74	0.40	0.85	1.56	10.87
2022										
Midwest	37.35	24.26	3.40	0.15	0.40	0.75	0.32	0.66	1.30	10.95
Northeast	39.85	27.97	3.41	0.13	0.45	0.72	0.35	2.06	2.16	12.82
Pacific	45.10	29.17	4.14	0.18	0.42	0.72	0.43	1.13	1.85	11.79
Rocky Mountains	39.00	27.05	3.62	0.14	0.43	0.79	0.39	0.68	1.57	12.52
Southeast	39.31	23.41	3.65	0.16	0.47	0.67	0.44	1.01	1.98	12.55
Southwest	41.69	22.43	3.58	0.15	0.41	0.66	0.37	0.69	1.15	9.77
National	39.88	25.00	3.59	0.15	0.43	0.72	0.37	0.87	1.57	11.57

DATA REFERENCE TABLE

	THERAPY – CONTRACT COST PPD	NURSING – CONTRACT COST PPD	TOTAL GENERAL SERVICE COST PPD	TOTAL NURSING COST PPD	MEDICARE REVENUE PER MEDICARE DAY	TOTAL REVENUE PPD	MEDICARE REVENUE TO TOTAL REVENUE PERCENTAGE	NET INCOME/ LOSS PPD	BENEFITS/ SALARY	SALARIES AND EMPLOYEE BENEFITS TO TOTAL REVENUE
2020										
Midwest	16.08	7.59	111.13	103.39	554.17	324.68	15.70%	11.54	17.26%	48.77%
Northeast	14.79	12.08	135.17	123.14	622.54	430.23	15.45%	2.89	22.10%	45.38%
Pacific	19.31	4.35	153.20	133.27	750.48	430.68	26.91%	21.69	17.39%	47.96%
Rocky Mountains	11.71	9.49	133.25	124.42	584.03	386.90	14.71%	18.16	17.09%	46.70%
Southeast	16.86	6.70	110.01	103.74	526.71	333.49	19.02%	13.18	15.92%	42.45%
Southwest	18.07	3.88	96.42	94.75	558.88	283.22	22.71%	19.84	12.16%	47.35%
National	16.44	7.69	118.90	109.59	565.59	354.38	17.96%	12.55	16.93%	46.28%
2021										
Midwest	16.49	11.63	115.20	110.64	555.60	336.44	14.12%	4.34	16.84%	47.43%
Northeast	16.07	15.09	138.18	127.09	622.42	437.32	13.35%	5.08	20.43%	43.92%
Pacific	20.81	7.22	162.61	142.13	753.83	452.14	23.25%	16.06	17.39%	48.25%
Rocky Mountains	11.58	9.86	140.20	130.87	590.39	408.22	13.52%	10.02	16.85%	47.95%
Southeast	18.08	12.24	115.60	111.41	531.75	342.00	16.48%	10.96	15.55%	42.49%
Southwest	17.71	6.57	100.85	96.92	569.41	284.15	19.31%	15.96	12.05%	47.26%
National	17.15	11.14	123.28	116.00	568.20	362.16	15.84%	9.33	16.55%	45.73%
2022										
Midwest	15.40	18.63	117.71	119.89	570.65	343.13	0.14	(8.80)	15.67%	47.56%
Northeast	15.97	25.83	140.21	137.23	644.35	451.43	0.14	(10.53)	19.15%	42.77%
Pacific	19.32	14.88	171.50	156.29	770.43	481.00	0.26	8.45	15.97%	47.63%
Rocky Mountains	9.00	21.35	141.19	140.38	606.60	409.25	0.15	0.40	15.59%	46.08%
Southeast	17.55	19.67	118.27	117.92	551.28	353.45	0.17	3.70	14.49%	41.66%
Southwest	18.12	10.14	102.44	100.19	576.00	289.52	0.20	12.21	11.96%	47.02%
National	16.41	18.62	126.52	124.98	585.82	374.32	0.16	(1.93)	15.50%	45.37%

DATA REFERENCE TABLE

	QUICK RATIO	CURRENT RATIO	DAYS IN AR	DAYS IN AP	DAYS CASH ON HAND	TOTAL COST PPD	RN HOURLY WAGE	LPN HOURLY WAGE	CNA HOURLY WAGE	HEALTH INSURANCE PPD
2020										
Midwest	1.63	1.64	38	45	77	290.88	33.59	26.77	16.55	9.49
Northeast	1.20	1.21	38	66	97	358.20	39.08	29.62	18.46	14.62
Pacific	1.42	1.42	44	51	78	392.20	42.82	31.65	18.46	8.96
Rocky Mountains	2.05	2.06	34	37	83	346.24	35.99	28.38	16.56	10.15
Southeast	1.43	1.44	37	41	66	294.06	33.47	25.73	14.73	8.18
Southwest	1.57	1.57	42	47	65	258.19	36.15	26.76	14.23	3.96
National	1.45	1.45	38	47	75	306.97	35.70	27.44	16.34	9.08
2021										
Midwest	1.59	1.60	37	38	18	315.35	35.57	28.72	17.99	9.25
Northeast	1.24	1.25	39	64	48	371.71	41.20	31.56	19.91	12.84
Pacific	1.56	1.56	45	42	16	421.28	45.44	33.88	19.59	9.14
Rocky Mountains	1.67	1.67	34	30	22	366.71	38.11	30.67	18.04	9.91
Southeast	1.42	1.43	38	37	16	314.89	35.64	27.87	16.18	7.39
Southwest	1.42	1.43	45	40	14	272.75	38.20	28.12	15.01	3.83
National	1.46	1.46	39	42	21	333.51	37.58	29.31	17.68	8.41
2022										
Midwest	1.40	1.42	39	43	10.80	323.90	39.12	32.09	20.40	7.84
Northeast	1.14	1.15	42	71	26.08	383.51	44.95	35.03	21.90	11.16
Pacific	1.53	1.54	45	43	3.79	444.32	50.02	37.55	22.12	8.86
Rocky Mountains	1.42	1.43	33	32	6.09	374.84	42.21	34.12	21.17	8.92
Southeast	1.40	1.41	41	37	13.60	325.86	38.20	30.87	18.33	6.24
Southwest	1.52	1.53	45	43	9.41	276.54	40.16	30.15	16.66	3.50
National	1.36	1.37	41	45	13.25	344.35	40.84	32.71	20.11	7.61

DATA REFERENCE TABLE

	WORKERS COMPENSATION PPD	NET INCOME (WITHOUT PHE FUNDING)	CONTRACT RN HOURLY RATE	CONTRACT LPN HOURLY RATE	CONTRACT CNA HOURLY RATE
2020					
Midwest	2.24	(15.97)	60.82	49.60	33.24
Northeast	4.08	(23.46)	62.68	49.68	31.32
Pacific	6.41	(0.51)	63.41	50.71	33.71
Rocky Mountains	3.38	(12.38)	60.33	49.84	33.64
Southeast	2.08	(9.93)	57.10	47.36	30.40
Southwest	1.33	(4.92)	62.67	50.15	30.52
National	2.64	(13.38)	61.50	49.58	32.02
2021					
Midwest	2.23	(18.71)	65.06	53.05	35.49
Northeast	3.84	(21.81)	68.16	54.45	32.78
Pacific	6.90	0.52	72.26	59.27	38.95
Rocky Mountains	3.54	(11.16)	65.66	56.16	35.55
Southeast	1.99	(8.20)	61.00	51.83	33.00
Southwest	1.24	(3.91)	67.11	52.72	32.30
National	2.49	(12.52)	65.63	53.95	34.93
2022					
Midwest	2.03	(20.20)	68.24	56.78	37.97
Northeast	3.59	(31.22)	73.26	59.99	36.50
Pacific	6.12	(5.47)	79.92	63.64	42.07
Rocky Mountains	3.32	(9.99)	73.79	62.97	39.51
Southeast	1.93	(3.71)	64.91	54.43	34.63
Southwest	1.21	(7.24)	66.07	52.36	31.51
National	2.35	(14.62)	69.83	57.04	36.92

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