



2024

BENCHMARK REPORT

For Skilled Nursing Facilities In Maryland

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Introduction

2023 was the dawn of a new era for Maryland's skilled nursing facilities. After working through difficult changes and uncertainties over the past few years, the healthcare industry has regained solid footing and adjusted to the "new normal" of the post-pandemic world. Though 2023 has brought about its own challenges, Maryland's skilled nursing facilities continue to strive to provide the best possible care to their residents — no matter the circumstances.

As skilled nursing facilities have always done in the past, they faced challenges coming up with solutions to continue to provide the safety and best care possible for their residents while attempting to navigate this "new normal."

As reported in our benchmark reports the last several years, COVID-19 had a significant and sometimes detrimental financial impact on all facilities. Costs associated with resident care rose to the highest levels ever experienced. While staff shortages resulted in the need to use agency staffing, high costs also stemmed from hazard pay, significant purchases of personal protective equipment, and re-configuration of facilities to allow for improved social distancing and ventilation systems.

Once facilities started putting these costs behind them, they were faced with more burden in the form of inflation during 2022, which continued into 2023. In 2023, facilities not only began experiencing the effects of rising interest rates associated with debt sometimes needed to finance these additional costs, but also increasing property taxes due to the current state of the real estate market.

While we hoped facilities would start seeing a rightsizing in 2023, the total cost to care for a resident increased even *more* in 2023 as compared to 2022.

Although the current year's increase of \$13.67 PPD is not nearly as significant as the \$35.81 PPD increase seen in 2020, at the height of the pandemic, it is consistent with the \$15.71 PPD increase seen in 2021 but unfortunately, much larger than the \$6.24 PPD increase seen in 2022.

Fortunately, from 2020 through 2022 and for portions of 2023, the majority of the facilities were able to take advantage of the federal government's Provider Relief Funds (PRF) program, which brought welcome relief to these rising costs. Other federal programs during this time, such as the Paycheck Protection Program and the Employee Retention Credit, have also been a source of funding for many healthcare providers. Unfortunately, these programs have ended and while some facilities continued to see funding from the state or other federal programs in 2023, facilities have been, for the most part, left on their own to determine how to continue to cover the long-lasting effects of the pandemic.

Despite the current year increases, skilled nursing facilities have survived the unthinkable and came out on the other side stronger, ready to continue their mission of providing the highest level of quality care to our vulnerable but important senior population. We will always be proud to work closely with Maryland's senior care community.

Find Out How Your Facility Measures Up

Knowing how your facility compares to others in the state and your region can help you measure the effectiveness and efficiency of your operations. By comparing your costs and census to other providers, you can see where your costs are higher or lower, and where you are falling short. This information can help you implement cost containment options in specific cost areas.

The information presented in this benchmark study is just a small snapshot of data gathered over the past 15 years, with the past five years presented in this report. Since this data incorporates all skilled nursing facilities that filed a Maryland Medicaid cost report, we have the ability to provide a scorecard specific to your skilled nursing facility. The scorecard will show your facility's data alongside statewide, regional and county data.

To request your facility's scorecard, visit: <https://bit.ly/MDSNFscorecard>.

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Development Of Data And Ratios

The following is based on information reported on the Maryland Department of Health Nursing Home Uniform Cost Report, filed by all Maryland skilled nursing facilities participating in the Maryland Medicaid program, with years ended in 2019 - 2023. All cost data used throughout this benchmark report was based on the "as adjusted" column of the filed cost reports.

Disclaimer

As you may suspect, there is always a disclaimer when it comes to analysis, and here it is: the analysis of this data is based on the opinions and experience of our healthcare consultants. Our analysis assumes that the Medicaid cost report data was properly reported in the years analyzed (2019 - 2023). It does not take into account any audit adjustments made by state auditors who might have moved costs between cost centers and line items. As a result, actual results could vary from those documented in this report. However, based on our experience and the extensive data collected, we are confident that any variance would not be material or cause a different interpretation of the data.

The information in this report represents data from the number of skilled nursing facilities in Maryland that filed a Medicaid cost report for each of the following years:

Year	Total	Baltimore Metro	Central	Non Metro	Washington Metro	Western Maryland
2019	209	65	27	33	64	20
2020	209	65	27	33	64	20
2021	206	64	27	32	63	20
2022	206	64	27	32	63	20
2023	204	64	26	31	63	20

Note: The number of cost reports filed each year can change for various reasons, such as the opening of new facilities as well as mergers and acquisitions between facilities. Some providers in this report do not always have Medicaid residents, meaning they are not required to file a Medicaid cost report in that year. The change in reporting facilities in 2023 was a result of two facilities closing during the year, one newly reporting facility and one facility not reporting. The effect of non-reporting facilities could have an impact on the data analytics, but we believe any variances caused would be insignificant to the data analytics as a whole.

The Baltimore Metro region includes both Baltimore County and Baltimore City. The Central region includes Anne Arundel, Carroll and Howard Counties. The Washington Metro region includes Charles, Frederick, Montgomery and Prince George's Counties. The Western Maryland region includes Allegany, Garrett and Washington Counties. The Non Metro region encompasses the remaining Maryland counties.

In addition to information by region, this report includes benchmarks broken down by the size of facilities, which we have grouped into four categories. Statistics are summarized by facilities as follows: 1 - 44 beds (facilities falling below the Quality Assessment fee threshold), 45 - 99 beds, 100 - 199 beds and 200+ beds.

Year	Total	1 - 44 Beds	45 - 99 Beds	100 - 199 Beds	200+ Beds
2019	209	8	50	137	14
2020	209	8	50	137	14
2021	206	7	49	136	14
2022	206	8	49	134	15
2023	204	8	49	134	13

We also provided benchmarks broken down by the type of facility (i.e., nonprofit versus for-profit).

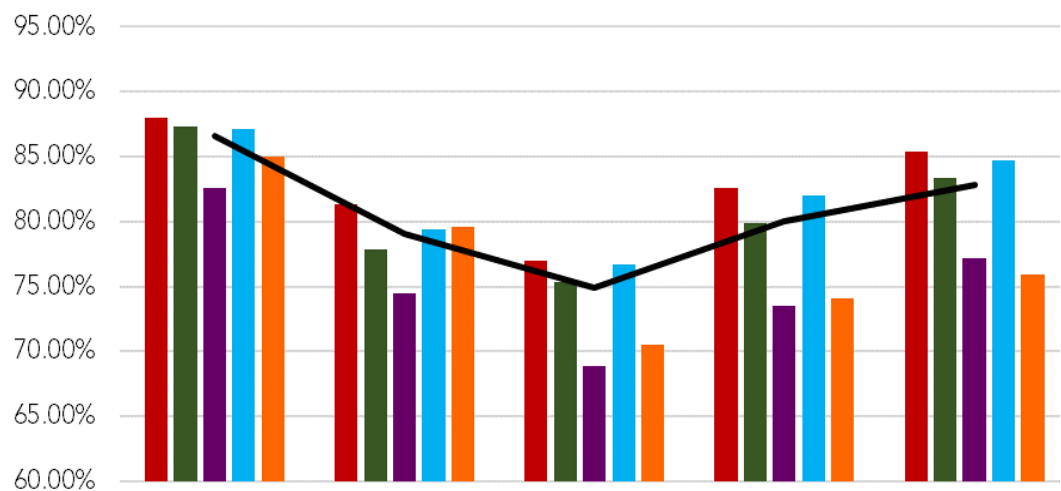
Year	Total	Nonprofit	For-Profit
2019	209	48	161
2020	209	48	161
2021	206	46	160
2022	206	44	162
2023	204	43	161

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Occupancy Percentage

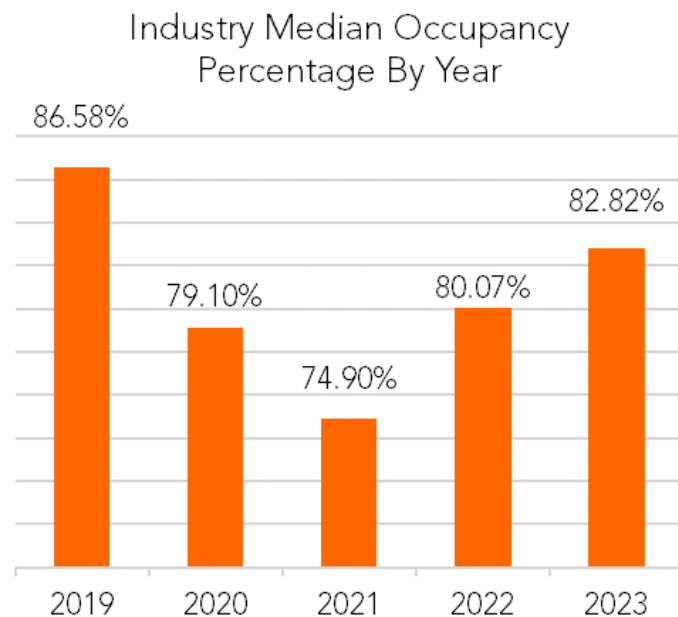
A facility's occupancy percentage is determined by dividing the total resident days per year by the available bed days (number of beds times 365 or 366) for the same year. Since 2020 was a leap year, we used 366 days in the calculation.

Median Occupancy Percentage By Year



Region	2019	2020	2021	2022	2023
■ Baltimore Metro	88.01%	81.31%	77.03%	82.56%	85.39%
■ Central	87.33%	77.88%	75.33%	79.85%	83.31%
■ Non Metro	82.60%	74.49%	68.89%	73.55%	77.19%
■ Washington Metro	87.13%	79.40%	76.72%	82.05%	84.70%
■ Western Maryland	85.04%	79.56%	70.53%	74.13%	75.89%
— Industry	86.58%	79.10%	74.90%	80.07%	82.82%

As our annual benchmark reports have shown over the years, Maryland facilities have seen a decrease in the median occupancy each year through 2021. Several factors have played into this steady decline, including more alternative options for senior care, such as assisted living, home care and the use of telemedicine. While these options and others still exist, there is no doubt that the biggest contributor to the decline in occupancy percentage over the last several years was directly related to the pandemic. While the pandemic continued into



2023, facilities have continued to see a rebound of the occupancy rates. Though the increase in 2023 was not nearly as significant compared to 2022, the data shows that facilities are inching their way back to the occupancy levels seen in 2019, prior to the start of the pandemic.

Factors that drove occupancy down in the last three years, such as COVID-19-related deaths, the inability to accept new residents due to quarantine protocols and decreased Medicare short stays, continue to diminish due to vaccines, outpatient procedures resuming and facilities dealing with outbreaks better within their facility. Facilities, and the rest of the world, have realized the virus is here to stay and will be part of our everyday lives.

As noted in the graphic above, the overall industry occupancy percentage between 2022 and 2023 increased 2.75%. This is a result of total comprehensive days for all facilities increasing from 7,384,455 to 7,605,478 days, an increase of 221,023 days, or 606 residents. While this increase in occupancy seems significant in terms of days and residents, the increase simply continues to return facilities back to where they were operating when the pandemic began in 2020. Facilities still have not returned to the full occupancy percentages seen prior to the pandemic in 2019 (86.58%) and continue to be 3.76% below where occupancy percentages were at that time. However, this is significantly lower than the 11.68% decrease seen when comparing 2019 to 2021 when occupancy dropped to the lowest seen since tracking the data 15 years ago.

As expected, all five regions saw an increase in occupancy percentage. The increases ranged from 1.76% to 3.64% from 2022 to 2023 (compared to increases of 3.60% to 5.53% in 2022), with the Non Metro region experiencing the largest percentage increase and the Western Maryland region experiencing the smallest percentage increase.

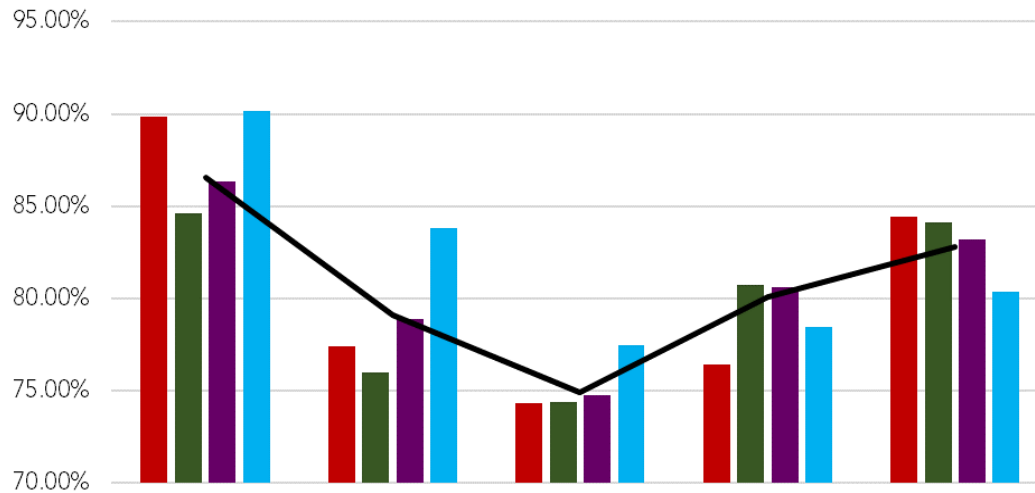
Most of the five regions continue to offset the large occupancy losses seen in 2021, except the Western Maryland region. This region saw a 9.03% decrease in occupancy in 2021, but only a small increase of 1.76% in 2023 and 3.60% in 2022. While most of the regions have continually gotten closer to occupancy rates seen in 2019, the Western Maryland region still sees current occupancy rates at 9.15% less than 2019, or the last true non-COVID impacted year in our data. This shortage is nearly double that of the next closest region, Non Metro, which still shows occupancy rates at 5.41% less than that seen in 2019. This dramatic shift in occupancy for the Western Maryland region was a result of how the pandemic affected certain areas within the state.

In 2020, regions such as Central, Baltimore Metro and Washington Metro had significant losses in occupancy compared to the Western Maryland region since the initial cases of COVID-19 presented primarily in densely populated regions.

The least impacted facilities reside in both the Washington Metro and Baltimore Metro regions. These regions have seen occupancy losses of 2.43% and 2.62%, respectively, since 2019, which is significantly lower than the overall industry loss of 3.76% and a quarter of what the Western Maryland region has experienced.

It's important to note that the number of available comprehensive days available plays an important factor in both the industry and regional occupancy levels. As noted in the prior year benchmark report, the industry saw a decrease of 195,559 available comprehensive days, which equates to approximately 536 beds going offline in 2022. While available comprehensive days continued to decrease in 2023, the decrease was not nearly as significant as in 2022. In 2023, available comprehensive days decreased only 38,585 days, or approximately 106 beds. All regions, except the Baltimore Metro region, saw a decrease in their available comprehensive days in 2022. In 2023, the data is quite the opposite with the Baltimore Metro region losing 157,123 available comprehensive days, or approximately 430 beds. This decrease was unexpected given that the two facilities that closed during 2023 were in the Central and Washington Metro regions. While the Washington Metro region saw a respective decrease in available comprehensive days of 72,101, or approximately 198 beds, the Central region actually saw an increase of available comprehensive days of 81,403, or approximately 223 beds. These changes suggest that facilities across the region continue to evaluate and reorganize how they are structured.

Median Occupancy Percentage By Facility Size



Facility Size	2019	2020	2021	2022	2023
1 - 44 beds	89.84%	77.41%	74.34%	76.40%	84.42%
45 - 99 beds	84.63%	75.98%	74.41%	80.71%	84.10%
100 - 199 beds	86.36%	78.89%	74.75%	80.59%	83.21%
200+ beds	90.13%	83.79%	77.47%	78.45%	80.38%
Industry	86.58%	79.10%	74.90%	80.07%	82.82%

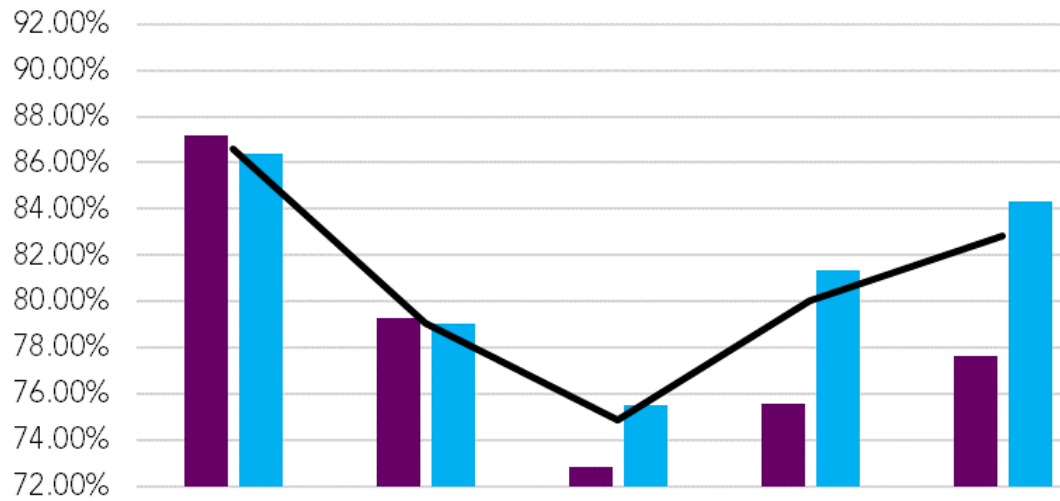
Prior to 2020, facilities with 1 - 44 beds had occupancy percentages higher than the industry average. Unfortunately, COVID-19 had the most significant impacts on these same size facilities in both 2021 and 2020. In 2022, these same facilities saw a modest increase in occupancy of 2.06%. However, in 2023, they stood out with the largest increase of occupancy at 8.02%. While they have not returned to the pre-pandemic occupancy level of 89.84% seen in 2019, they are no longer the lowest rated occupancy facilities in 2023 and are finally seeing occupancy levels higher than that of the industry at 84.42%, compared to the industry average of 82.82%. It is important to note is that this occupancy increase did not increase due to a dramatic increase in the numbers of residents in facilities. The increase in occupancy percentage is directly related to the decrease in the number of available comprehensive beds in that group (16,632 and 14.56% decrease) and the decrease in total comprehensive days (4,872 and 5.58% decrease). In this case, mathematics is a contributing factor to the increase. Since total comprehensive days did not decrease at the same level/percentage as total available comprehensive days did, the occupancy change results in an increase, and a significant one at that. The largest group impacted by the pandemic is facilities with 200+ residents.

These size facilities have seen the largest decrease in occupancy since 2019, with a total percentage occupancy loss of 9.75%, down from 11.68% due to a modest increase of 1.93% in 2023, which was the lowest increase seen by all the facility types. This is a stark comparison to the 8.02% increase seen in the facilities with 1 - 44 beds, though comparable and only slightly lower than the 2.75% average seen in the industry. Facilities with 200+ beds are the only facilities that are averaging lower in occupancy to the industry as a whole. These facilities also saw a significant decrease in available comprehensive bed days (153,730 and 11.77% decrease) and total comprehensive days (95,438 and 9.09% decrease). Factoring in mathematics again, since the decrease in both sets of days were more comparable to one another than that of the 1 - 44 bed facilities, 200+ bed facilities still had an increase but not nearly as significant as expected.

Facilities with 45 - 99 beds saw the next largest increase in occupancy percentage behind the 1 - 44 bed facilities at 3.39% in 2023. Facilities of this size actually saw an increase in both available comprehensive days of 41,062 and total comprehensive days of 78,724. Therefore, these facilities not only brought more beds online (approximately 112 beds) that were completely occupied, but these facilities also placed an additional 103 residents in the current year, bringing their total increase to approximately 216 beds/residents.

While the 100 - 199 bed facilities saw a smaller increase in occupancy of 2.62% in 2023 compared to facilities with 45 - 99 beds, these facilities saw the largest days/resident increase of all facilities. Facilities with 100 - 199 beds saw an increase of 212,709 total comprehensive days in 2023 or approximately 583 residents. This number far outweighs the increase in total available comprehensive days of 50,055 or approximately 137 beds. Facilities with 100 - 199 beds are also the only facilities to have started seeing occupancy levels near pre-pandemic levels. Facilities of this size lag only 0.53% behind in 2023 compared to the occupancy rate of 84.63% seen in 2019.

Median Occupancy Percentage By Facility Type



Facility Type	2019	2020	2021	2022	2023
Nonprofit	87.20%	79.31%	72.85%	75.62%	77.63%
For-Profit	86.39%	79.04%	75.52%	81.36%	84.31%
Industry	86.58%	79.10%	74.90%	80.07%	82.82%

In terms of the type of facility, both nonprofits and for-profits were consistent with the industry average each year pre-COVID. However, nonprofit facilities fared worse in the pandemic. Nonprofit facilities have lost a total occupancy percentage of 9.57% since pre-pandemic levels in 2019, while for-profit facilities have only seen a total loss of 2.08%. Current year increases by both types of facilities were much more consistent in 2023, compared to 2022 with for-profit facilities seeing a 2.95% increase in occupancy, and nonprofit facilities seeing a 2.01% increase. In contrast, for-profit facilities saw a 5.84% increase in 2022, while nonprofit facilities saw half of that increase at 2.77%.

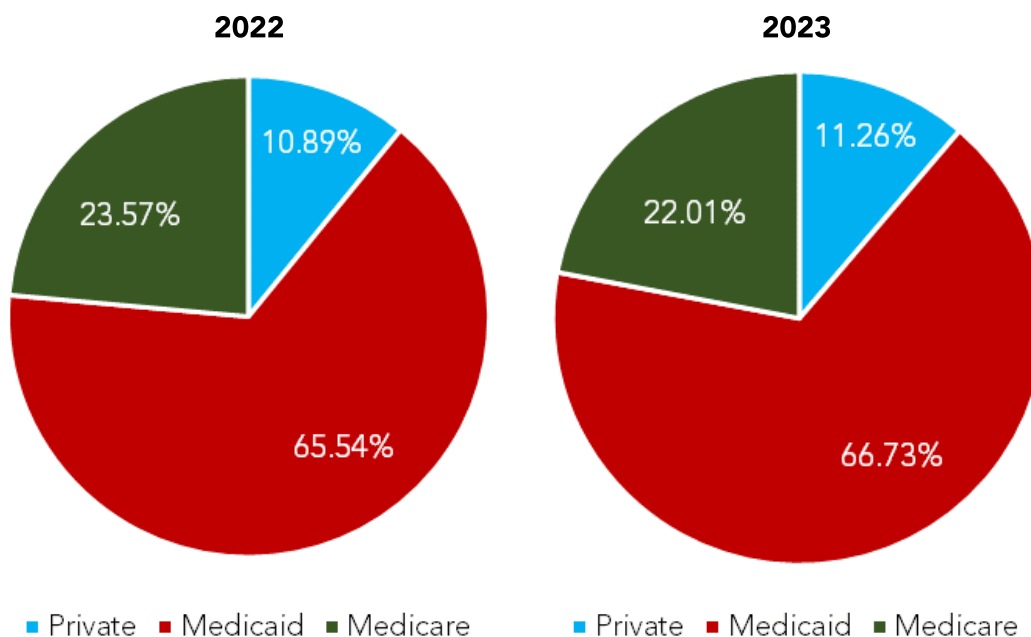
While both types of facilities saw a comparable increase in occupancy, it should be noted that the increase in total comprehensive days for for-profit facilities was much more significant than the increase seen by nonprofit facilities. Total comprehensive days for for-profit facilities increased 194,199 or 532 residents, while nonprofits facilities increased only 26,824 days or 73 residents. It's important to note that available comprehensive days decreased comparably for both types of facilities, with for-profit facilities losing 19,516 available comprehensive days or approximately 53 beds, and nonprofit facilities losing 19,069 available comprehensive days or approximately 52 beds.

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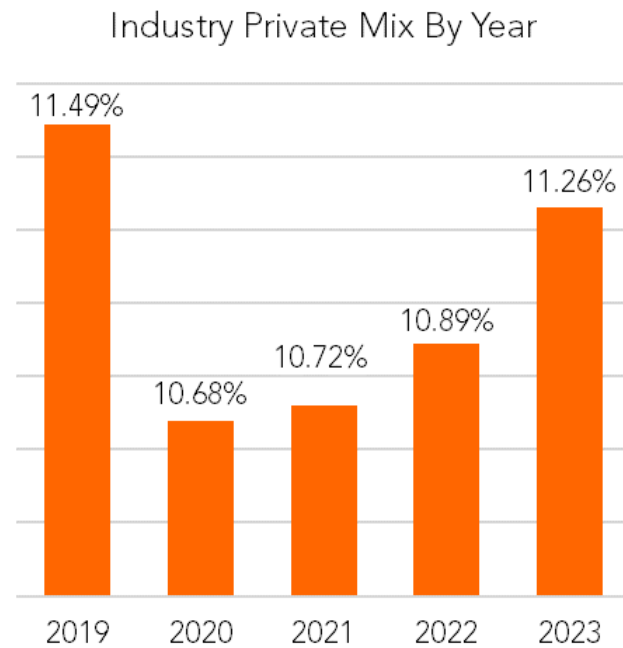
Average Payor Mix

A facility's average payor mix is determined by dividing the total number of resident days, by type, by the total resident days for the year. The average payor mix measures the use of third-party payors versus private payors. (Private payors may include private insurance coverage.)

Average Payor Mix By Year



During 2023, the percentage of resident days covered by the Medicaid program increased from 65.54% to 66.73%, a change of 1.19%. As with prior years, the total number of Medicaid resident days continues to increase within the industry. In 2023, total Medicaid days within the industry increased 235,442 days or approximately 645 residents. This increase exceeds the 148,843 Medicaid days or 408 residents increase seen in 2022. However, the industry continues to be 0.34% below the 67.07% Medicaid concentration it saw in 2019 prior to the start of COVID-19. From a percentage basis, the increase in Medicaid concentration results in a significant swing in the Medicare payor and private payor concentration in 2023.



The percentage of Medicare concentration decreased 1.56% in 2023 to 22.01%. In 2022, the industry saw the highest Medicare concentration since we started tracking the data in 2009. This was a direct result of facilities re-organizing to take on more higher-paying short-stay residents with Medicare to counteract the effects of the pandemic and fill empty beds seen by the shortfall of private and Medicaid residents. As the effects of the pandemic started to balance out and “new norms” were created in 2023, this re-organization is no longer as prevalent as it was in 2022. In 2023, the industry saw a decrease of 67,046 total Medicare days, or approximately 184 residents.

In 2023, the percentage of private concentration increased 0.37% compared to 2022, or 52,545 days (approximately 144 residents). This year is the first year that the industry has seen the private payor concentration exceed 11% since the start of the pandemic at 11.26%, compared to 11.49% in 2019. Private payor days increased comparably to Medicaid days in 2023, with increases of 221,023 days or approximately 606 residents. However, the industry struggles more to return private payors to their facilities post-pandemic, with a shortfall of approximately 1,707 private residents compared to 1,215 Medicaid residents.

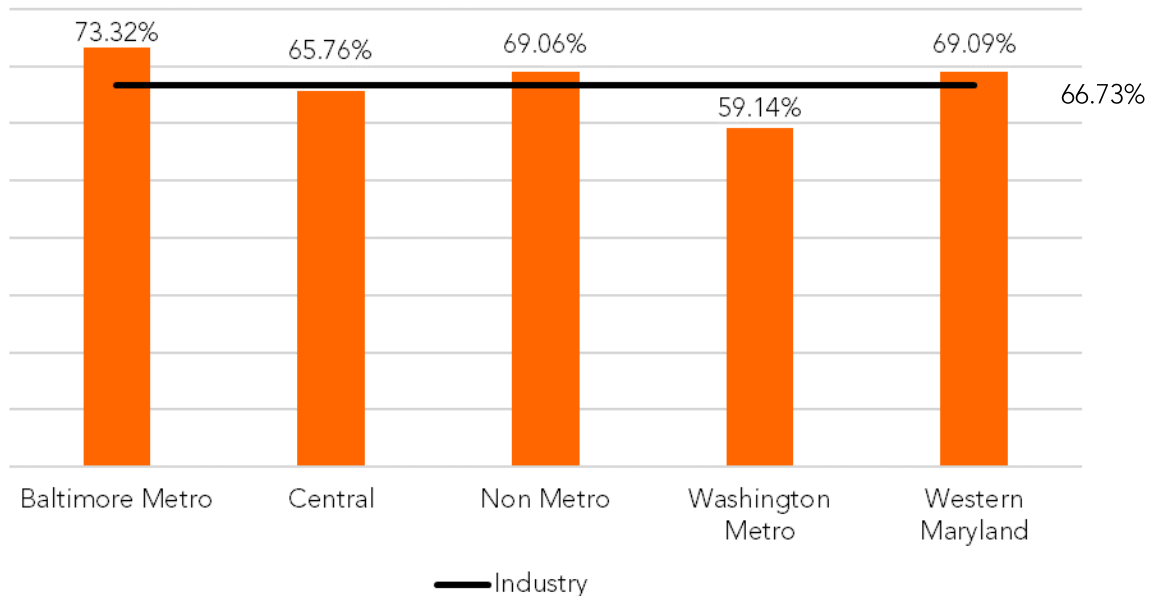
We expected this increase to continue into 2023 when analyzing the data in the prior year as the effects of the pandemic continued to level off in our post-pandemic world. The increases in the last four years are actually considered anomalies because trends continue to show that a growing number of the elderly population in skilled nursing facilities are relying on government programs (still primarily Medicaid) to fund their long-term care each year. We expect that the private concentration will level off in 2024 and beyond as these trends continue.

Since 2009, the number of residents who depended on government agencies to fund their care has increased 6.67% (2023: 88.74% and 2009: 82.07%). The current government agency dependency in 2023 is very consistent with the 88.51% concentration seen in 2019, indicating that mix concentrations are leveling out and will continue to do so as we learn to live with the virus in facilities and our communities.

The changes in average payor mix for the state generally hold true for all five regions. Even though it's not shown here, several regions fall well below the five-year industry averages. While the average industry private mix based on the last five years is approximately 11.01%, the Baltimore Metro region continues to fall short at 10.29% for the same five-year period. All the other regions in Maryland continue to see their five-year average private payor mix trend higher than the overall industry average, with the Western Maryland region seeing the highest five-year private payor mix of 12.15%. Prior to 2022, the Washington Metro region always had significantly higher five-year industry averages than the industry and other regions, most likely due to the higher median income of Montgomery County. However, the Washington Metro region continues to experience a decline in its private mix each year. For 2023, this region nearly matched the industry private five-year average at 11.06% compared to 11.01%. This decline is expected to continue and the Washington Metro region will fall short of the industry for the first time in 2024. In terms of current year changes, the Non Metro region saw the largest decrease in the private payor mix in 2023, with a 1.51% decrease compared to 2022. This decrease is directly related to the one non-reporting facility during 2023 and we expect this to return to normal in 2024. All other regions saw increases in their private payor mix, ranging from 0.25% in the Central region to 1.11% in the Western Maryland region.

The Washington Metro region continues to see the largest shift in private mix since the pre-pandemic levels of 2019 with a decrease of 1.19%. Again, this is consistent with wealthier counties being included in the Washington Metro region, causing a shift in their mix as residents move to alternative types of healthcare. The Central region continues to see their private payor mix return to pre-pandemic levels and then some. The private payor mixes for this region increased 1.18% since 2019.

Regional Medicaid Mix (2023)



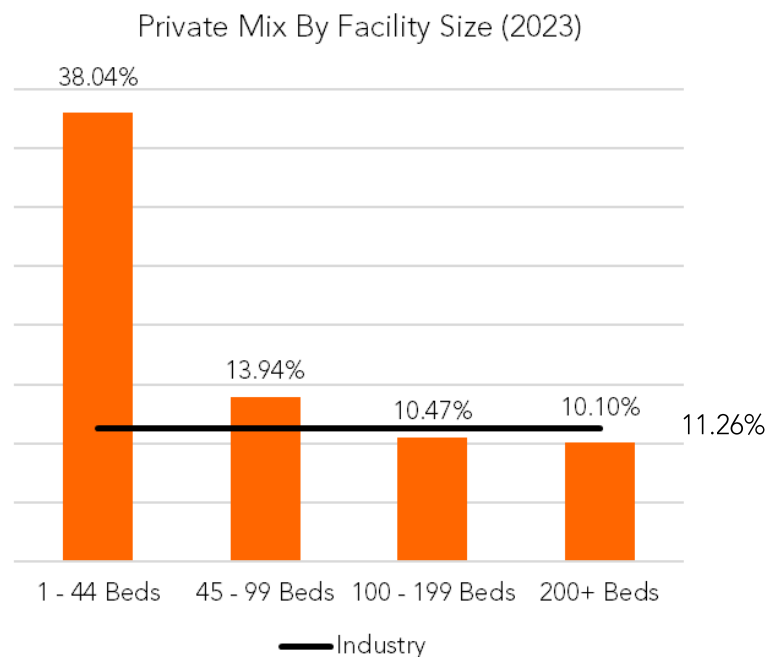
While the overall industry Medicaid mix for 2023 was 66.73%, three regions saw significantly higher Medicaid mixes within their region. This includes the Baltimore Metro region at 73.32% (6.59% higher), the Western Maryland region at 69.09% (2.36% higher) and the Non Metro region at 69.06% (2.33% higher). The Washington Metro and Central Metro regions fell below the industry average at 59.14% (7.59% lower) and 65.76% (0.97% lower), respectively. Three regions, Non Metro, Baltimore Metro and Central, saw an increase in their Medicaid dependency in 2023 with the Non Metro region experiencing the largest increase of 3.95%, followed by the Baltimore Metro region at 2.38% and the Central region at 1.52%. The Washington Metro and Western Maryland regions both saw decreases in the current year. The Washington Metro region saw losses of 0.86% while the Western Maryland region's losses were more modest at 0.05%.

Prior to 2022, all five of the regions were seeing their Medicaid mix trend lower than that of their pre-pandemic levels in 2019. However, in 2023, due mainly to the large increases noted above, the Non Metro, Baltimore Metro and Central regions have all returned and outweighed their Medicaid mixes seen prior to the start of the pandemic. These regions range from 1.19% (Central) to 1.79% (Baltimore Metro) higher than the Medicaid mix concentrations seen in 2019. Both the Washington Metro and Western Maryland region lag 2.98% lower than what was seen in 2019.

Since 2009, the Baltimore Metro region has routinely shown the largest dependency on Medicaid in terms of resident days. In 2023, Medicaid covered approximately 4,921 residents in long-term care facilities in the Baltimore Metro region, which continues to be higher than the combined total of the Central, Non Metro and Western Maryland regions (approximately 4, 869 residents). This gap narrowed significantly in 2023 due to a large decrease in the number of available comprehensive bed days and total comprehensive days in the Baltimore Metro region, as compared to these other three regions, which saw significant increases in the same two areas. For years, the Baltimore Metro region has led with the largest dependency on government agencies. This shifted in 2022 when the Washington Metro region took the top spot and now has shifted again in 2023 with the Non Metro region taking over as the highest region for government dependency at 89.28%. This shift was a result of the Non Metro region being the only region to show an increase in their government dependency in 2023, with an increase of 1.51%, and the Western Maryland region experiencing the largest decrease at 1.11%. The remaining three regions saw decreases ranging from 0.25% to 0.82% during the current year. The Central region continues to fall below the industry with a 1.51% variance but is now joined by the Western Maryland region at 1.40% variance due to the significant decrease noted above.

In comparing the 2019 pre-pandemic rates, all regions except the Baltimore Metro and Central regions have seen an increase in their government dependency percentage. However, the Baltimore Metro region is much closer with a 0.39% variance compared to the 1.18% variance seen by the Central region.

It is important to note how the size of a facility affects the percentage of its government dependency and payor mix. While the average industry private mix sits at 11.26% for 2023, facilities with 1 - 44 beds continue to have the greatest percentage of private payors, as seen through their private payor mix of 38.04%. As a result, from a percentage perspective, these facilities have the lowest combined percentage of Medicaid and Medicare payors (61.96%).

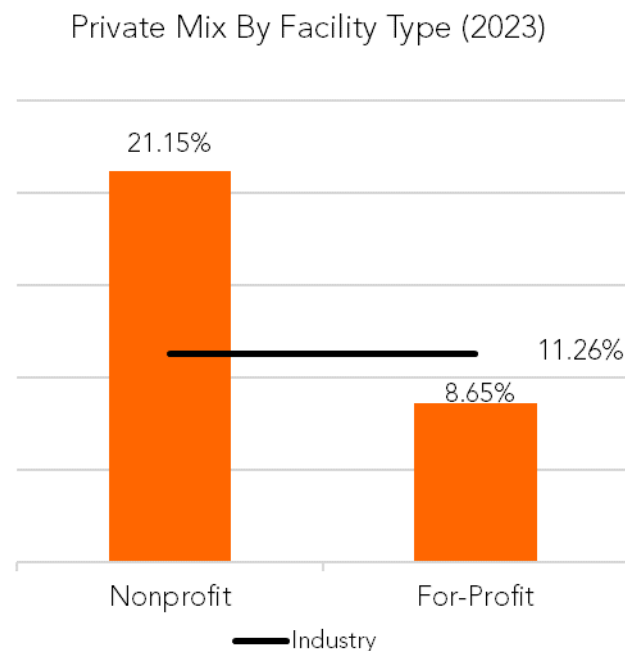


However, these facilities had the largest percentage decline in private pay in 2023, approximately 0.85%. This negative percentage result is contrary to the overall increase of private pay residents that the industry experienced in 2023. In reviewing the makeup of payor types for these smaller facilities, the percentage decrease in private pay directly correlates to the significant percentage increase in Medicaid residents during 2023, compared to 2022, which saw a 2.44% increase. Additionally, of the 13 residents lost in the 1 - 44 bed facilities, seven were private residents, and the remaining six were Medicare residents, which explains the 1.59% decrease seen in these facilities' Medicare concentration. Facilities with 200+ beds have the lowest number of private payors (10.10%), which is a shift from 2022, where the lowest percentage was held by facilities with 100 - 199 beds. This shift was a result of the 0.58% increase seen in the private mix of the 100 - 199 bed facilities, yet these facilities are still comparable to 200+ bed facilities at 10.47%. This, in turn, means that facilities with 200+ beds have the largest government dependency rate at 89.90%, followed right behind by 100 - 199 bed facilities at 89.53%.

When comparing 2023 rates to 2019 pre-pandemic rates, facilities with 1 - 44 beds continue to see the biggest swing in private mix with an increase of 4.01%, which translates to a 4.01% less dependency on government agencies. This decreased dependency is directly related to these size facilities' dependency on Medicaid, which continues to lag by 4.15% compared to 2019. Facilities with 200+ beds have not only returned to pre-pandemic private mix levels but have seen a moderate increase of 0.04% since 2019. Facilities with 45 - 99 beds and 100 - 199 beds continue to lag where they were in 2019, with shortages of 0.78% and 0.26%, respectively. Outside of 200+ bed facilities, the remaining size facilities continue to see their Medicare dependency return to and exceed their pre-pandemic rates.

Since no two institutions are the same, facilities must also compare themselves to the type of facility they are competing against. As noted earlier, there are far more for-profit facilities in Maryland than nonprofit facilities. While the average consumer may see little difference from the outside looking in, each type of facility comes with its own set of obstacles to overcome, especially payor mix and how revenue stream affects a facility's operations. The statistics show for-profit facilities have more difficulty maintaining private mix within their facilities, and while for-profit facilities saw a 0.45% increase in their private concentration in 2023 from 8.20% in 2022, these types of facilities still maintain private concentration well below the 11.26% industry average. This continues to be a staggering drop from 2009 when 14.16% of patients in for-profit facilities were private payors (5.51% decrease). This decrease equates to 346,534 census days or approximately 949 private payor residents.

As expected with a low private payor population, for-profit facilities rely more on government agencies as payors. In 2023, for-profit facilities depended on government agencies to support their revenue stream 91.35% of the time. As a result, these facilities are more susceptible to revenue fluctuations related to budget cuts and changes to payment plan structures by government agencies. Therefore, for-profit facilities within the state must be highly competitive with their private pay price point and find new and innovative ways to attract private pay residents to their facilities, all while keeping a tight control on costs.



When reviewing the government dependency mix between Medicaid and Medicare, for-profit facilities saw a large decrease in their Medicare dependency in 2023, with a decrease of 1.96% compared to 2022. This shift is unexpected as Medicare residents have typically been on the rise in these facilities due to their higher rate structure than that of Medicaid. This current year decrease makes for-profit facilities' Medicare concentration of 22.08% more comparable to the 22.15% seen pre-pandemic in 2019. Conversely, for-profit facilities saw a 1.51% increase in their Medicaid mix concentration compared to 2022. These facilities continue to struggle to reach their 2019 pre-pandemic concentration of 70.01%. However, the current year increase cuts the lag to only 0.74%.

Nonprofit facilities fare far better in terms of private payor mix than both for-profits and the industry overall. In 2023, nonprofit facilities had a private payor mix of 21.15%. While this private payor ratio is far higher than that of for-profit facilities, the losses these facilities have seen over the years are significantly higher. While these facilities saw an increase in private mix of 0.27% in 2023, since 2009, the private payor mix for nonprofit facilities' variance is still down 6.34% from 27.49%. This decrease equates to 376,888 census days or approximately 1,033 residents. While there are many reasons that nonprofit facilities see a higher private payor mix, the main reason may be related to the type of facility these nonprofits operate. In reviewing the data, the majority of nonprofit facilities are composed of religious or specialty-type organizations.

Since these organizations tend to attract a certain type of resident and there are a limited number of these facilities, it makes sense that private payor residents would seek them out for their long-term care needs. Since nonprofit facilities attract more private payors, it is natural that their government agency dependency would be lower. In 2023, nonprofit facilities had a government dependency ratio of 78.85%, a decrease of 0.27% since 2022, which was split between a 0.14% decrease in Medicaid concentration and 0.13% Medicare concentration.

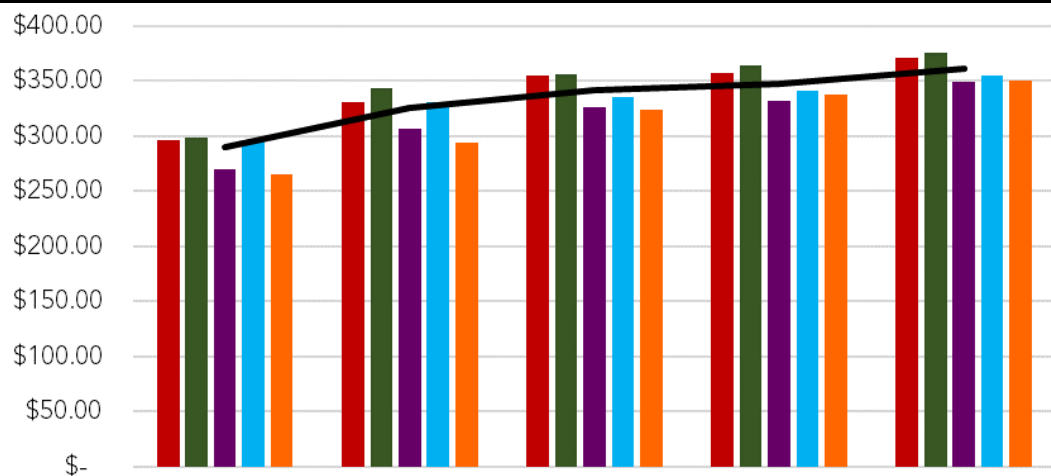
When comparing pre-pandemic levels, nonprofit facilities have seen a 2.36% decrease in their private payor mix since 2019. This equates to 113,993 total private days or approximately 312 fewer residents. In comparison, for-profit facilities have seen a 0.81% increase in their private payor mix since 2019. This is a result of an increase of 25,068 private pay days or approximately 69 residents.

5

Total Cost Per Patient Day

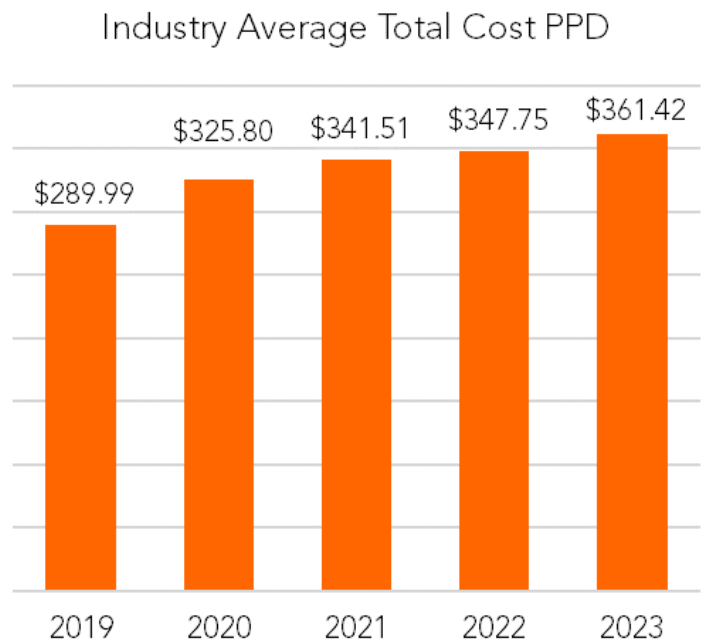
A facility's total cost per patient day (PPD) is determined by dividing the total costs of the facility by the total resident days for the year. The total cost PPD measures the total cost that is required to care for one resident for one day.

Average Total Cost PPD By Year



Region	2019	2020	2021	2022	2023
■ Baltimore Metro	\$295.84	\$330.43	\$354.63	\$357.66	\$370.61
■ Central	\$298.94	\$343.17	\$355.83	\$364.61	\$376.20
■ Non Metro	\$270.05	\$306.43	\$326.29	\$332.31	\$348.95
■ Washington Metro	\$295.70	\$330.98	\$335.07	\$340.80	\$355.31
■ Western Maryland	\$265.61	\$294.61	\$323.64	\$338.13	\$350.16
— Industry	\$289.99	\$325.80	\$341.51	\$347.75	\$361.42

The results shown in the table above should come as no surprise to any provider. The cost to care for residents continues to increase each year across the state in every region. While in recent years, the increasing costs have been directly related to COVID-19 testing costs, vaccination administration, PPE and other COVID prevention supplies, and capital improvements, we noted that these costs within facilities are starting to flatten and balance out in the current year due to the pandemic no longer being at its height in 2023 compared to the beginning of 2020.



One cost that all facilities continue to struggle with in 2023 is nursing, both private in-house nursing employees and the ever increasing cost of agency nursing, which we discuss later in this report. Two areas that have not recently been on the rise in terms of costs per patient day are capital/property service and capital value rental. However, for 2023, besides nursing, these two areas make up some of the largest increases in the total cost per day. While not normal, these would be expected to increase due to the makeup of the costs within each category. Capital value rental mainly includes depreciation costs, which were on the rise in 2023 due to increased capital costs incurred for improvements such as COVID isolation rooms and HVAC upgrades. Capital/property service mainly includes interest and property taxes, both of which have been on the rise due to increases in the banks' prime rates as well as the current real-estate market driving the value of property.

Additionally, costs to care for a resident are directly related to the U.S. inflation rate. While the inflation rate was at its height at 8.00% in 2022, the inflation rate was still significantly inflated at 4.10% in 2023 compared to the 1.24% average seen in 2020. Considering all the increased costs experienced by facilities since 2019, the 2023 total cost price increase is actually comparable with the inflation rate seen by the nation. In 2023, the industry total costs to care for a resident PPD increased \$13.67, which is a 3.93% increase compared to 2022. In comparison, the 2022 industry total costs to care for a resident PPD increased \$6.24, which is only a 1.83% increase, far below the 8% inflation rate.

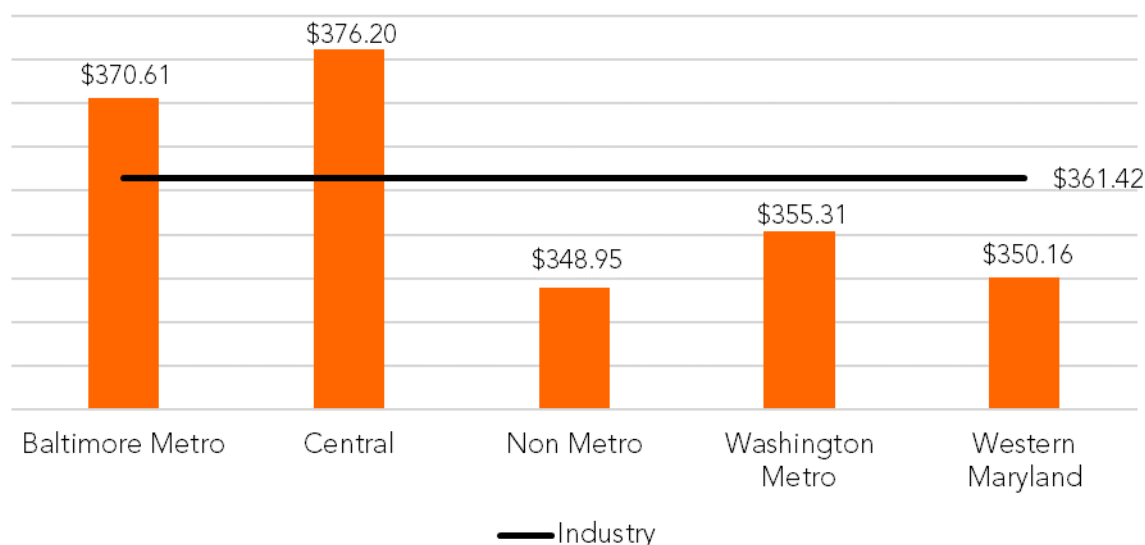
In comparison, the 2021 industry total costs to care for a resident PPD increased \$15.71, which is a 4.82% PPD increase and consistent with the inflation rate increase of 4.70%, while in 2020, the industry total costs increased \$35.81 PPD, which is a 12.35% increase and far higher than the inflation rate of 2020.

While all these factors played a significant role in the total cost to care for a resident per day over the last four years, these aren't the only reasons costs increased drastically in 2023. Since 2009, the industry average for total cost PPD has increased \$136.43 (2009: \$224.99). As noted above, in 2023, the industry average total cost PPD increased by \$13.67. If looking at pre-pandemic costs in 2019 (\$289.99) compared to 2023 (\$361.42), average total cost per patient day has increased a total of \$71.43 in the last four years, for all the reasons noted above.

Personnel costs (salary and benefits), insurance and, of course, Quality Assessment fees have continued to rise, each contributing significantly to the overall increases. The Quality Assessment PPD has increased approximately 428% since July 2009 (\$6.62 PPD in 2009 and \$34.95 PPD in December 2023). Since Quality Assessment fees are reported on Schedule H (Capital/Property Service) of the Medicaid cost report, this cost center shows the most dramatic increase in reported costs over time. The second greatest increase in reported costs is in the largest cost center: nursing. No surprises there.

Analyzing the data based on size of the facility allows us to understand how Quality Assessment fees impact each facility. Facilities that do not pay the provider tax (those with 1 - 44 beds) showed an average capital/property service PPD of \$7.75 for 2023. Additionally, since the five largest facilities in the state are only required to pay \$4.10 PPD (down from \$6.03 in 2022), the facilities with 200+ beds showed an average capital/property service PPD of \$24.87, which equates to a moderate increase of \$0.54 PPD. In 2023, these facilities' capital/property PPD is also \$14.52 lower than the industry average of \$39.39 PPD, which is significantly higher than what was seen in 2022 (\$9.75 lower than the industry average of \$34.08). Facilities with 45 - 99 beds and 100 - 199 beds had a capital/property service PPD of \$42.40 PPD and \$31.76 PPD, respectively. These increased costs equate to increases of \$5.64 and \$4.19, respectively.

Regional Total Cost PPD (2023)

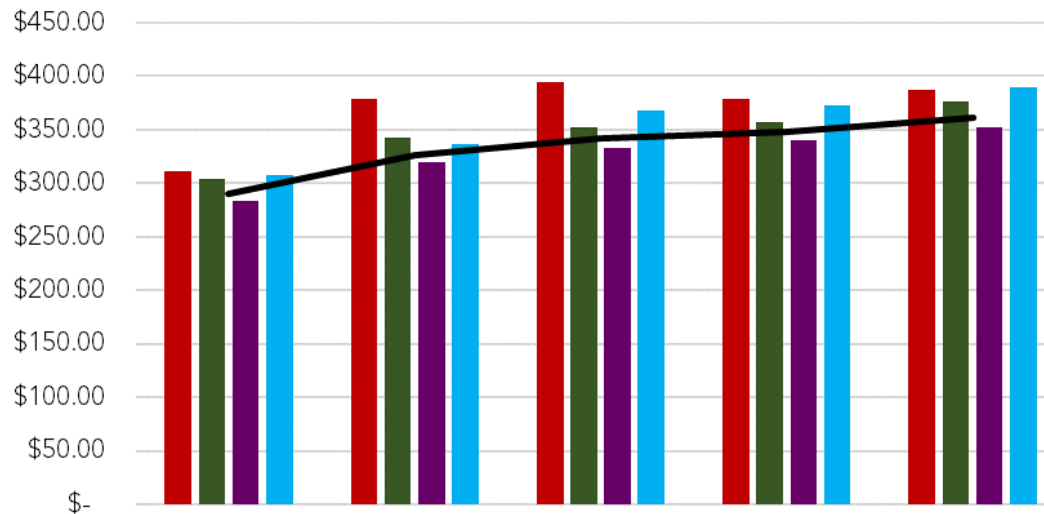


Looking at regions, the Central region continues to experience the highest total cost per region PPD at \$376.20, followed closely by the Baltimore Metro region at \$370.61 PPD. The remaining three regions all experienced total average costs lower than industry averages, with the lowest total average costs PPD experienced in the Non Metro region, where their total cost to care for a resident was \$348.95 in 2023.

Since 2019, the Western Maryland region has seen the highest increase in their total costs PPD, with an increase of \$84.55. The Non Metro and Central regions are not far behind in terms of increases. The remaining regions, except the Washington Metro region, have experienced total PPD increases to care for a resident higher than the \$71.43 industry increase since the pandemic began. The Non Metro region, Central region and Baltimore Metro have seen increases of \$78.90 PPD, \$77.26 PPD and \$74.77 PPD, respectively. The Washington Metro region continues to show the lowest five-year increase compared to the other regions, with a \$59.61 PPD increase since 2019. It is unknown why facilities in the Washington Metro region have been able to control their costs better than other facilities in other regions.

Though the Western Maryland region has seen the highest increase in total cost to care for a resident since 2019, they showed the lowest increase in costs from 2022 to 2023 at \$12.03 PPD. The region showing the highest increase for 2023 is the Non Metro region at \$16.64 PPD.

Average Total Cost PPD By Facility Size



Facility Size	2019	2020	2021	2022	2023
1 - 44 beds	\$311.28	\$379.45	\$394.43	\$379.27	\$387.73
45 - 99 beds	\$303.81	\$342.52	\$351.98	\$357.08	\$376.39
100 - 199 beds	\$283.62	\$320.00	\$333.37	\$339.82	\$352.49
200+ beds	\$308.25	\$336.98	\$367.50	\$372.50	\$389.88
Industry	\$289.99	\$325.80	\$341.51	\$347.75	\$361.42

As we have shown in prior benchmark reports, the number of beds in a facility significantly impacts the total cost PPD it takes to care for one resident. We expect facilities with 1 - 44 beds to pay much less than other facilities in the state because they are exempt from paying the Quality Assessment fee, providing a savings of nearly \$35.00 PPD. However, the opposite is true. Facilities with 1 - 44 beds have the second highest total cost PPD in the state at \$387.73 PPD in 2023. This makes sense when you consider that regardless of size, every facility must have an administrator and a director of nursing. In addition, unless they are part of a continuing care retirement community (of which four of the seven 1 - 44 beds are CCRCs), they will have a business office manager as well as dietary, housekeeping and maintenance staff or contracted services. Because there are fewer beds, there are fewer census days, making the denominator smaller where the total cost PPD equation is calculated.

Total Cost PPD By Facility Size (2023)



In addition, the standard fixed costs to run a 1 - 44 bed facility typically do not differ from running a 45 - 99 bed facility. The same amount of overhead costs (i.e., utilities, accounting and billing, administrative, insurance, etc.), with some adjustment for size, are required to run each of these facilities. The variable costs are directly dependent on census, but the larger the facility, the greater the opportunity for economies of scale. Therefore, if certain costs are the same and the number of days is less, simply because the number of beds available is less, then the total cost PPD will be higher.

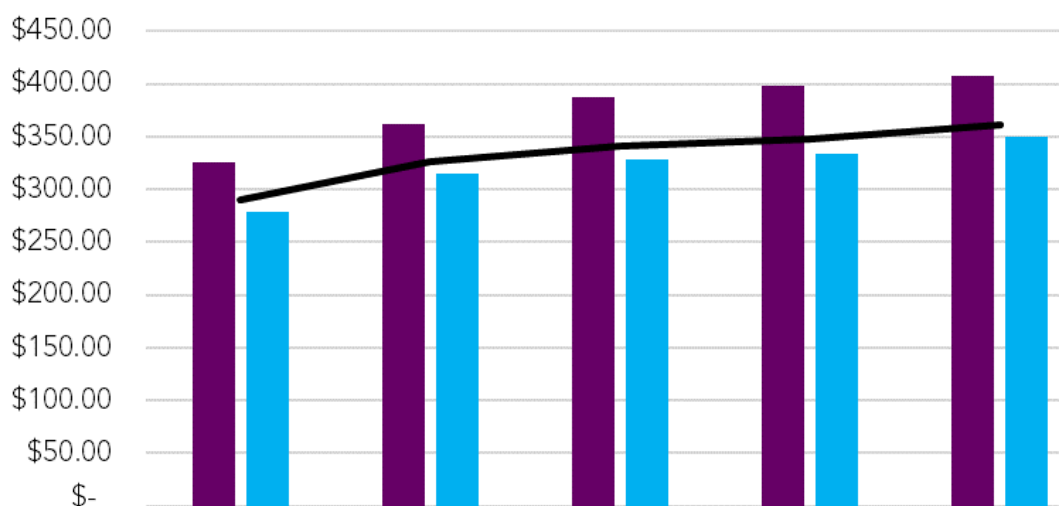
Based on this assumption, you would think that the complete opposite would occur with facilities that have 200+ beds because they have a much larger denominator. However, facilities with 200+ beds carried the highest total cost PPD at \$389.88 in 2023. This is primarily because facilities with 200+ beds carry much higher costs to cover the number of beds they have under license. This is visible in the area of office staff wages. While the industry average in this area was \$16.05 PPD, facilities with 200+ beds averaged \$23.25 PPD. This is likely the result of these facilities staffing more billing individuals to help with a large volume of resident invoices every month.

Facilities with 45 - 99 beds averaged \$376.39 PPD, while facilities with 100 - 199 beds fared the best and were below the industry average at \$352.49 PPD.

In reflecting on conversations with various administrators and others in the industry over the years, there seems to be a consensus that the ideal bed size for a skilled nursing facility is approximately 120 beds. Whether this still remains true, with numerous circumstances affecting the ideal bed size, the costs PPD of the 100 - 199 bed facilities certainly lean towards this number.

When looking back at pre-pandemic levels seen in 2019, facilities with 200+ beds have fared the worst. These facilities have seen their total cost PPD skyrocket by \$81.63 PPD in the last four years. Much of this large increase is related to the \$17.38 PPD total cost to care for a resident increase seen in 2023, which was a stark comparison to the \$5.00 PPD increase seen in 2022 within these size facilities. While the increase for the current year is significant, it is not the largest increase seen in 2023 when comparing all facilities. Facilities with 45 - 99 beds showed the largest current year increase with an astounding \$19.31 PPD increase for 2023. The increase seen in this size facility is more than double the smallest current year increase, which was seen by facilities with 1 - 44 beds (\$8.46 PPD). Not only do facilities with 100 - 199 beds seem to be faring the best in terms of total cost to care for a resident, as noted above, but they also have experienced the least impact on their costs since the start of the pandemic. Facilities of this size have seen the smallest impact since the pandemic, with a total increase of \$68.87 PPD.

Average Total Cost PPD By Facility Type



Facility Type	2019	2020	2021	2022	2023
Nonprofit	\$325.29	\$362.38	\$387.48	\$397.92	\$407.22
For-Profit	\$279.27	\$315.14	\$328.12	\$334.27	\$349.29
Industry	\$289.99	\$325.80	\$341.51	\$347.75	\$361.42

It is interesting to note the effect on total costs based on whether a facility is for-profit or nonprofit. While the current overall industry average is \$361.42 PPD, nonprofit facilities are at \$407.22 PPD, \$45.80 more than the industry average. The opposite is true for for-profit facilities. In 2023, for-profit facilities' total cost PPD was \$349.29 or \$12.13 below the industry average. While for-profit facilities show much lower total costs compared to the industry, these types of facilities experienced much larger increases in 2023 compared to 2022, with a \$15.02 PPD increase compared to the \$9.30 PPD increase seen by nonprofit facilities.

Part of this large difference relates to the financial ability of many nonprofit facilities to have higher staffing ratios and offer other amenities to their residents, especially since nonprofits can generate charitable contributions. In addition, several nonprofit facilities have significant endowments that can fund these higher costs and additional amenities.

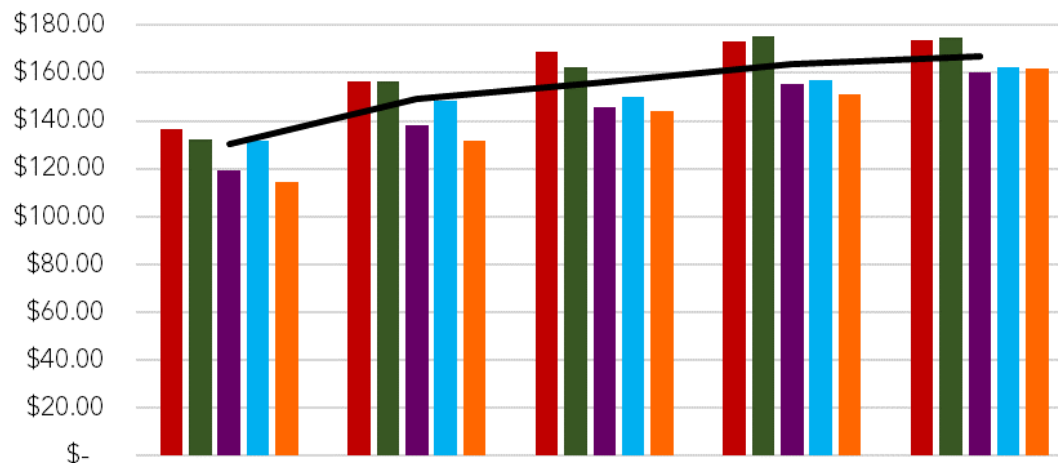
While the industry as a whole has seen a \$71.43 increase since the start of the pandemic, nonprofit facilities have seen an increase of \$81.93 during this same period. Though for-profit facilities have total costs less than the industry average at \$349.29 PPD, they have still seen an increase of \$70.02 PPD since the start of the pandemic, with 21.45% of this total increase stemming from the \$15.02 increase seen in the current year, which was the highest increase these facilities have seen since the initial 2020 impact that occurred at the start of the pandemic.

6

Total Nursing Cost Per Patient Day

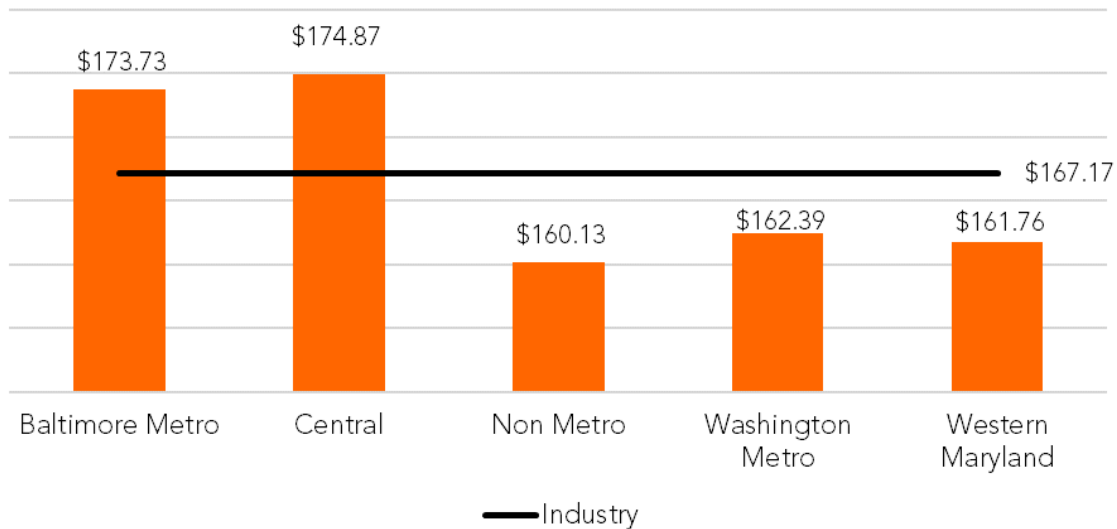
A facility's total nursing cost per patient day (PPD) is determined by dividing the total nursing costs of the facility by the total resident days for the year. The total nursing cost PPD measures the nursing cost required to care for one resident for one day.

Average Nursing Cost PPD By Year



Region	2019	2020	2021	2022	2023
■ Baltimore Metro	\$136.35	\$156.68	\$168.97	\$173.42	\$173.73
■ Central	\$132.12	\$156.67	\$162.59	\$175.42	\$174.87
■ Non Metro	\$119.38	\$138.27	\$145.85	\$155.55	\$160.13
■ Washington Metro	\$131.65	\$148.59	\$149.97	\$156.78	\$162.39
■ Western Maryland	\$114.66	\$131.45	\$143.90	\$150.98	\$161.76
— Industry	\$130.10	\$149.34	\$156.40	\$163.86	\$167.17

Regional Nursing Cost PPD (2023)



As expected, since this industry is labor intensive, nursing is traditionally the largest cost center for all facilities. As shown in the preceding table, overall nursing costs have increased from \$130.10 PPD in 2019 to \$167.17 PPD in 2023. This equates to a \$37.07 increase per patient day since the start of the pandemic. Several factors have led to this increase over the last four years, the most significant being the pandemic and the increase in nursing salaries that occurred during this period. Many facilities paid either hazard pay or bonuses to employees who worked during the pandemic. Additionally, though it's leveled off some in 2023, facilities continue to need agency nursing support to fill the large shortage of nursing staff caused by the pandemic. As noted in the prior year report, many nurses voluntarily chose not to return to the nursing field or were unable to return due to childcare needs or illness caused by the pandemic. Many nursing agencies also increased the hourly rate due to the pandemic. Another major factor that resulted in post-pandemic nursing costs was the cost of PPE. There is some good news on the horizon as the data shows that the cost of nursing seems to be flattening as facilities have learned to right-size their facilities in terms of nursing costs. In 2023, the industry average for nursing increased only \$3.31 PPD, which is nearly half of the \$7.46 PPD increase seen in the prior year. This increase is much more consistent with the increase seen between 2018 and 2019 (\$3.25 PPD) before the effects of the pandemic began.

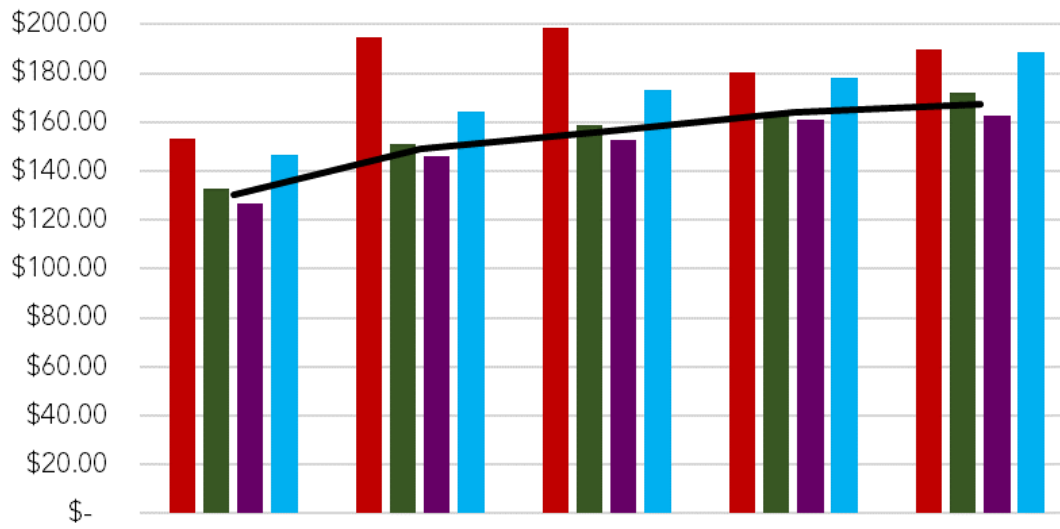
Four regions reported significantly higher increases than the industry average over the same five-year period. The highest was in the Western Maryland region, where nursing costs increased from \$114.66 PPD to \$161.76 PPD (\$47.10 PPD increase). The Central and Non Metro regions fall right behind, with increases of \$42.75 PPD and \$40.75 PPD, respectively, over the same five-year period.

The Baltimore Metro region experienced a \$37.38 PPD increase when comparing 2023 to 2019. The Washington Metro region continues to see the smallest increase post-pandemic at \$30.74 PPD.

When comparing year to year, the Central region is the only region to show a decrease in 2023, with a decrease of \$0.55 PPD.

The Baltimore Metro region saw the smallest increase in nursing costs, with an increase of \$0.31 PPD compared to 2022. As noted in the chart, prior to 2022, the Baltimore Metro region routinely had the highest nursing costs PPD of all the regions for each of the five years presented, likely driven by the nursing costs in Baltimore City. However, due to smaller increases in the last two years in this region, the Central region continues to lead the region with the highest nursing costs at \$174.87 PPD though it is followed closely by the Baltimore region at \$173.73 PPD. The Non Metro region continues to show the lowest nursing costs with a current year PPD of \$160.13.

Average Nursing Cost PPD By Facility Size

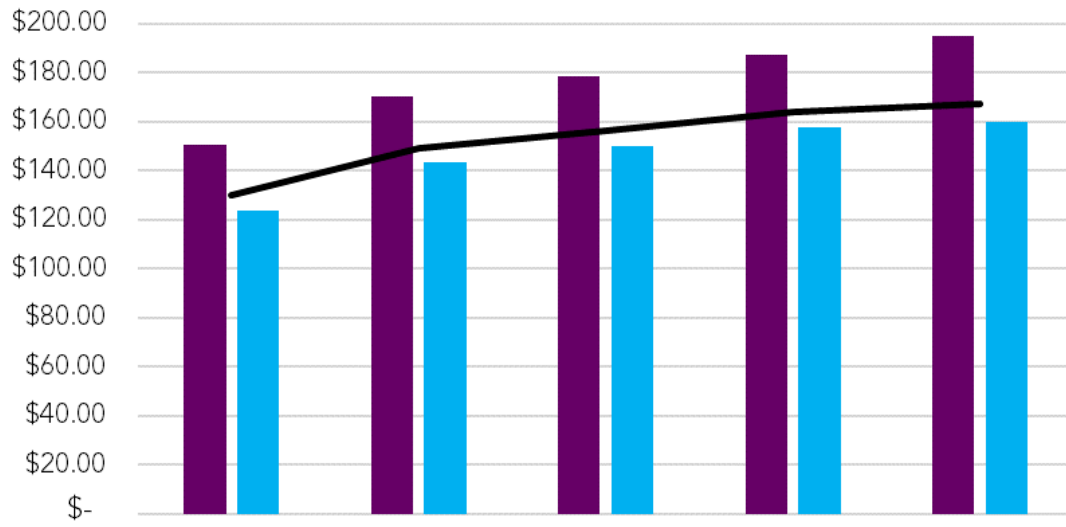


Facility Size	2019	2020	2021	2022	2023
1 - 44 beds	\$153.17	\$194.90	\$198.30	\$180.27	\$189.54
45 - 99 beds	\$132.98	\$151.28	\$158.65	\$163.30	\$172.07
100 - 199 beds	\$126.66	\$146.11	\$152.76	\$161.24	\$162.46
200+ beds	\$146.61	\$164.22	\$173.34	\$178.16	\$188.39
Industry	\$130.10	\$149.34	\$156.40	\$163.86	\$167.17

Facilities with 1 - 44 beds continue to experience the highest nursing cost PPD (\$189.54 PPD) in 2023, followed closely by facilities with 200+ beds at \$188.39 PPD. For the last two years, these two types of facilities have comparable total nursing costs, mainly because both size facilities saw consistent increases in 2023, with 200+ bed facilities seeing a current year increase of \$10.23 PPD and 1 - 44 bed facilities seeing an increase of \$9.27 PPD. While facilities with 45 - 99 beds did not see the highest nursing costs at \$172.07 PPD, they saw large increases in 2023 with an increase of \$8.77 PPD, compared to 2022.

Facilities with 100 - 199 beds saw the smallest increase in 2023, with an increase of \$1.22 PPD, which is the complete opposite of 2022, when these size facilities saw the largest increase at \$8.48 PPD. These facilities continue to have the lowest nursing costs at \$162.46 PPD and also had the least impact since the start of the pandemic, as their costs only increased \$35.80 PPD. Facilities with 200+ beds have seen the largest impact on their nursing costs since 2019, with increases of \$41.78 PPD, and are followed right behind by facilities with 45 - 99 beds. These size facilities saw a pandemic increase of \$39.09 PPD since 2019.

Average Nursing Cost PPD By Facility Type



Facility Type	2019	2020	2021	2022	2023
Nonprofit	\$150.74	\$170.00	\$178.46	\$186.98	\$194.69
For-Profit	\$123.84	\$143.32	\$149.98	\$157.64	\$159.98
Industry	\$130.10	\$149.34	\$156.40	\$163.86	\$167.17

As with total cost PPD, nonprofit facilities experienced larger nursing costs when compared to for-profit facilities. For 2023, nonprofit facilities saw nursing costs of \$194.69 PPD, \$27.52 greater than the industry average. Prior to 2023, nonprofit facilities were experiencing moderate increases when comparing themselves to the industry average. For instance, in 2022, this delta was only \$1.06 PPD and in 2021, it was only \$1.40 PPD. In 2023, nonprofit facilities' delta increased to \$4.40 PPD because of these facilities having an increase of \$7.71 PPD, which was nearly double the industry average of \$3.31 PPD. Additionally, nonprofit facility costs have consistently increased at the same percentage range of 17.5% to 19.4% over the last three years. While these increases were consistent with the industry and for-profits prior to 2023, they are double the industry and triple what for-profits saw during the year.

For-profit facilities saw an increase of \$2.34 PPD when comparing 2023 to 2022, which is the lowest increase seen since 2018 when comparing to the 2017 data (a \$2.50 PPD increase) and significantly lower than the \$7.66 PPD increase seen when comparing 2022 to 2021. For-profit facilities have also fared much better when reviewing the pandemic's effect on facilities. For-profit facilities saw a five-year increase in their nursing costs of \$36.14 PPD since 2019 compared to the \$43.95 PPD increase seen by nonprofit facilities. As expected, half of these total nursing cost increases were in 2020 at the height of the pandemic.

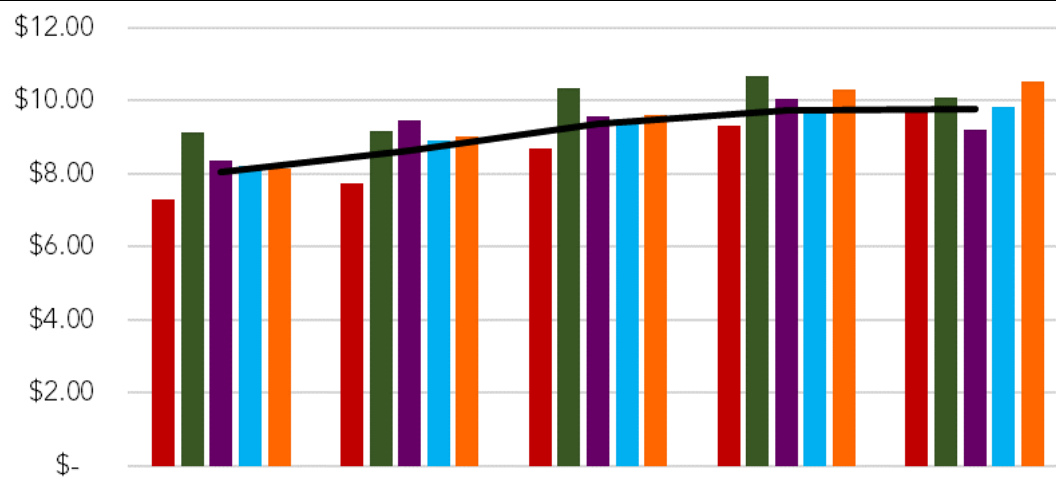
In general, without considering the impact of the pandemic, understanding why nursing costs continue to rise and identifying controllable aspects of nursing costs is crucial when managing a facility and planning for the future. While the increase in total nursing costs differs by facility, nursing salary competition between facilities continues to increase nursing costs. As shown later in this report, facilities are trying to manage their personnel costs where they can, primarily in the area of employee benefits.

7

Total Raw Food Cost Per Patient Day

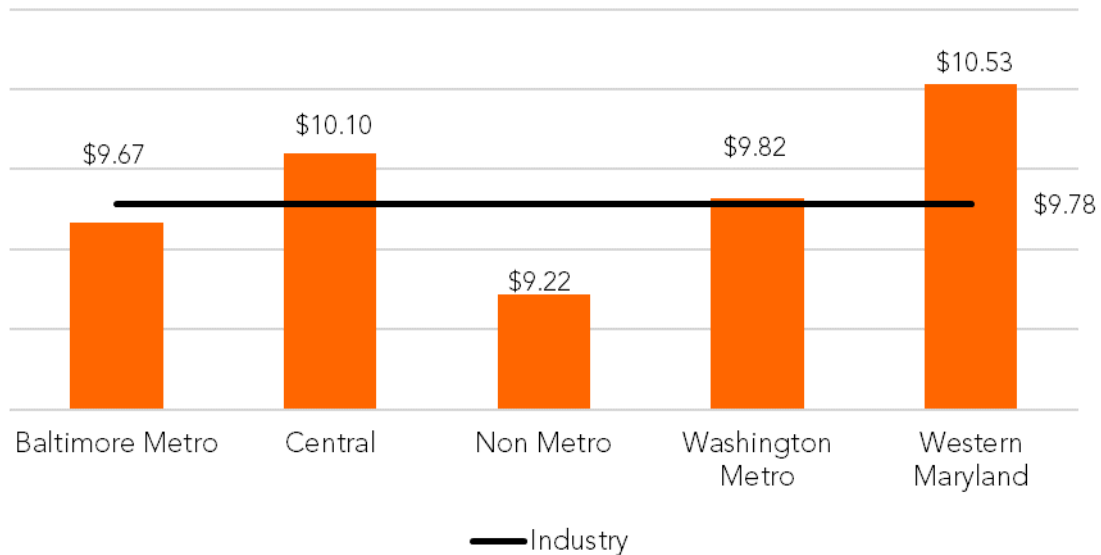
A facility's total raw food cost per patient day (PPD) is determined by dividing the total raw food costs of the facility by the total resident days for the year. The total raw food cost PPD measures the raw food cost required to feed one resident for one day.

Average Raw Food Cost PPD By Year



Region	2019	2020	2021	2022	2023
■ Baltimore Metro	\$7.31	\$7.72	\$8.68	\$9.32	\$9.67
■ Central	\$9.14	\$9.15	\$10.34	\$10.67	\$10.10
■ Non Metro	\$8.36	\$9.45	\$9.58	\$10.06	\$9.22
■ Washington Metro	\$8.20	\$8.91	\$9.51	\$9.64	\$9.82
■ Western Maryland	\$8.14	\$9.01	\$9.59	\$10.29	\$10.53
— Industry	\$8.03	\$8.63	\$9.36	\$9.75	\$9.78

Regional Average Raw Food Cost PPD (2023)

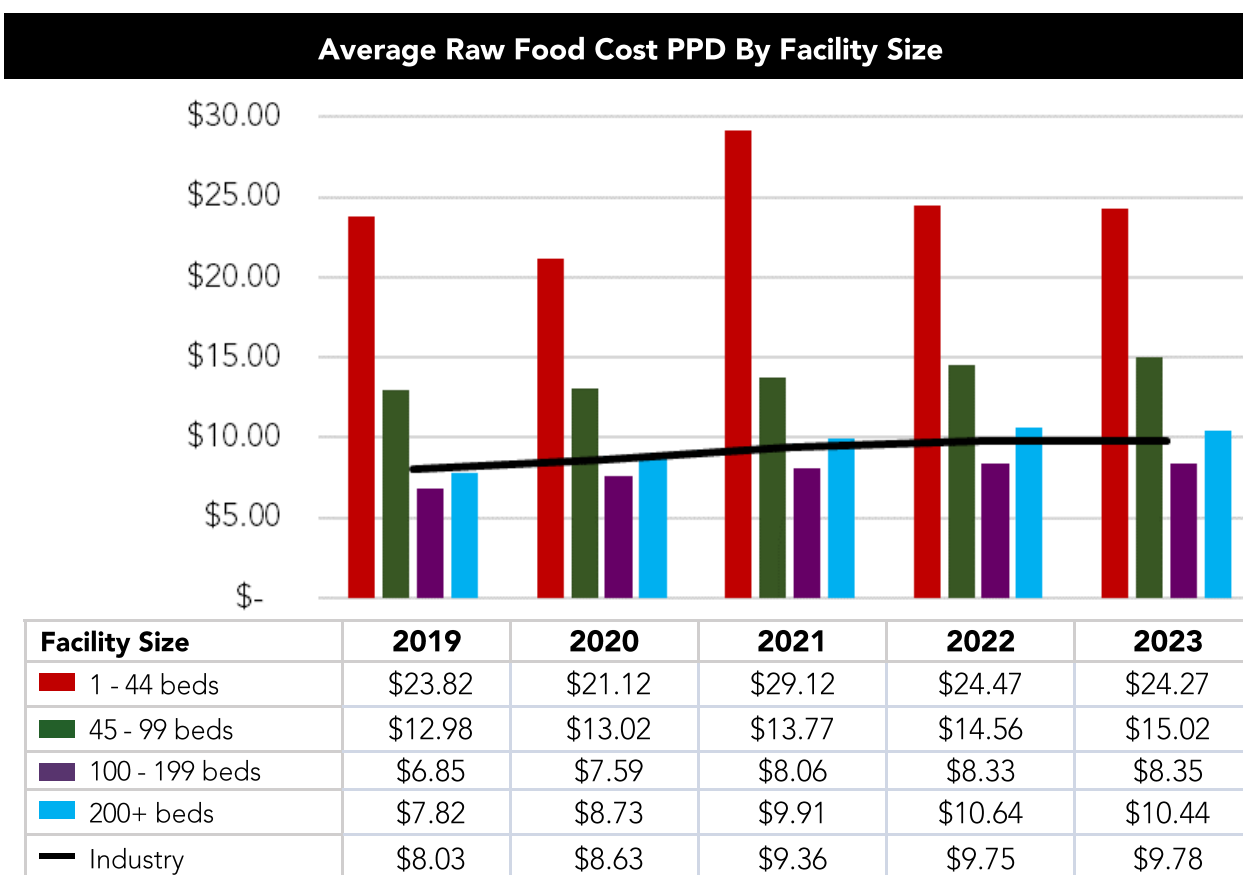


Food costs are often the most difficult to predict and control. With the rate of spoilage for fresh foods and the dietary needs of residents with certain medical conditions (which are always subject to change), determining quantities needed is more of a forecast than an exact science.

We continue to have conversations with chefs, who indicate that they generally have an idea of food quantities needed, but many admit that they still have to go with their “gut” more often than not. In addition, seasonal pricing can affect the cost of raw food, which is one of the reasons most facilities want to know how their individual facility’s food costs compare to their competition. During the pandemic’s early stages, significant food and supply shortages greatly impacted food supply and demand, causing increases in PPD food costs. Standard items were continuously being replaced with pricier alternatives. Once facilities were able to get this under control, they were then hit with major increases caused by the rising inflation rates seen in 2022 mentioned earlier in this report.

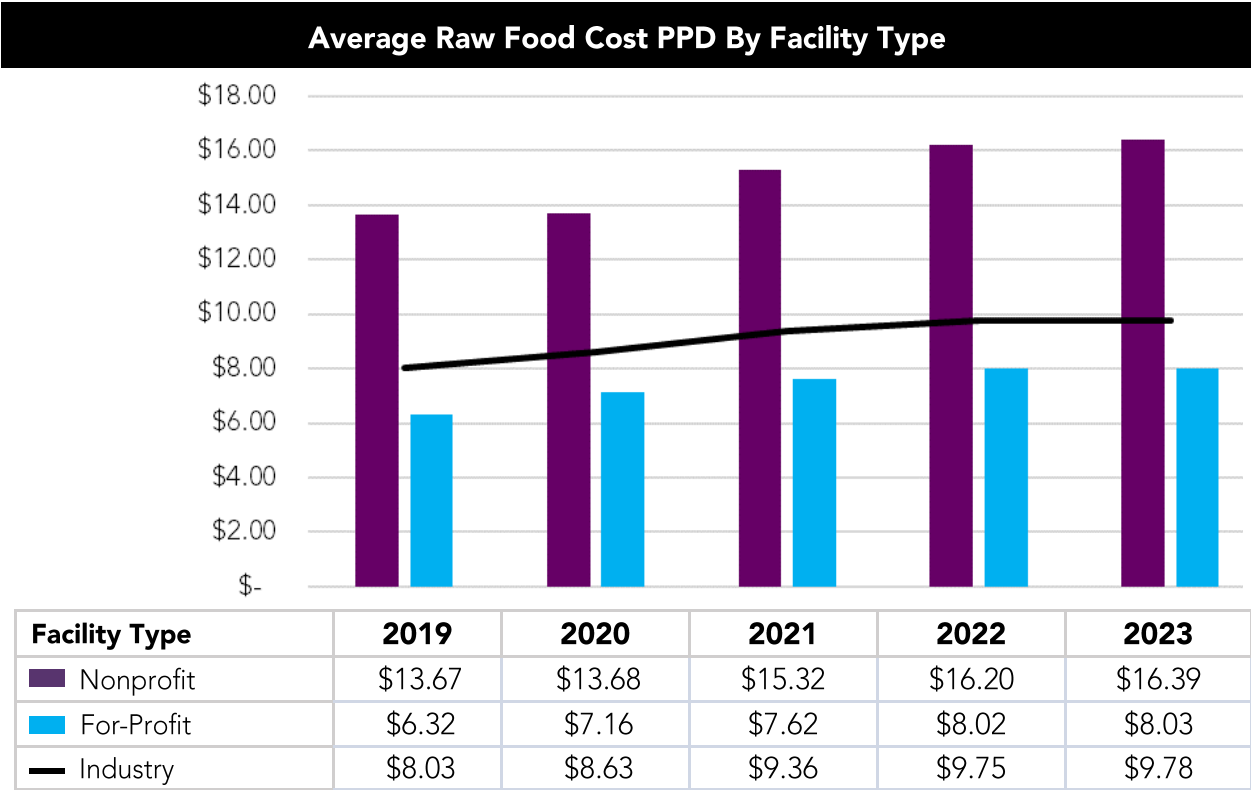
In reviewing the current year data, facilities’ food costs are starting to stabilize again. As noted in the table, the 2023 average raw food cost for the industry was \$9.78 PPD, as compared to \$9.75 PPD in 2022, a \$0.03 PPD increase. This is the smallest increase that the industry has seen since the start of the pandemic, and is consistent, and even lower at times, than increases seen prior to 2019. Unfortunately, the pandemic has left lasting effects on the industry as food costs have risen \$1.75 PPD since 2019. This continues to force facilities to make hard choices related to the types of food served to overcome heightened food costs.

While all five regions have seen a rise in food costs since the start of the pandemic, only three regions saw increases in 2023 when compared to 2022. Since 2019, the Western Maryland and Baltimore Metro regions have seen the largest five-year increase in food costs at \$2.39 PPD and \$2.36 PPD, respectively. These two regions also saw the highest increases in 2023 with increases of \$0.35 PPD seen in the Baltimore Metro region and \$0.24 PPD seen in the Western Maryland region. The Washington Metro region saw the lowest 2023 increase at \$0.18 PPD. Both the Non Metro and Central regions saw a decrease for 2023 at \$0.84 PPD and \$0.57 PPD, respectively. These decreases seen in the current year helped to decrease these facilities' five-year pandemic change to below \$1.00, with the Central region seeing a five-year increase of \$0.96 PPD and the Non Metro region seeing a five-year increase of \$0.86 PPD.



Facilities with 1 - 44 beds consistently have the highest food costs, and 2023 was no exception, although these size facilities did see a decrease of \$0.20 PPD in 2023, which was consistent with the same decrease seen by facilities with 200+ beds. As a result of this decrease in the current year and the significant decrease of \$4.65 PPD seen in 2022, facilities with 1 - 44 beds have also seen the smallest five-year increase at \$0.45 PPD, which is well below the industry increase of \$1.75 PPD.

The only other facilities to see less than the industry average for the last five years are facilities with 100 - 199 beds, which saw increases of \$1.50 PPD since 2019. These facilities also saw the smallest increase in food costs when comparing 2023 to 2022, coming in at \$0.02 PPD, and also saw the lowest food costs of all size facilities at \$8.35 PPD. Facilities with 45 - 99 beds saw the largest increase in 2023 at \$0.46 PPD, pushing them over the \$2.00 mark when comparing 2023 to 2019. However, these facilities did not see the highest increase since 2019. That spot was reserved by facilities with 200+ beds that came in with a \$2.62 PPD increase since the start of the pandemic.



Nonprofit facilities also have higher raw food costs at \$16.39 PPD — \$6.61 PPD higher than the overall industry average of \$9.78 PPD. For-profit facilities experienced raw food costs of \$8.03 PPD in 2023, which is \$1.75 less than the industry average. Additionally, for-profit facilities saw a minimal increase of \$0.01 PPD in food costs, which is not only consistent with, but below the industry average increase of \$0.03. Based on this and the nonprofit facilities’ increases of \$0.19 PPD, it’s evident that nonprofits clearly drive the year-to-year increases within the industry average.

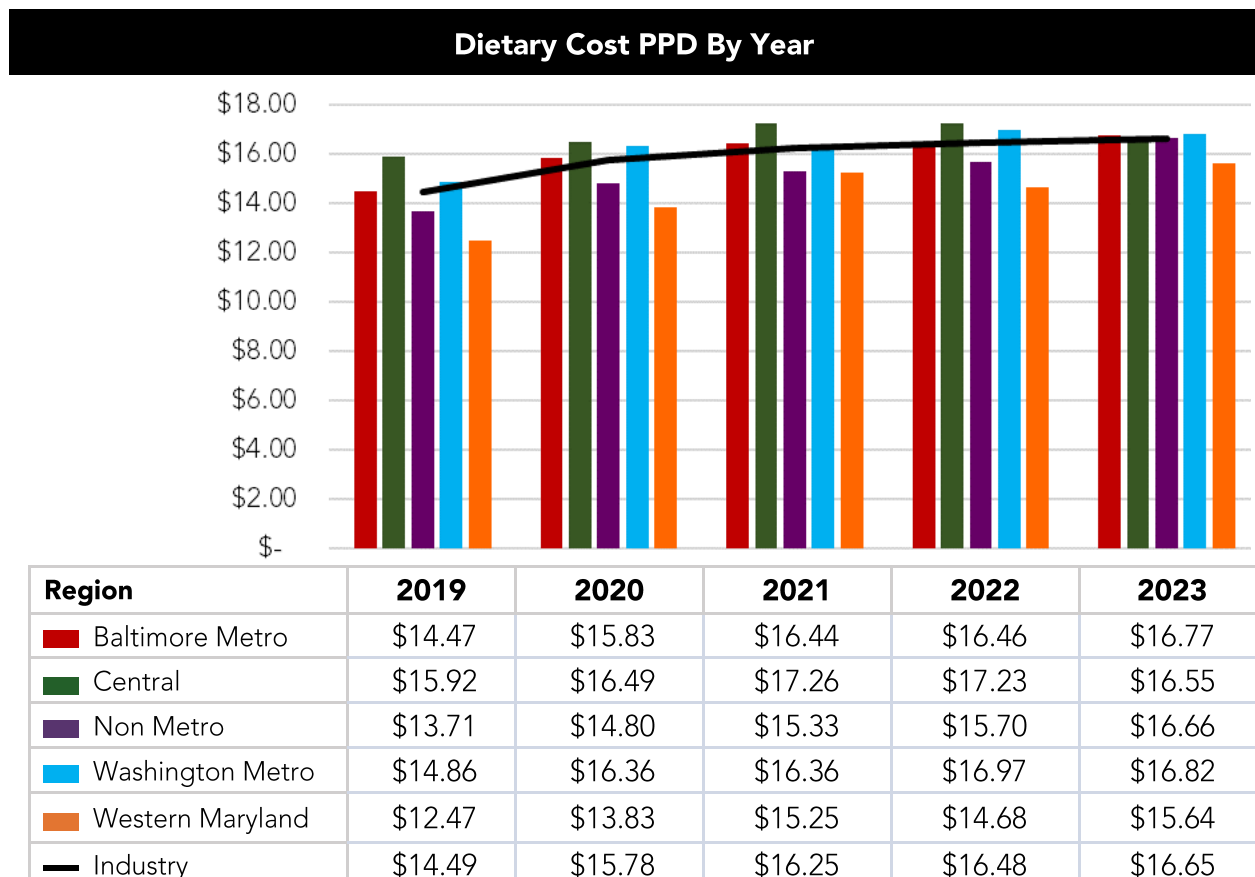
Since 2019, nonprofit facilities have seen an increase in food costs of \$2.72 PPD over the last five-year period, while for-profit facilities have only seen an increase of \$1.71 PPD.

It is interesting to note that nonprofit facilities saw minimal increases to their food costs in 2020 at the height of the pandemic. Only 0.37% of their food cost increases occurred in that year. The largest impact of nonprofit facilities' food cost increases occurred in 2021, where they felt a 60.29% hit. Conversely, for-profit facilities saw the largest increase in their food costs at the height of the pandemic with 49.12% of their five-year increase focused in 2020, with equal percentages occurring in 2021 and 2022. For 2023, the data shows a complete 180 with for-profit facilities barely affected in the current year and their five-year percentage impact showing at 0.58%, while nonprofit facilities still show a higher than industry average of 6.99% current year concentration compared to 1.71% seen within the total industry. While we can't confirm our assessment, we believe that this is directly related to the makeup of the type of facilities that are included within for-profit facilities. Of the 161 for-profit facilities that reported in 2023, approximately 50% of these facilities were part of larger conglomerate groups or multi-location facility groups. Customarily, these types of facilities have larger purchasing power than what stand-alone or nonprofit facilities have, allowing them to have a competitive advantage and maintain lower costs than their competitors.

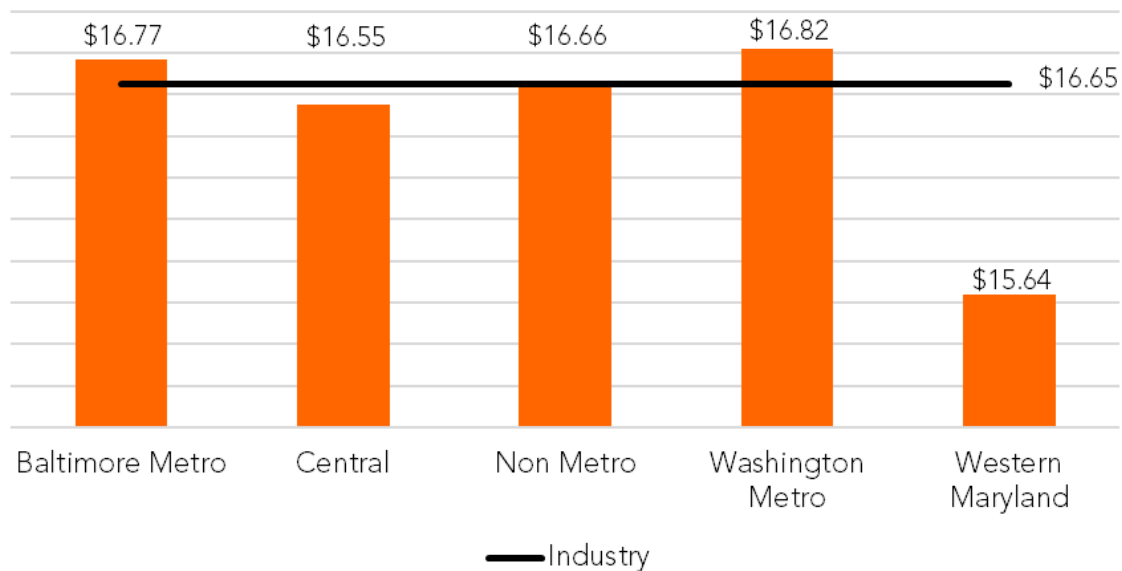
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Total Dietary Cost Per Patient Day

A facility's total dietary cost per patient day (PPD) is determined by dividing the total dietary costs of the facility by the total resident days for the year. The total dietary cost PPD measures the total cost required to feed one resident for one day.



Regional Dietary Cost PPD (2023)



Another component of the cost to feed a resident is food preparation and related expenses, as reported under dietary. Dietary costs have steadily increased since 2018.

The pandemic affected dietary costs similarly to nursing. Dietary costs saw increases in salaries due to hazard pay or bonuses and the need for temporary help due to staff shortages. Increases were seen across the board, whether a facility operates its own kitchen or relies on an outside contractor. Depending on how accurately facilities allocated the increased costs for PPE and COVID-19 testing, these costs continuously impacted this cost center as well.

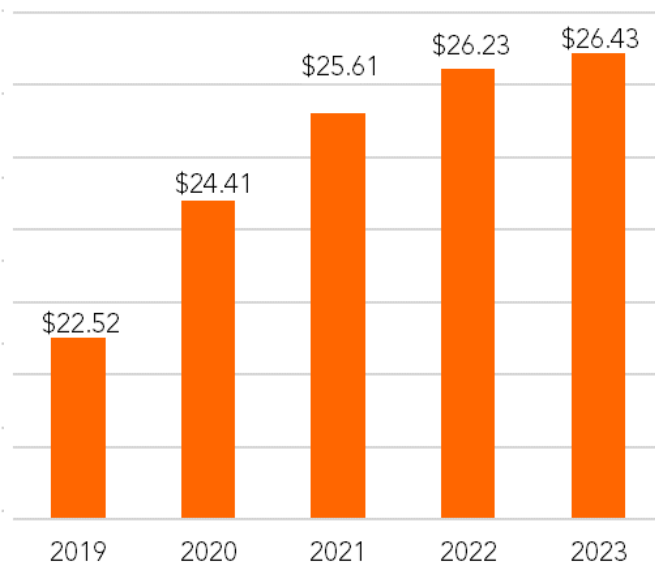
Dietary costs averaged \$16.65 PPD in 2023, a \$0.17 PPD increase from the prior year. Of the five regions, the Non Metro and Western Maryland regions experienced the largest increase, tying at \$0.96 PPD in 2023, while the Baltimore Metro region saw the smallest increase at \$0.31 PPD. The Central and Washington Metro regions saw a decline in 2023 dietary costs with decreases of \$0.68 PPD and \$0.15 PPD, respectively. Since the pandemic began, industry dietary costs have increased \$2.16 PPD. The Western Maryland region continues to see the most dramatic increase in dietary costs due to the pandemic, with an increase of \$3.17 PPD, while the Central region continues to be least impacted, with an overall increase of only \$0.63 PPD since 2019.

Between raw food and dietary costs, the average cost to feed a resident for 2023 was \$26.43 PPD compared to \$26.23 PPD in 2022. This equates to an increase of \$0.20 PPD to feed and provide dietary services to a resident. Two of the five regions are currently below the industry average: Western Maryland (\$26.17 PPD) and Non Metro (\$25.88 PPD). Last year, three facilities were below the industry average.

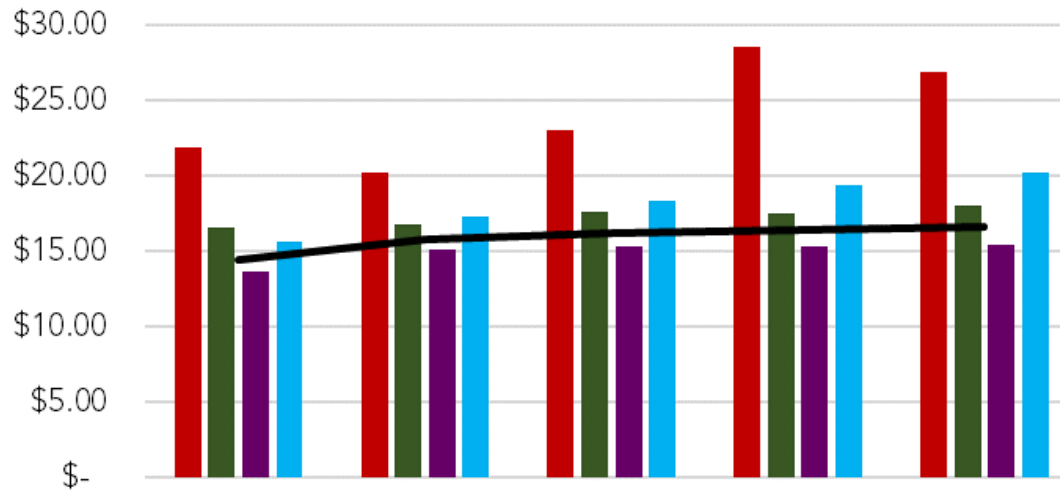
In the last five years, the average cost to feed a resident increased \$3.91 PPD. While the two regions mentioned above had total dietary costs that fell below

the industry average, one of these regions, Western Maryland, experienced a much higher impact on dietary costs due to the pandemic than the industry average, coming in at a \$5.56 PPD increase since 2019. The Western Maryland region is followed by the Baltimore Metro region, which saw a five-year increase in costs of \$4.66 PPD since 2019. The Non Metro and Washington Metro regions have seen similar five-year increases at \$3.81 PPD and \$3.58 PPD, respectively. While the Central region has been impacted the least in the last five years and since the pandemic began, with an increase of 1.59 PPD, facilities in this region experienced the highest average cost to feed a resident at \$26.65. They are followed closely behind by the Washington Metro region at \$26.64 PPD.

Average Cost To Feed A Resident



Dietary Cost PPD By Facility Size



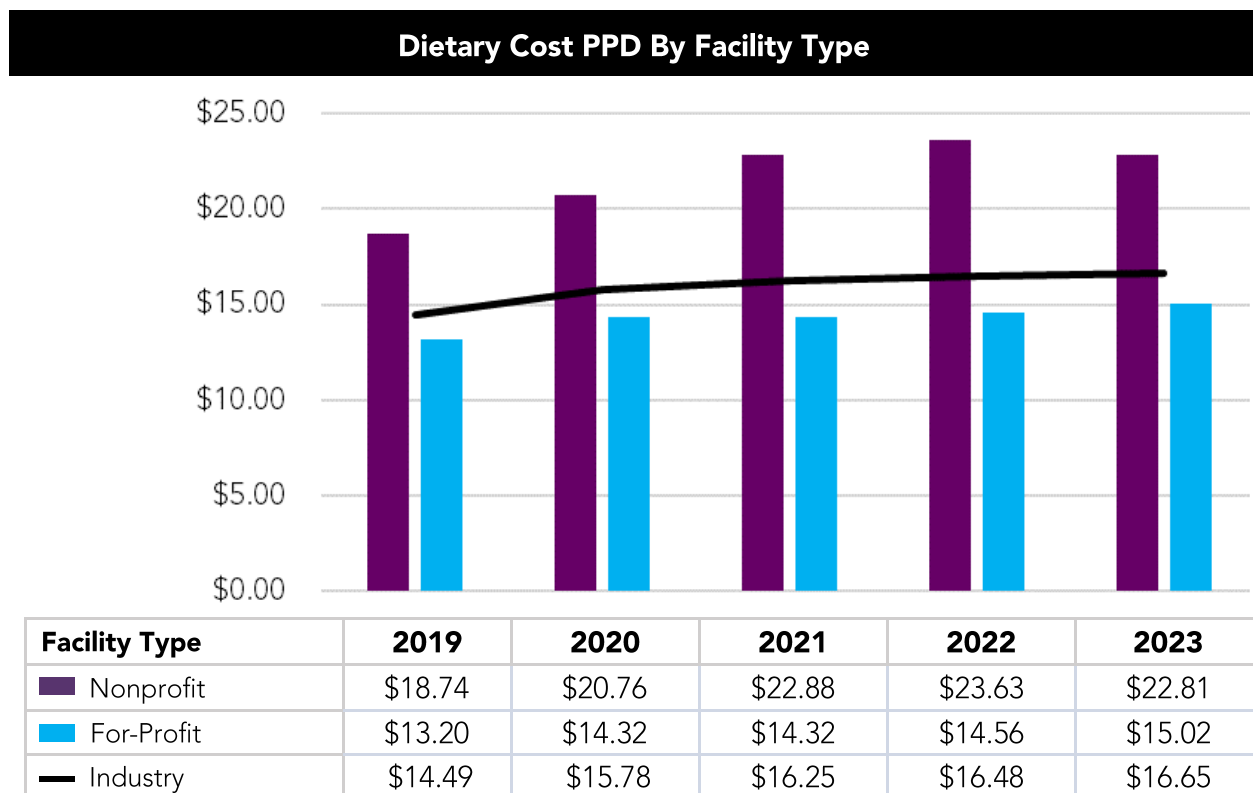
Facility Size	2019	2020	2021	2022	2023
1 - 44 beds	\$21.87	\$20.22	\$23.04	\$28.64	\$26.97
45 - 99 beds	\$16.64	\$16.82	\$17.66	\$17.49	\$18.07
100 - 199 beds	\$13.66	\$15.11	\$15.31	\$15.32	\$15.43
200+ beds	\$15.61	\$17.32	\$18.34	\$19.45	\$20.24
Industry	\$14.49	\$15.78	\$16.25	\$16.48	\$16.65

Facilities with 1 - 44 beds have the highest dietary costs of all the facility sizes. For these facilities, dietary costs averaged \$26.97 PPD in 2023. Although these facilities continue to have the highest dietary costs, they were the only size facilities to experience a decrease in these costs during 2023 with \$1.67 PPD decrease. Facilities with 100 - 199 beds fared the best at \$15.43 PPD, which is \$1.22 PPD below the overall industry average, and saw the smallest increase from 2023 to 2022 at \$0.11 PPD. Facilities with 200+ beds saw the largest increase of all facilities, with a 2023 increase of \$0.79 PPD.

While facilities with 1 - 44 beds saw a decrease in the current year, they have seen the greatest five-year increase at \$5.10 PPD since 2019, which is more than double the industry average total five-year increase of \$2.16 PPD. Facilities with 45 - 99 beds continue to be the least impacted in terms of dietary costs since the start of the pandemic, with a \$1.43 PPD increase since 2019.

Facilities with 100 - 199 beds are the only facilities with total dietary costs (combined food and dietary) below the state average of \$26.43 PPD (\$23.78 PPD).

When comparing 2023 costs to pre-pandemic costs of 2019, the industry has seen an increase in total costs to feed and care for a resident of \$3.91 PPD. Facilities with 200+ beds have been the most affected by the pandemic PPD over the last several years, with increased total dietary costs of \$7.25 PPD, more than double the industry increase. Facilities with 100 - 199 beds have been the least affected since the start of the pandemic, with an increase of only \$3.27 PPD in these same total costs.



In 2023, nonprofit facilities saw decreases in their dietary costs of \$0.82 PPD, making up for the large increase of \$0.75 PPD seen in 2022 and bringing their total dietary costs in line with those seen in 2021. For-profit facilities saw an increase of \$0.46 PPD in their dietary costs in 2023, which exceeded the \$0.17 PPD increase seen in the overall industry. Nonprofit facilities are also averaging \$6.16 PPD higher than the industry as a whole, while for-profit facilities fell \$1.63 PPD below the industry.

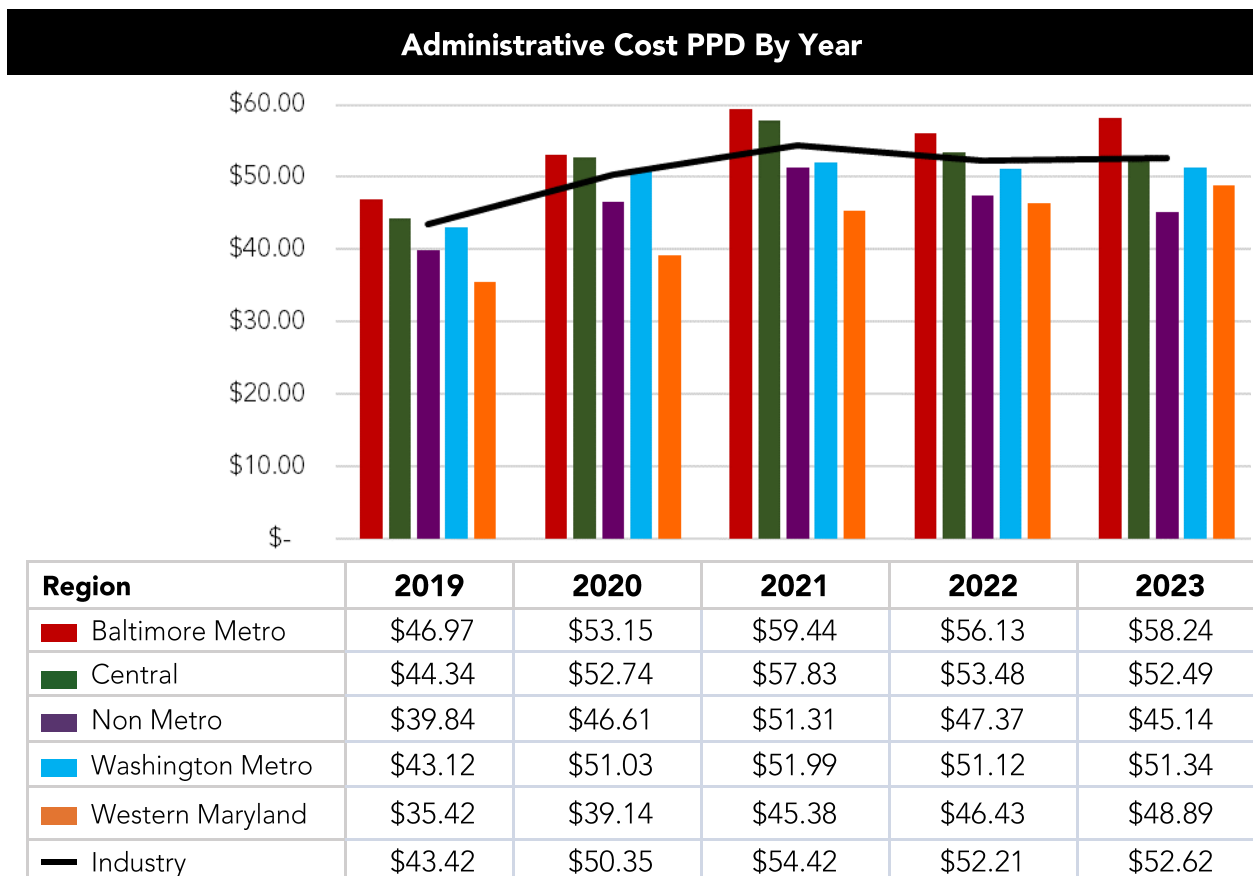
Since 2019, total dietary average costs have increased \$2.16 PPD throughout the industry, but nonprofit facilities have seen an increase of \$4.07 PPD in the same five-year period. In comparison, for-profit facilities have only seen an increase of \$1.82 PPD in these same costs.

Total costs to care for a resident's dietary needs (combined food and dietary) for nonprofits were \$39.20 PPD in 2023, which was \$12.77 higher than the industry average of \$26.43 PPD. The total cost for for-profits was \$23.05 PPD, which was \$3.38 lower than the industry average. While nonprofit facilities continue to have higher total dietary resident costs, they experienced a \$0.63 PPD decrease in 2023 compared to the \$0.47 increase seen by for-profit facilities. This is quite the opposite of the \$1.63 PPD increase seen by nonprofit facilities in 2022.

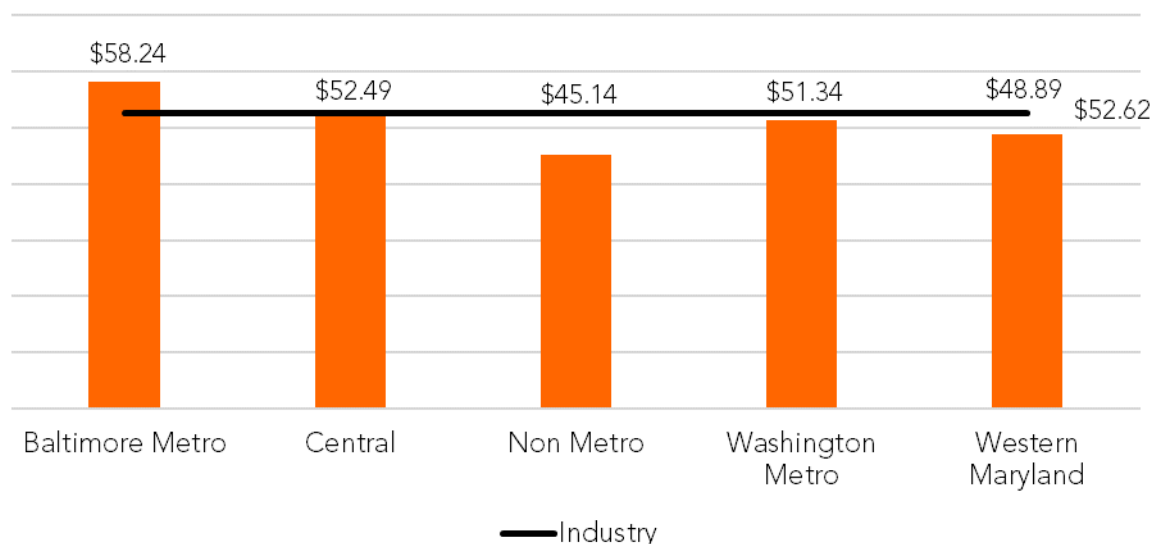
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Total Administrative Cost Per Patient Day

A facility's total administrative cost per patient day (PPD) is determined by dividing the total administrative costs of the facility by the total resident days for the year. The total administrative cost PPD measures the administrative costs required to operate the administrative functions of the facility for one resident.



Regional Administrative Cost PPD (2023)



For 2023, the total industry administrative cost PPD was \$52.62, compared to \$52.21 in 2022, equating to a \$0.41 PPD increase. Since 2019, the total industry administrative cost PPD has increased \$9.20 PPD. The Baltimore Metro and Central regions continue to experience the largest administrative cost PPD at \$58.24 and \$52.49 PPD, respectively. However, the Central region experienced a \$0.99 PPD decrease during 2023, causing them to fall below the industry average for the first time in recent years. The Washington Metro, Non Metro and Western Maryland regions' administrative cost PPD also continued to fall below the industry average of \$52.62 PPD. The Non Metro region was the only other region to experience a decrease in total administrative costs, with a \$2.23 PPD decrease in 2023. The Western Maryland region experienced the largest increase at \$2.46 PPD, while the Washington Metro region saw the smallest increase at \$0.22 PPD.

The Western Maryland region has also seen the greatest five-year increase since 2019, with an increase of \$13.47 PPD, while the Non Metro region has seen the smallest five-year increase of \$5.30 PPD. This significantly lower than average pandemic effect is largely due to the \$2.23 PPD decrease noted above and the \$3.94 PPD decrease seen in the prior year.

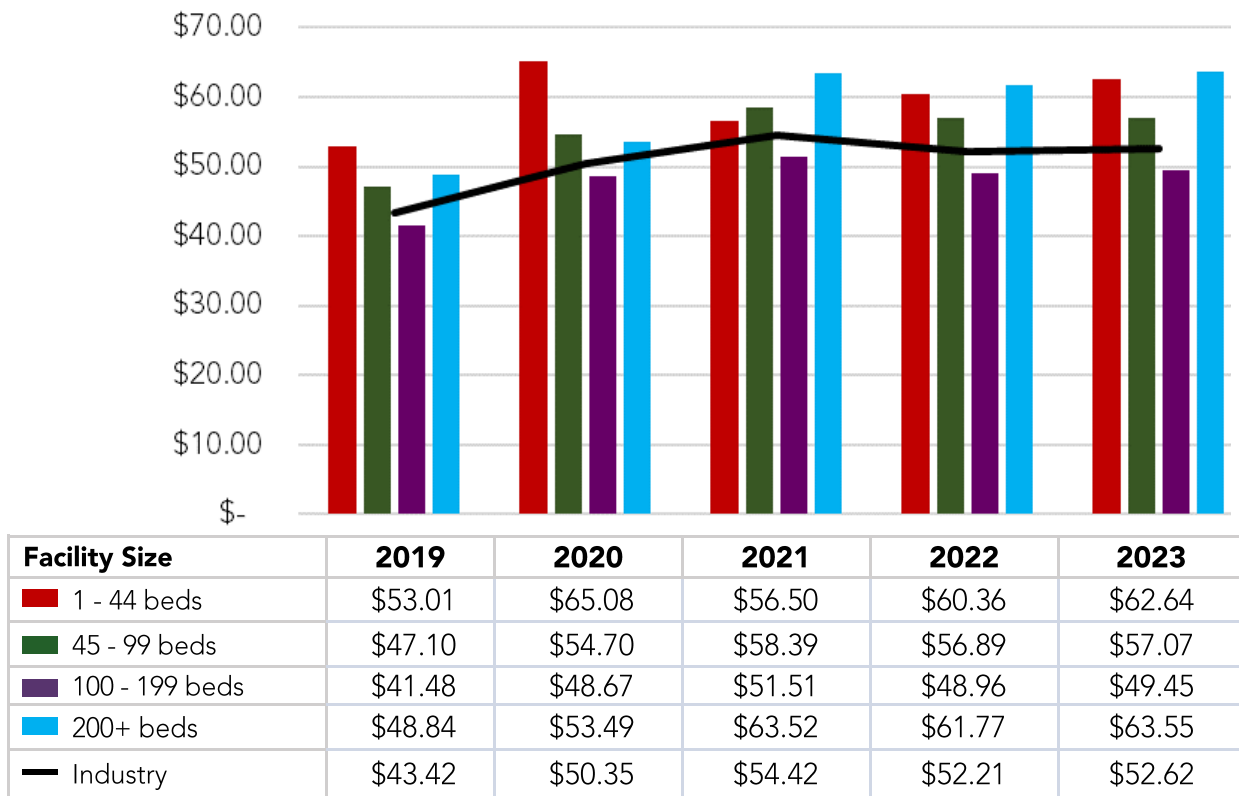
In 2023, administrator and office staff wages resulted in \$20.19 PPD of the total administrative costs for the industry, while \$4.55 PPD is related to non-property insurance. The total of these categories equates to \$24.74 PPD, which represents 47.02% of the total administrative cost of \$52.62 PPD for the industry, an increase from 46.83% in the prior year. When also factoring in benefits, the total increases to \$28.95 PPD, or 55.02% of total administrative costs of \$52.62 PPD.

While all regions saw a decrease in the average industry totals for all three categories (compensation, benefits and insurance) in 2022, only two of the five regions saw an increase in 2023. These regions included the Non Metro region with a \$1.44 PPD increase and the Central region with a minimal increase of \$0.02 PPD. The remaining three regions saw increases ranging from \$0.12 PPD to \$1.42 PPD, with the Washington Metro region seeing the lowest and the Baltimore Metro region seeing the highest. The Baltimore Metro region is the only region experiencing higher than average industry totals for all three categories at \$34.55 PPD. The remaining four regions all fell below the current industry average during the current year.

The Western Maryland region continues to experience the lowest totals for these three categories at \$21.55 PPD. Due to the size of the workforce available in Western Maryland, facilities in the region can often be less competitive in the salary and benefits offered to administrative employees.

In the last five years, totals for the three largest cost centers have increased \$5.40 PPD overall in the industry. The Baltimore Metro region has seen the largest five-year increase of \$7.23 PPD, while the Non Metro region has seen the smallest increase at \$1.56 PPD. This region falls well below the average range of increases of \$4.97 PPD to \$7.23 PPD.

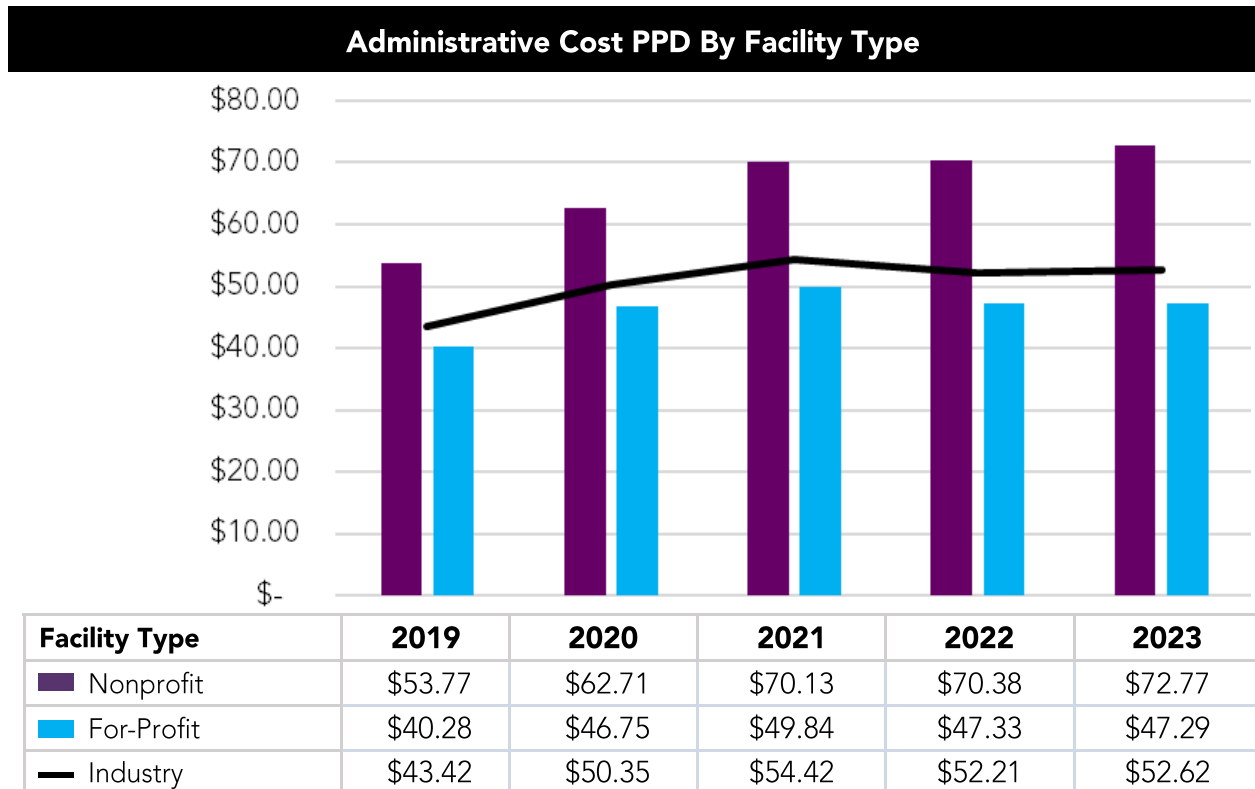
Administrative Cost PPD By Facility Size



Facilities with 200+ beds continue to have the largest total administrative costs of all size facilities. However, due to significant increases in the PPD day cost of facilities with 1 - 44 beds during 2023 (\$2.28 PPD) and 2022 (\$3.86 PPD), these facilities continued to be consistent with 200+ bed facilities at \$62.64 PPD.

The difference between the two is in the makeup of the costs. Facilities with 1 - 44 beds spend, on average, \$51.17 of that total on administrator and office staff salaries, benefits and non-property insurance. These three categories represent 81.69% of the total administrative costs for facilities with 1 - 44 beds. In contrast, these three categories only account for \$36.72 PPD for facilities with 200+ beds and represent 57.78% of the total administrative cost. There can be several reasons for this difference in the components of administrative costs. 200+ bed facilities that are part of a chain could be using a centralized billing office as well as other centralized administrative staff, so those costs are reflected in management fees and/or central office overhead costs instead of compensation. In addition, these facilities would typically have other significant costs, such as marketing and advertising, not typically found in smaller facilities. All these costs would be included in the administrative cost center.

Since 2019, facilities with 200+ beds have had the biggest increase in total administrative costs, with a \$14.71 PPD increase. Facilities with 100 - 199 beds have seen the smallest increase with \$7.97 PPD, and the only size facilities to have a five-year change lower than the industry increase of \$9.20 PPD. All facilities saw an increase in their administrative costs in 2023, with the largest increase of \$2.28 PPD seen in facilities with 1 - 44 beds and the smallest increase of \$0.18 PPD seen in facilities with 45 - 99 beds.



The higher costs PPD for nonprofit facilities continue with administrative costs. In 2023, the total administrative costs for nonprofit facilities were \$72.77 PPD compared to \$47.29 PPD for for-profit facilities.

Nonprofit facilities saw a significant increase between 2023 and 2022, where their administrative costs PPD increased \$3.00 PPD. Nonprofit facilities have seen a \$19.00 PPD since the start of the pandemic. For-profit facilities fared far better than nonprofit facilities in 2023. In 2023 their administrative costs decreased by \$0.04 PPD, making their five-year increase \$7.01 PPD.

The same disparity exists when comparing the three major categories of administrative costs for nonprofits versus for-profits, as it does when comparing the types of facilities.

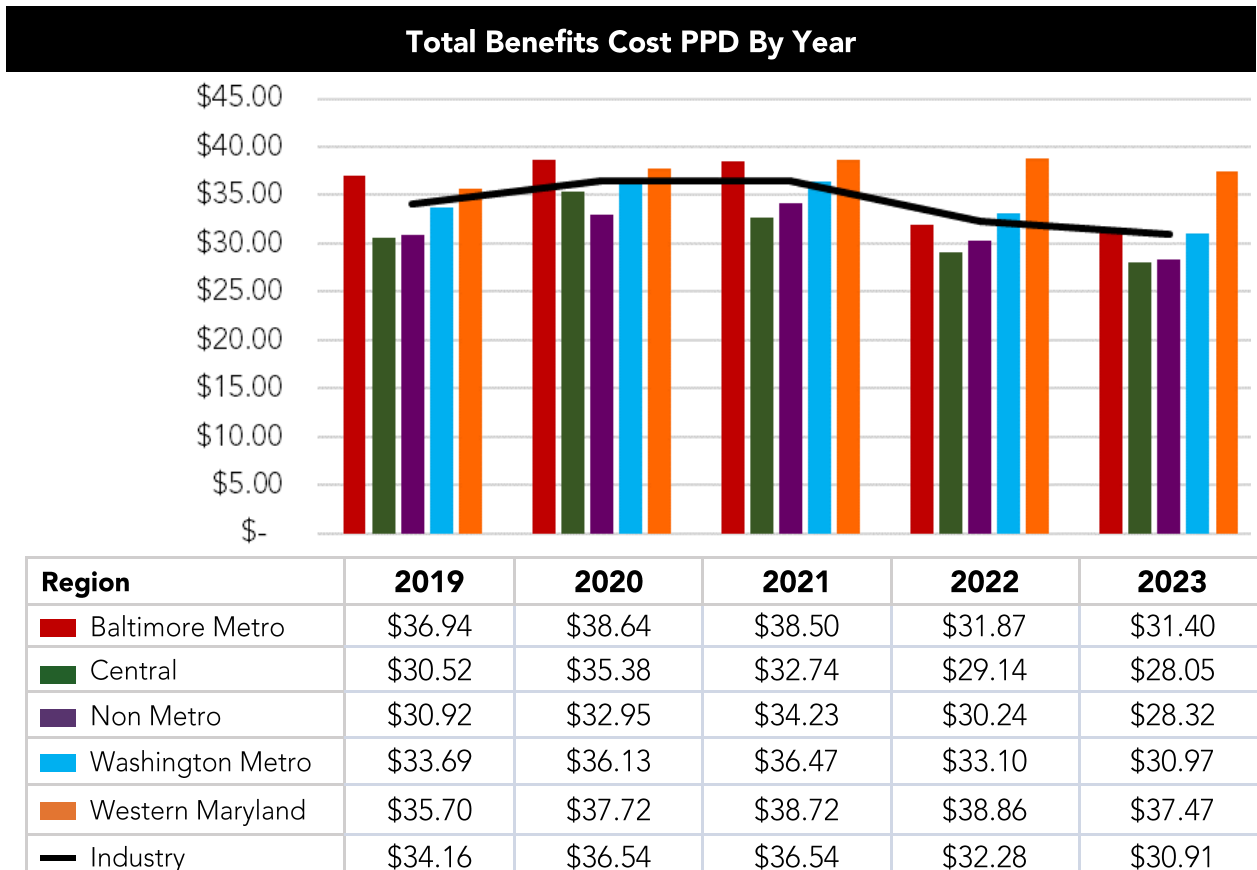
As mentioned earlier, these three categories represent \$28.95 PPD or 55.02% of total administrative costs for the industry. For nonprofit facilities, these same costs represent \$47.65 PPD or 65.48%, while for-profits total only \$23.97 PPD or 50.69%. This wide range is attributable to most for-profit facilities being composed of multiple facilities, which tend to share office support between locations. Most nonprofit facilities, on the other hand, are standalone facilities.

When analyzing the impact of the pandemic, the three major categories of administrative costs for the industry increased \$5.37 PPD since 2019. Nonprofit facilities saw a steeper dollar impact, with an increase of \$11.98 since the start of the pandemic. For-profit facilities saw a much lower financial impact since the start of the pandemic, with their costs only increasing \$4.10 PPD since 2019.

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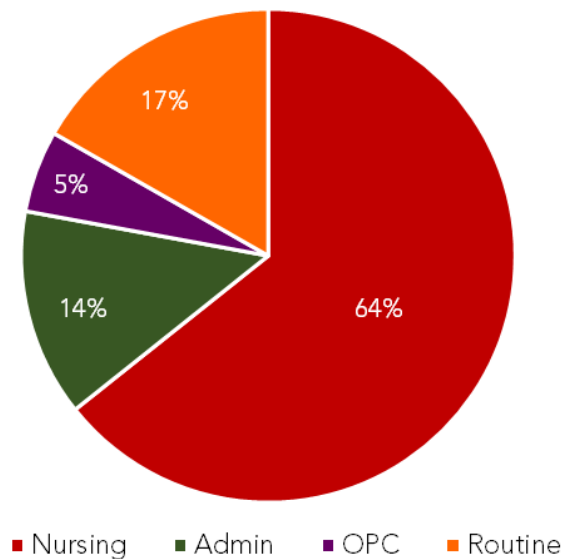
Total Employee Benefits Per Patient Day

A facility's total employee benefits cost per patient day (PPD) is determined by dividing the total employee benefits for all cost centers (nursing, OPC, routine and administrative) of the facility by the total resident days for the year. The total employee benefits PPD measures the employee benefits paid on behalf of all employees within the nursing facility per patient day.



As noted in the total cost per patient day section of this report, the average total cost PPD in 2023 to care for a resident was \$361.42 PPD. Of this \$361.42, \$30.91 is directly attributable to employee benefits paid for all employees within a facility. This represents approximately 8.55% of the average total cost (a decrease from 9.28% seen in the prior year). Of the \$30.91 PPD, approximately 64.28% (\$19.87 PPD) of that is due to nursing employee benefits, while administrative and routine benefits make up 13.62% and 16.73%, respectively, with OPC representing only 5.37% of total employee benefits paid. Since nursing comprises the majority of a facility's employees, it should come as no surprise that benefits paid to the nursing cost center make up the largest percentage. Total nursing employee benefits have been routinely decreasing since 2019, with 2023 being no exception (\$1.43 PPD decrease). These continual decreases suggest one of two things. Facilities have either been adjusting the ever increasing cost of nursing benefits to combat the cost of rising nursing wages, or facilities are relying on more and more agency nursing every year, which would mean less benefits needing to be paid.

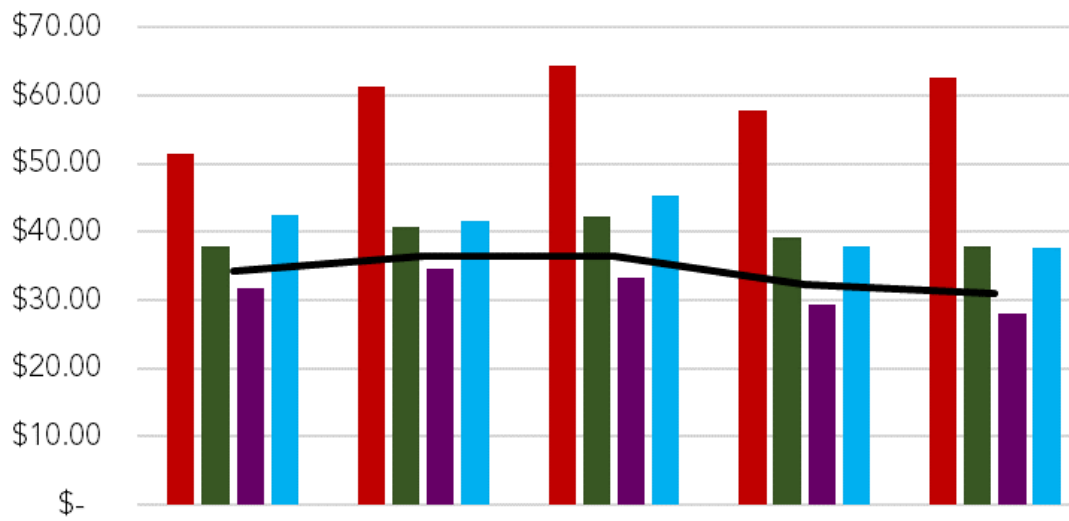
Benefits By Cost Center (2023)



All five regions continued to see decreases, with the Washington Metro region showing the greatest decrease of \$2.13 PPD. The remaining regions decreased between \$0.47 PPD and \$1.92 PPD. While the Baltimore Metro region saw the largest decrease in 2022, facilities in this region saw the smallest increase in total benefits in 2023.

As a result of the current year's and prior year's decreases, all regions except the Western Maryland region have continued to see current year total employee benefit costs below pre-pandemic costs. The Western Maryland region has seen an increase of \$1.77 PPD since 2019, down from a five-year average of \$4.26 PPD seen in the prior year. The remaining four regions have seen five-year decreases between \$2.47 PPD and \$5.54 PPD, with the Central region seeing the lowest decreases and the Baltimore Metro region seeing the highest decreases, and the only region to see decreases higher than the industry average increase of \$3.25 PPD.

Total Benefits Cost PPD By Facility Size

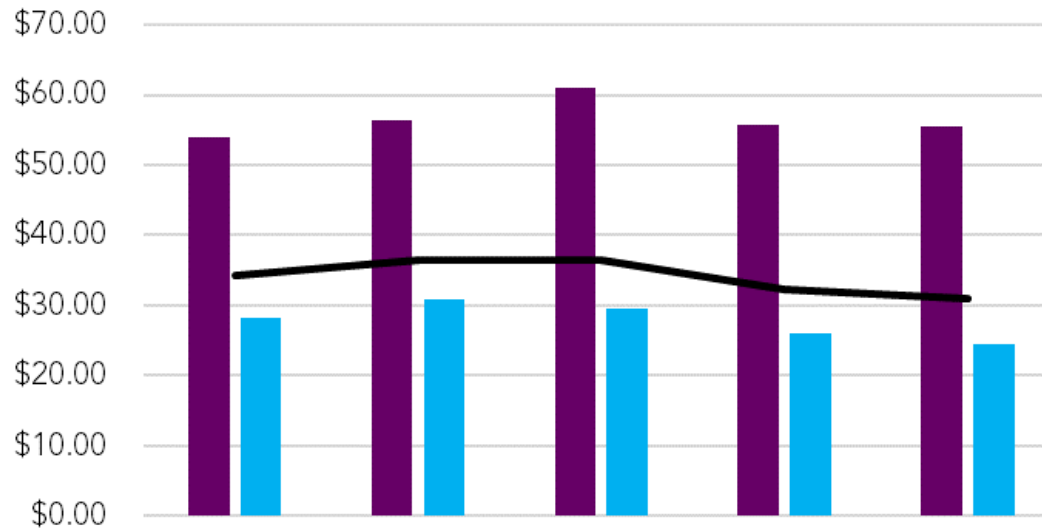


Facility Size	2019	2020	2021	2022	2023
1 - 44 beds	\$51.53	\$61.43	\$64.42	\$57.85	\$62.74
45 - 99 beds	\$37.78	\$40.68	\$42.30	\$39.10	\$37.99
100 - 199 beds	\$31.69	\$34.62	\$33.36	\$29.37	\$28.05
200+ beds	\$42.46	\$41.64	\$45.42	\$37.96	\$37.63
Industry	\$34.16	\$36.54	\$36.54	\$32.28	\$30.91

In terms of facility size, 1 - 44 bed facilities pay much higher benefits PPD than facilities with beds ranging from 45 - 99, 100 - 199 and 200+. Facilities with 1 - 44 beds have total employee benefit costs of \$62.74 PPD versus the industry average of \$30.91 (\$31.83 PPD higher). Facilities with 100 - 199 beds pay the least in employee benefits at \$28.05 PPD and are the only facility size that falls below the industry average (by \$2.86 PPD). Facilities with 1 - 44 beds have seen the largest five-year increase at \$11.21 PPD, while facilities with 45 - 99 beds have seen the smallest increase at \$0.21 PPD.

Facilities with 200+ beds have seen the largest five-year decrease at \$4.83 PPD, while facilities with 100 - 199 beds have seen the smallest five-year increase at \$3.64 PPD. These average costs are again indicative of facilities with 100 - 199 beds being the ideal facility size.

Total Benefits Cost PPD By Facility Type



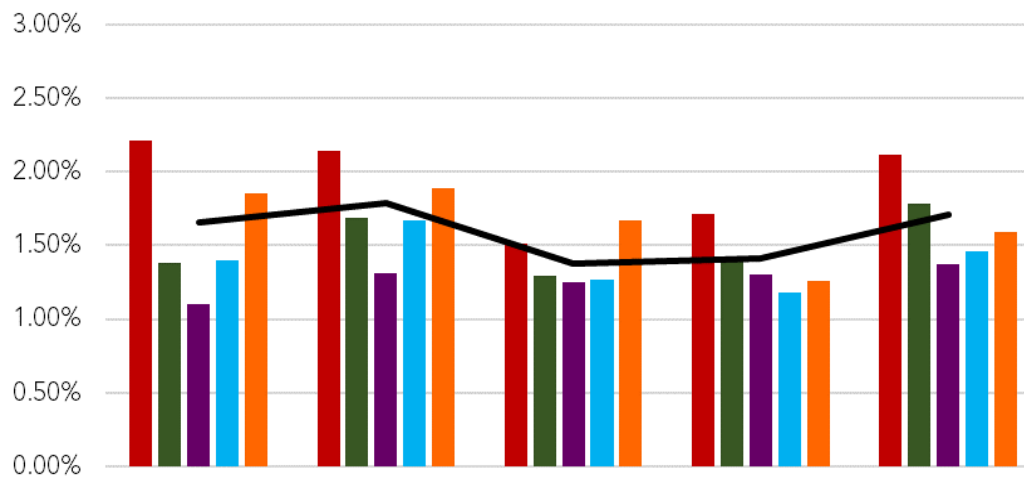
Facility Type	2019	2020	2021	2022	2023
Nonprofit	\$53.97	\$56.42	\$60.91	\$55.74	\$55.58
For-Profit	\$28.15	\$30.75	\$29.45	\$25.98	\$24.39
Industry	\$34.16	\$36.54	\$36.54	\$32.28	\$30.91

Nonprofits consistently experience far higher costs than for-profits as shown throughout this report, and employee benefits are no exception. In 2023, nonprofits paid \$55.58 PPD for employee benefits, while for-profits only paid \$24.39 PPD. For-profits have actually seen decreases over the last five years (\$3.76 PPD), while nonprofits have continually been on the rise year over year, except for the last two years, experiencing a cumulative increase of \$1.61 PPD since 2019. The decrease seen by for-profit facilities is consistent with the \$3.25 PPD decrease in the overall industry since 2019.

Bad Debts As A Percentage Of Revenue

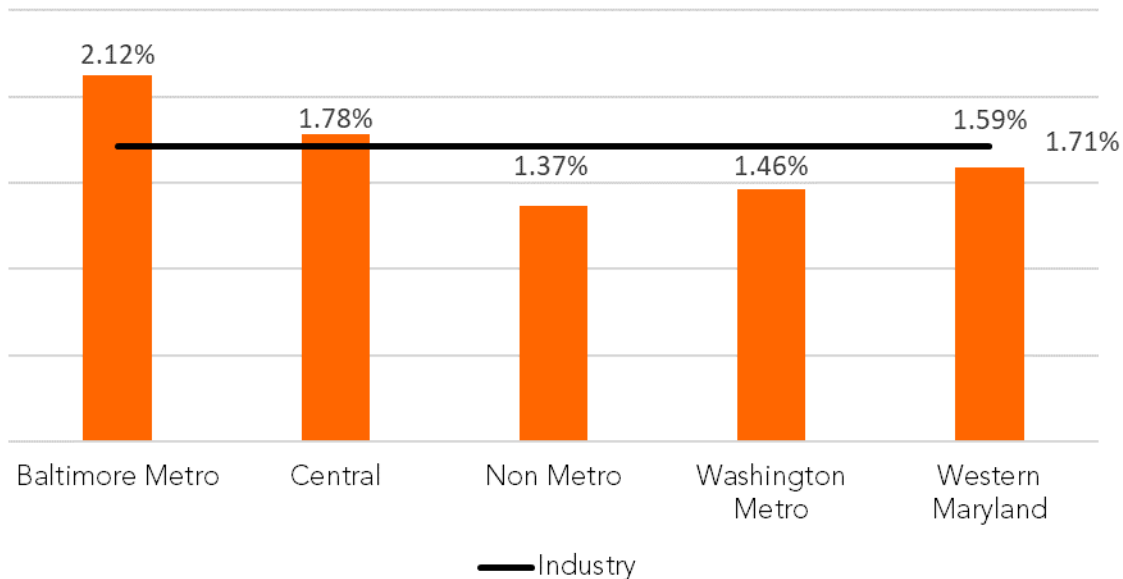
A facility's bad debts percentage as a percentage of revenue is determined by dividing the total bad debt expense by the total patient service revenue per year (exclusive of non-operating revenue) for the same year.

Bad Debts As A Percentage Of Revenue By Year



Region	2019	2020	2021	2022	2023
■ Baltimore Metro	2.21%	2.14%	1.51%	1.71%	2.12%
■ Central	1.38%	1.69%	1.29%	1.41%	1.78%
■ Non Metro	1.10%	1.31%	1.25%	1.30%	1.37%
■ Washington Metro	1.40%	1.67%	1.27%	1.18%	1.46%
■ Western Maryland	1.85%	1.89%	1.67%	1.26%	1.59%
— Industry	1.66%	1.79%	1.38%	1.41%	1.71%

Regional Bad Debts As A Percentage Of Revenue (2023)



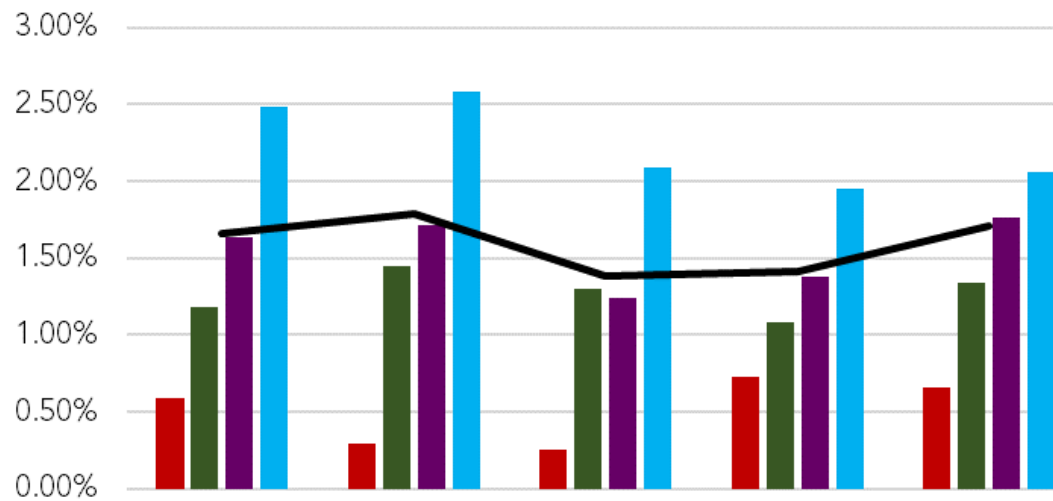
Based on the graph above, the question is: “How does my facility’s bad debt expense as a percentage of revenue compare to industry averages and my region?”

In 2023, the industry bad debt expense as a percentage of revenue (as reported on the cost report) was 1.71%, showing a 0.30% increase from 2022. The current year’s bad debt percentage equates to lost cash of approximately \$1,700 for every \$100,000 of revenue earned.

The Baltimore Metro region continues to experience the highest bad debt percentage at 2.12%, exceeding the industry average by 0.41% in 2023. For the first year in many, the Central region exceeds the industry average by 0.07% with a bad debt percentage of 1.78%.

The three remaining regions experienced below the industry average by at least 0.12% and up to 0.34%. All five regions saw an increase in bad debts as a percentage of total revenue in 2023, with the Baltimore Metro region experiencing the highest increase at 0.41% and the Non Metro region experiencing the smallest increase at 0.07%.

Bad Debts As A Percentage Of Revenue By Facility Size

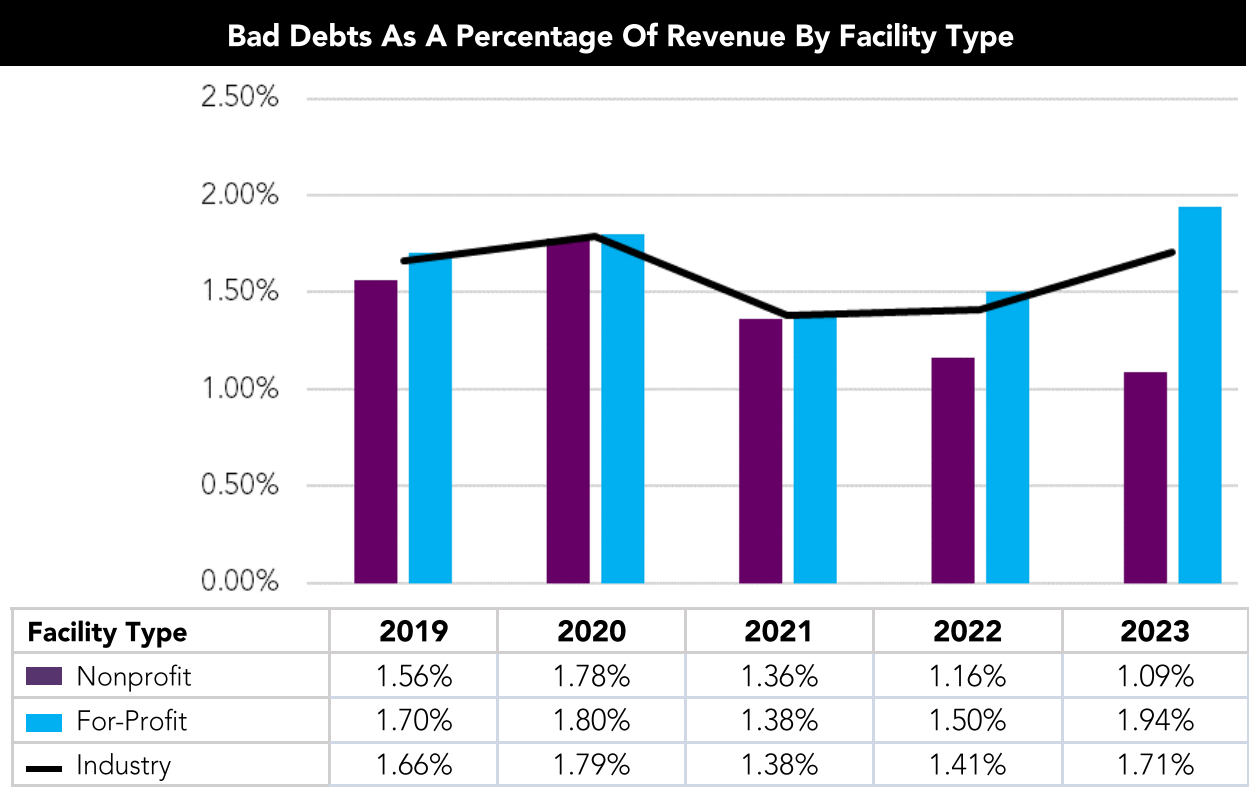


Facility Size	2019	2020	2021	2022	2023
1 - 44 beds	0.59%	0.29%	0.25%	0.73%	0.66%
45 - 99 beds	1.18%	1.45%	1.30%	1.08%	1.34%
100 - 199 beds	1.63%	1.71%	1.24%	1.38%	1.76%
200+ beds	2.48%	2.58%	2.09%	1.95%	2.06%
Industry	1.66%	1.79%	1.38%	1.41%	1.71%

Facilities with 1 - 44 beds continue to experience the lowest bad debt percentage at 0.66% (1.05% below industry), while facilities with 200+ beds experienced the highest percentage at 2.06% (0.35% above industry). All facilities, with the exception of facilities with 1 - 44 beds, saw increases in their bad debt as a percentage of revenue in 2023, with increases ranging from 0.11% to 0.38%. Facilities with 1 - 44 beds saw decreases in their bad debt as a percentage of revenue in 2023, with decreases of 0.07%.

Based on the total revenue of the facility, the number of census days a facility has per year does not affect this area. Historically, facilities with 1 - 44 beds have consistently experienced the smallest percentage of bad debts. The reason smaller facilities can have a lower percentage of bad debt is because of the type of census mix these types of facilities maintain. As noted earlier, facilities with 1 - 44 beds tend to have a higher census percentage of private pay residents. They also tend to have the lowest percentage of Medicare utilization. These types of residents are least likely to contribute to bad debt expense, unlike a Medicaid pending resident whose eligibility could be denied for a portion of their stay.

In general, the data shows that facilities with 100 - 199 beds and 200+ beds have a greater dependency on residents funded by government agencies, which means their risk of bad debt is greater than other facilities. However, it is important to note for any size facility the importance of monitoring the financial capability of private pay residents. A resident might start out as private pay but quickly exhaust their financial resources. The sooner this is determined, the sooner the Medicaid eligibility process can start.



In 2023, nonprofit facilities saw a decrease in their bad debts as a percentage of revenue of 0.07%, while for-profit facilities saw an increase in their bad debts as a percentage of revenue of 0.44%. Nonprofit facilities continue to maintain bad debt percentages below the industry average with the current year variance being the highest seen in recent years at 0.62%. In contrast, for-profit facilities continually see rates higher than the industry with 2023 being no exception at 0.23% more than the industry.

When looking at these bad debt percentages, keep in mind that not all facilities are reporting bad debt expense in the same categories on the cost report. We continue to hear that some facilities net bad debt expense with revenue, which distorts these percentages. This seems to be true when we note that there is no bad debt expense reported, and yet a facility has Medicare revenue. A Medicaid resident with Medicare coverage typically has bad debt related to the co-pay.

Even though Medicare currently reimburses a portion of this bad debt through the Medicare cost report and interim payments, there is always some bad debt related to Medicare co-pay. We tried to account for this anomaly in computing this bad debt percentage.

There are various reasons why one skilled nursing facility's percentage might differ from that of another facility, even one that is right down the road. After all, it is up to the individual facility's management to determine what and how much gets written off. In other words, collection philosophies vary.

If your bad debt percentage is above industry averages:

1. You may be managing receivables ineffectively.
2. You may not be adequately vetting potential new residents for "collectability."
3. You may be more worried about the short-term benefits of just filling beds, without enough thought about the long-term concern of collecting receivables. (In other words, you might be too optimistic about the ability to resolve potential or known Medicaid eligibility issues.) The pandemic clearly affected census, but it is better to take the time to vet a potential resident now than to find out later that you are providing services without any payments.

If your bad debt percentage is lower than industry averages:

1. You may have a low turnover rate with residents (minimal or no new Medicaid pending residents).
2. You are most likely doing a good job staying on top of receivables.

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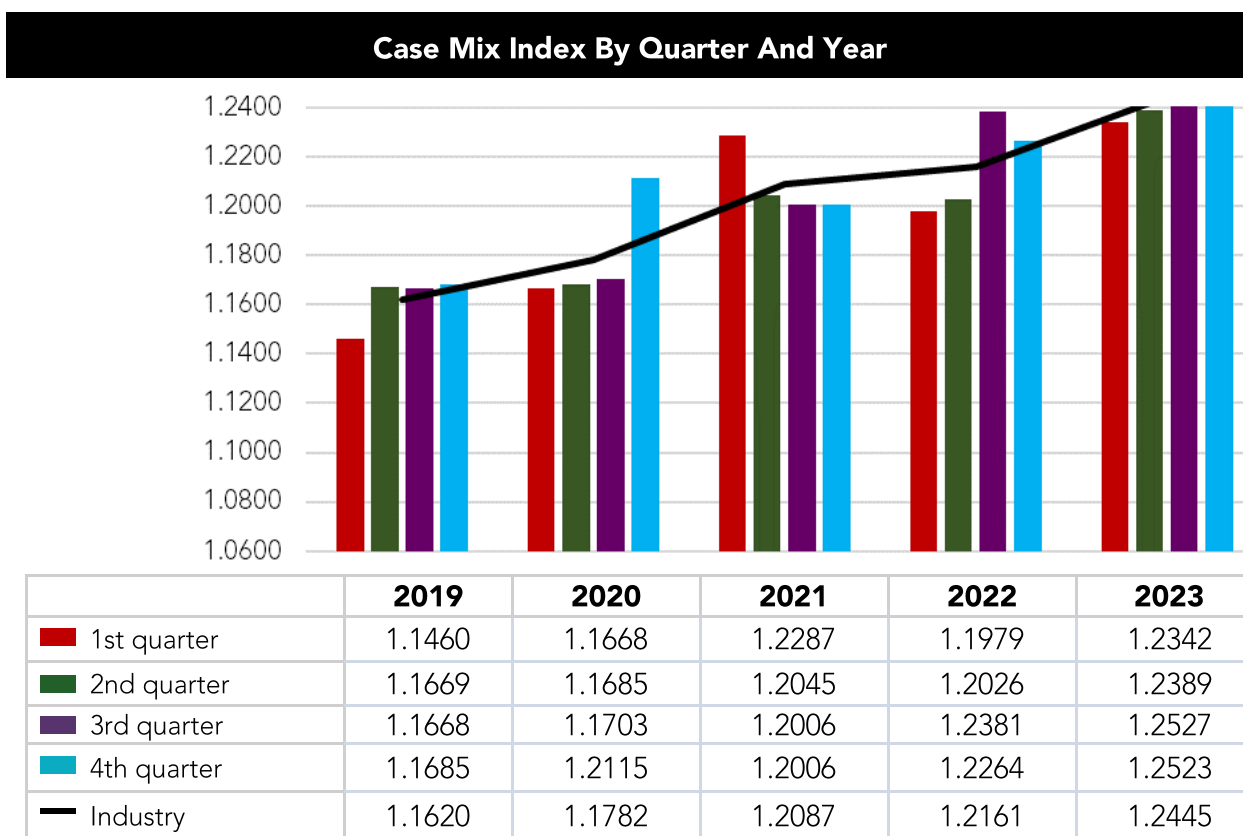
Case Mix Index

As everyone in the industry knows, under the current Maryland Medicaid reimbursement methodology, a significant portion of each skilled nursing facility's daily Medicaid rate is derived by its Case Mix Index (CMI). The other components of the rate are fixed for all providers in a region, except for the impact of a facility's appraised value as well as the reimbursement received by for-profit entities for real estate taxes paid. Therefore, CMI is the only portion of the Medicaid rate that is still facility specific and technically under a facility's control.

A facility's CMI is computed by the Maryland Department of Health (the Department) based on information submitted by all Maryland skilled nursing facilities through each facility's Minimum Data Set (MDS). The CMI used to determine a facility's quarterly rate is based on the MDS submitted during the quarter that ended two prior quarters. Therefore, Medicaid rates that are effective for the period of July 1 through September 30 are based on the information received through the MDS from January 1 through March 31. Another way to look at this is that a facility is paid a rate today for services rendered to its residents based on the level of services it had to provide in the past.

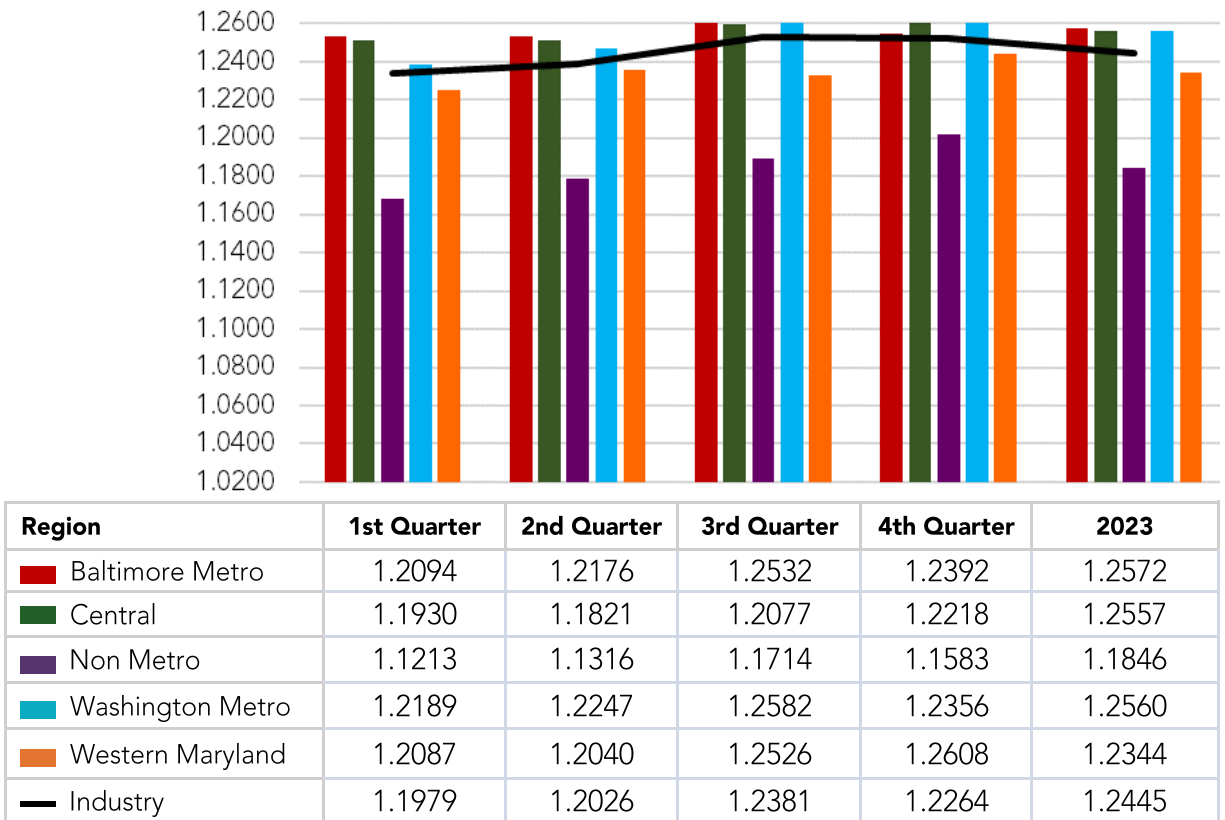
Each resident included on the MDS is scored based on their current Resource Utilization Groups IV (RUG-IV) level and the number of days at that specific RUG-IV level. The assigned RUG-IV level is multiplied by the number of days the resident was at the RUG-IV level. All resident scores are then added together to calculate the facility's Medicaid points.

The total Medicaid points are then divided by the total number of Medicaid days for the quarter to determine a facility's individual CMI each quarter. A facility's CMI rate is then multiplied by the current calculated rate of the facility's region to determine the specific nursing portion of the facility's Medicaid reimbursement rate.



The chart above summarizes the industry's average Medicaid CMI for the state of Maryland, beginning January 1, 2019, and broken out by quarter. The black line indicates the average for all four quarters of 2019 through 2023.

Case Mix Index By Region And Year



When comparing regions within the state for 2023, as outlined in the chart above, three of the five regions are greater than the industry average CMI for the year, except the Western Maryland and Non Metro regions. The Baltimore Metro, Washington Metro and Central regions have seen CMI scores higher than the state overall.

Since CMI has the largest impact on a facility's reimbursement rate, it is imperative that facilities assess residents at the proper RUG-IV level. Maryland's utilization agent, Telligen, began performing audit verifications of facilities' CMI data in 2017.

Beginning in 2018, any facilities that fail the expanded audits will be subject to a penalty audit and a penalty/reduction to their Medicaid rate. Per the Department, when the penalty audit is above a 20% negative error rate, the following penalties are levied:

1. The facility rate for the following two quarters (after the penalty audit) is reduced by an average rate per CMI point based on the change in Medicaid CMI between the pre-audit CMI and the audit-based CMI.
2. The facility is charged the cost of the MDS Penalty Audit as a mass adjustment for future claims. The cost is equal to the established per review rate for MDS Validation in the Department's contract with the Utilization Control Agent.

In addition, the Department will submit formal documentation of its findings to the Office of Health Care Quality regarding the facility's deficient record-keeping. Penalty Audits will continue approximately every six months until the negative error rate (less than 20%) no longer triggers a penalty.

Based on information available for 2023, 191 audits were performed, with nine requiring a follow-up audit. Of the 2023 audits, four had to undergo a penalty audit. At the time of this report, 145 audits have been performed through August 30, 2024, with nine requiring a follow-up audit. Of the 2024 audits completed to date, four had to undergo a penalty audit.

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About Gross Mendelsohn



Gross, Mendelsohn & Associates is a full-service, Maryland-based CPA and consulting firm serving the complete financial needs of long-term care organizations, privately-held businesses, nonprofits and families in the Mid-Atlantic area.

The firm's Healthcare Group can help you with financial statement audits, Medicaid and Medicare cost report preparation, cost report review and analysis, Medicaid reimbursement consulting, employee benefit plan audits, EHR system implementation, managed IT services, cyber security and more. Interested in more information about our firm and services for skilled nursing facilities? Contact Jennifer Rock at 410.685.5512 or jrock@gma-cpa.com.



Appendix

Industry Benchmarks For Skilled Nursing Facilities In Maryland

Industry Benchmarks For Skilled Nursing Facilities In Maryland

Net Resident Service Revenue	2023	2022	2021	2020	2019
Private Revenue PPD	\$430.15	\$392.75	\$377.28	\$437.04	\$435.26
Medicaid Revenue PPD	\$329.36	\$315.23	\$306.88	\$304.09	\$294.19
Medicare Revenue PPD	\$458.84	\$462.84	\$411.99	\$385.69	\$303.67
Total Revenue PPD	\$367.21	\$356.23	\$335.61	\$335.40	\$314.73

Expenditures	2023	2022	2021	2020	2019
Nursing PPD	\$167.17	\$163.86	\$156.40	\$149.34	\$130.10
Other Patient Care PPD	\$20.16	\$19.71	\$19.62	\$19.16	\$18.39
Food PPD	\$9.78	\$9.75	\$9.36	\$8.63	\$8.03
Routine PPD	\$51.97	\$51.09	\$51.24	\$48.05	\$44.22
Dietary PPD	\$16.65	\$16.48	\$16.25	\$15.78	\$14.49
Laundry PPD	\$4.93	\$4.70	\$4.72	\$4.60	\$4.35
Housekeeping PPD	\$9.36	\$9.04	\$9.20	\$8.71	\$7.64
Maintenance PPD	\$15.86	\$15.85	\$15.62	\$14.27	\$13.65
Administrative PPD	\$52.62	\$52.21	\$54.42	\$50.35	\$43.42
Administrative Wages PPD	\$4.14	\$4.11	\$4.21	\$3.87	\$3.62
Office Staff Wages PPD	\$16.05	\$15.91	\$16.18	\$14.87	\$12.60
Non-Property Insurance PPD	\$4.55	\$4.43	\$5.06	\$3.92	\$3.40
Capital/Property Service PPD	\$39.39	\$34.08	\$33.85	\$31.70	\$28.92
Capital Value Rental PPD	\$30.11	\$26.80	\$25.98	\$27.19	\$24.93
Total Cost PPD	\$361.42	\$347.75	\$341.51	\$325.80	\$289.99

Employee Benefits	2023	2022	2021	2020	2019
Nursing PPD	\$19.87	\$21.30	\$24.42	\$25.59	\$24.35
Other Patient Care PPD	\$1.66	\$1.64	\$1.80	\$1.83	\$1.80
Routine PPD	\$5.17	\$5.02	\$5.45	\$4.69	\$4.09
Administrative PPD	\$4.21	\$4.31	\$4.86	\$4.42	\$3.93
Total Benefits PPD	\$30.91	\$32.28	\$36.54	\$36.54	\$34.16

Industry Benchmarks For Skilled Nursing Facilities In Maryland

Census Data	2023	2022	2021	2020	2019
Private Mix	11.26%	10.89%	10.72%	10.68%	11.49%
Medicaid Mix	66.73%	65.54%	66.50%	67.58%	67.06%
Medicare Mix	22.01%	23.58%	22.78%	21.73%	21.45%
Average Occupancy	82.82%	80.07%	74.90%	79.10%	86.58%

Receivables and Bad Debt	2023	2022	2021	2020	2019
Receivables as % of Revenue	15.91%	15.74%	14.56%	13.73%	13.88%
Bad Debts as % of Revenue	1.71%	1.41%	1.38%	1.79%	1.66%
Receivable Turnover (Days)	57.27	56.65	52.43	49.42	49.97

Medicaid Case Mix Index	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Average
2023	1.2342	1.2389	1.2527	1.2523	1.2445
2022	1.1979	1.2026	1.2381	1.2264	1.2161
2021	1.2287	1.2045	1.2006	1.2006	1.2087
2020	1.1668	1.1685	1.1703	1.1215	1.1782
2019	1.1460	1.1669	1.1668	1.1685	1.1620
Medicare Case Mix Index	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Average
2023	1.3883	1.3845	1.3976	1.3831	1.3885
2022	1.3563	1.3652	1.3912	1.3786	1.3734
2021	1.4089	1.4014	1.3773	1.3773	1.3909
2020	1.3653	1.3779	1.3774	1.4077	1.3814
2019	1.3721	1.3733	1.3653	1.3779	1.3722
Other Case Mix Index	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Average
2023	1.1560	1.1506	1.1612	1.1504	1.1545
2022	1.1499	1.1426	1.1636	1.1495	1.1514
2021	1.1763	1.1583	1.1595	1.1595	1.1633
2020	1.1485	1.1495	1.1530	1.1555	1.1514
2019	1.1461	1.1616	1.1485	1.1495	1.1514

Industry Benchmarks For Skilled Nursing Facilities In Maryland

Total Case Mix Index	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Average
2023	1.2503	1.2521	1.2658	1.2579	1.2565
2022	1.2193	1.2226	1.2576	1.2427	1.2355
2021	1.2517	1.2341	1.2268	1.2268	1.2348
2020	1.1977	1.2002	1.2031	1.2376	1.2087
2019	1.1880	1.2026	1.1977	1.2002	1.1971



Appendix

Regional Benchmarks For Skilled Nursing Facilities In Maryland

Industry Benchmarks For Skilled Nursing Facilities In Maryland

Baltimore Metro

Net Resident Service Revenue	2023	2022	2021	2020	2019
Private Revenue PPD	\$426.02	\$378.58	\$382.30	\$468.59	\$461.10
Medicaid Revenue PPD	\$344.20	\$329.08	\$313.22	\$319.48	\$314.02
Medicare Revenue PPD	\$504.20	\$507.77	\$488.27	\$435.86	\$383.91
Total Revenue PPD	\$378.03	\$366.42	\$352.40	\$351.83	\$339.75

Expenditures	2023	2022	2021	2020	2019
Nursing PPD	\$173.73	\$173.42	\$168.97	\$156.68	\$136.35
Other Patient Care PPD	\$21.09	\$20.29	\$20.15	\$19.62	\$18.91
Food PPD	\$9.67	\$9.32	\$8.68	\$7.72	\$7.31
Routine PPD	\$55.95	\$54.12	\$54.63	\$50.76	\$46.85
Dietary PPD	\$16.77	\$16.46	\$16.44	\$15.83	\$14.47
Laundry PPD	\$5.42	\$5.08	\$5.00	\$4.95	\$4.66
Housekeeping PPD	\$10.54	\$10.04	\$10.35	\$9.79	\$8.64
Maintenance PPD	\$17.85	\$17.52	\$17.06	\$15.19	\$14.71
Administrative PPD	\$58.24	\$56.13	\$59.44	\$53.15	\$46.97
Administrative Wages PPD	\$3.48	\$3.53	\$3.61	\$3.24	\$3.03
Office Staff Wages PPD	\$20.76	\$19.46	\$20.31	\$18.36	\$15.84
Non-Property Insurance PPD	\$5.29	\$5.31	\$6.14	\$4.78	\$4.00
Capital/Property Service PPD	\$35.73	\$32.53	\$31.12	\$29.28	\$26.96
Capital Value Rental PPD	\$25.88	\$21.17	\$20.32	\$20.95	\$19.79
Total Cost PPD	\$370.61	\$357.66	\$354.63	\$330.43	\$295.84

Employee Benefits	2023	2022	2021	2020	2019
Nursing PPD	\$19.25	\$20.37	\$25.13	\$26.61	\$26.12
Other Patient Care PPD	\$1.76	\$1.66	\$1.90	\$1.96	\$2.00
Routine PPD	\$5.37	\$5.02	\$5.78	\$4.99	\$4.37
Administrative PPD	\$5.02	\$4.83	\$5.70	\$5.08	\$4.45
Total Benefits PPD	\$31.40	\$31.87	\$38.50	\$38.64	\$36.94

Industry Benchmarks For Skilled Nursing Facilities In Maryland

Baltimore Metro

Census Data	2023	2022	2021	2020	2019
Private Mix	11.01%	10.53%	10.20%	9.07%	10.62%
Medicaid Mix	73.32%	70.94%	71.84%	72.37%	71.53%
Medicare Mix	15.67%	18.53%	17.96%	18.56%	17.85%
Average Occupancy	85.39%	82.56%	77.03%	81.31%	88.01%

Receivables and Bad Debt	2023	2022	2021	2020	2019
Receivables as % of Revenue	16.78%	16.42%	16.73%	14.16%	14.87%
Bad Debts as % of Revenue	2.12%	1.71%	1.51%	2.14%	2.21%
Receivable Turnover (Days)	60.42	59.11	60.21	50.97	53.51

Medicaid Case Mix Index	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Average
2023	1.2534	1.2529	1.2684	1.2543	1.2572
2022	1.2094	1.2176	1.2532	1.2392	1.2297
2021	1.2420	1.2076	1.2078	1.2078	1.2163
2020	1.1742	1.1851	1.1848	1.2320	1.1929
2019	1.1586	1.1710	1.1743	1.1852	1.1791
Medicare Case Mix Index	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Average
2023	1.3967	1.3982	1.4003	1.3737	1.3928
2022	1.3551	1.3632	1.3770	1.3744	1.3677
2021	1.3934	1.3894	1.3793	1.3793	1.3854
2020	1.3536	1.3580	1.3539	1.3775	1.3603
2019	1.3519	1.3482	1.3536	1.3580	1.3529
Other Case Mix Index	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Average
2023	1.2396	1.2253	1.2142	1.1985	1.2193
2022	1.1979	1.1877	1.2263	1.2284	1.2104
2021	1.1908	1.2351	1.2355	1.2355	1.1956
2020	1.1736	1.1855	1.1871	1.1691	1.1793
2019	1.1534	1.1715	1.1736	1.1855	1.1710

Industry Benchmarks For Skilled Nursing Facilities In Maryland

Baltimore Metro

Total Case Mix Index	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Average
2023	1.2741	1.2733	1.2841	1.2646	1.2740
2022	1.2316	1.2378	1.2723	1.2593	1.2503
2021	1.2616	1.2351	1.2355	1.2355	1.2419
2020	1.2021	1.2109	1.2107	1.2483	1.2170
2019	1.1902	1.1993	1.2021	1.2109	1.2006

Industry Benchmarks For Skilled Nursing Facilities In Maryland

Central

Net Resident Service Revenue	2023	2022	2021	2020	2019
Private Revenue PPD	\$433.42	\$413.53	\$394.34	\$516.96	\$488.60
Medicaid Revenue PPD	\$333.16	\$314.14	\$300.25	\$317.32	\$304.11
Medicare Revenue PPD	\$448.81	\$447.56	\$331.20	\$330.20	\$226.29
Total Revenue PPD	\$374.06	\$359.42	\$318.26	\$338.51	\$305.61

Expenditures	2023	2022	2021	2020	2019
Nursing PPD	\$174.87	\$175.42	\$162.59	\$156.57	\$132.12
Other Patient Care PPD	\$19.98	\$20.57	\$21.01	\$20.11	\$18.58
Food PPD	\$10.10	\$10.67	\$10.34	\$9.15	\$9.14
Routine PPD	\$50.84	\$50.29	\$50.39	\$46.58	\$41.79
Dietary PPD	\$16.55	\$17.23	\$17.26	\$16.49	\$15.92
Laundry PPD	\$4.91	\$4.59	\$4.77	\$4.47	\$3.99
Housekeeping PPD	\$9.57	\$9.13	\$9.08	\$8.16	\$6.94
Maintenance PPD	\$15.07	\$14.65	\$14.80	\$13.81	\$12.23
Administrative PPD	\$52.49	\$53.48	\$57.83	\$52.74	\$44.34
Administrative Wages PPD	\$6.25	\$6.41	\$6.03	\$5.95	\$5.83
Office Staff Wages PPD	\$13.43	\$13.54	\$13.62	\$12.56	\$10.21
Non-Property Insurance PPD	\$4.97	\$4.84	\$6.10	\$4.45	\$3.96
Capital/Property Service PPD	\$41.21	\$32.64	\$34.89	\$33.66	\$30.93
Capital Value Rental PPD	\$36.81	\$32.22	\$29.12	\$33.52	\$31.18
Total Cost PPD	\$376.20	\$364.61	\$355.83	\$343.17	\$298.94

Employee Benefits	2023	2022	2021	2020	2019
Nursing PPD	\$17.57	\$18.87	\$22.56	\$25.82	\$22.74
Other Patient Care PPD	\$1.53	\$1.49	\$1.59	\$1.69	\$1.60
Routine PPD	\$4.73	\$4.70	\$4.48	\$3.66	\$2.70
Administrative PPD	\$4.21	\$4.09	\$4.10	\$4.21	\$3.48
Total Benefits PPD	\$28.05	\$29.14	\$32.74	\$35.38	\$30.52

Industry Benchmarks For Skilled Nursing Facilities In Maryland

Central

Census Data	2023	2022	2021	2020	2019
Private Mix	12.77%	12.52%	11.12%	10.64%	11.59%
Medicaid Mix	65.76%	64.24%	66.36%	67.77%	64.57%
Medicare Mix	21.47%	23.24%	22.52%	21.59%	23.84%
Average Occupancy	83.31%	79.85%	75.33%	77.88%	87.33%

Receivables and Bad Debt	2023	2022	2021	2020	2019
Receivables as % of Revenue	13.20%	16.20%	14.22%	12.56%	13.49%
Bad Debts as % of Revenue	1.78%	1.41%	1.29%	1.68%	1.38%
Receivable Turnover (Days)	47.51	58.34	51.18	45.20	48.58

Medicaid Case Mix Index	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Average
2023	1.2509	1.2510	1.2597	1.2611	1.2557
2022	1.1930	1.1821	1.2077	1.2218	1.2011
2021	1.2451	1.2059	1.1979	1.1979	1.2116
2020	1.1675	1.1637	1.1670	1.2518	1.1850
2019	1.1627	1.1678	1.1675	1.1637	1.1654
Medicare Case Mix Index	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Average
2023	1.3732	1.3886	1.4287	1.3816	1.3932
2022	1.3660	1.3677	1.3607	1.3663	1.3651
2021	1.4118	1.4283	1.3927	1.3927	1.4059
2020	1.3588	1.3688	1.3695	1.4320	1.3790
2019	1.3787	1.3845	1.3588	1.3688	1.3727
Other Case Mix Index	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Average
2023	1.2100	1.2384	1.2627	1.2360	1.2372
2022	1.2309	1.2118	1.2099	1.1849	1.2099
2021	1.2517	1.2383	1.2286	1.2286	1.2363
2020	1.2082	1.2353	1.2296	1.2454	1.2281
2019	1.2134	1.2417	1.2082	1.2353	1.2247

Industry Benchmarks For Skilled Nursing Facilities In Maryland

Central

Total Case Mix Index	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Average
2023	1.2733	1.2813	1.2985	1.2835	1.2841
2022	1.2371	1.2243	1.2449	1.2514	1.2395
2021	1.2797	1.2573	1.2448	1.2448	1.2564
2020	1.2141	1.2144	1.2182	1.2864	1.2306
2019	1.2180	1.2266	1.2141	1.2144	1.2183

Industry Benchmarks For Skilled Nursing Facilities In Maryland

Non Metro

Net Resident Service Revenue	2023	2022	2021	2020	2019
Private Revenue PPD	\$373.18	\$340.54	\$327.85	\$347.93	\$354.96
Medicaid Revenue PPD	\$311.48	\$296.36	\$286.19	\$287.58	\$276.12
Medicare Revenue PPD	\$388.42	\$368.11	\$316.24	\$337.09	\$226.75
Total Revenue PPD	\$336.18	\$322.32	\$303.45	\$308.39	\$281.85

Expenditures	2023	2022	2021	2020	2019
Nursing PPD	\$160.13	\$155.55	\$145.85	\$138.27	\$119.38
Other Patient Care PPD	\$18.55	\$18.94	\$19.17	\$19.09	\$17.99
Food PPD	\$9.22	\$10.06	\$9.58	\$9.45	\$8.36
Routine PPD	\$48.23	\$48.64	\$48.65	\$44.43	\$40.96
Dietary PPD	\$16.66	\$15.70	\$15.33	\$14.80	\$13.71
Laundry PPD	\$4.47	\$4.36	\$4.32	\$4.14	\$4.01
Housekeeping PPD	\$8.55	\$8.41	\$8.31	\$7.71	\$6.72
Maintenance PPD	\$13.92	\$15.45	\$15.34	\$13.58	\$12.80
Administrative PPD	\$45.14	\$47.37	\$51.31	\$46.61	\$39.84
Administrative Wages PPD	\$4.60	\$4.91	\$4.86	\$4.37	\$4.07
Office Staff Wages PPD	\$10.12	\$10.90	\$11.58	\$10.54	\$9.29
Non-Property Insurance PPD	\$4.31	\$3.98	\$4.36	\$3.55	\$3.60
Capital/Property Service PPD	\$46.56	\$39.27	\$38.80	\$34.53	\$28.21
Capital Value Rental PPD	\$30.33	\$22.54	\$22.51	\$23.49	\$23.67
Total Cost PPD	\$348.95	\$332.31	\$326.29	\$306.43	\$270.05

Employee Benefits	2023	2022	2021	2020	2019
Nursing PPD	\$19.31	\$20.32	\$22.60	\$23.51	\$21.95
Other Patient Care PPD	\$1.34	\$1.48	\$1.69	\$1.66	\$1.70
Routine PPD	\$4.64	\$4.72	\$5.34	\$4.19	\$3.73
Administrative PPD	\$3.03	\$3.71	\$4.60	\$3.59	\$3.54
Total Benefits PPD	\$28.32	\$30.24	\$34.23	\$32.95	\$30.92

Industry Benchmarks For Skilled Nursing Facilities In Maryland

Non Metro

Census Data	2023	2022	2021	2020	2019
Private Mix	10.72%	12.23%	11.40%	11.22%	11.25%
Medicaid Mix	69.06%	65.11%	66.01%	66.25%	67.50%
Medicare Mix	20.22%	22.65%	22.60%	22.53%	21.25%
Average Occupancy	77.19%	73.55%	68.89%	74.49%	82.60%

Receivables and Bad Debt	2023	2022	2021	2020	2019
Receivables as % of Revenue	16.02%	16.56%	12.76%	14.15%	13.18%
Bad Debts as % of Revenue	1.37%	1.30%	1.25%	1.31%	1.10%
Receivable Turnover (Days)	57.66	59.60	45.93	50.95	47.46

Medicaid Case Mix Index	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Average
2023	1.1681	1.1784	1.1892	1.2020	1.1846
2022	1.1213	1.1316	1.1714	1.1583	1.1454
2021	1.1579	1.1414	1.1381	1.1381	1.1442
2020	1.1147	1.1127	1.1199	1.1347	1.1200
2019	1.0933	1.1182	1.1147	1.1155	1.1104
Medicare Case Mix Index	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Average
2023	1.3300	1.3137	1.3080	1.3250	1.3190
2022	1.3189	1.3311	1.3507	1.3306	1.3336
2021	1.3510	1.3843	1.3412	1.3412	1.3552
2020	1.3386	1.3478	1.3613	1.3268	1.3441
2019	1.3540	1.3551	1.3386	1.3483	1.3490
Other Case Mix Index	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Average
2023	1.1518	1.1249	1.1098	1.1159	1.1253
2022	1.1268	1.1240	1.1557	1.1495	1.1388
2021	1.1547	1.1439	1.1384	1.1384	1.1437
2020	1.0916	1.0879	1.0963	1.1135	1.0968
2019	1.0907	1.1142	1.0916	1.0925	1.0973

Industry Benchmarks For Skilled Nursing Facilities In Maryland

Non Metro

Total Case Mix Index	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Average
2023	1.1999	1.1973	1.2013	1.2103	1.2022
2022	1.1599	1.1709	1.2111	1.1942	1.1841
2021	1.1894	1.1951	1.1797	1.1797	1.1860
2020	1.1483	1.1485	1.1599	1.1670	1.1556
2019	1.1414	1.1579	1.1483	1.1513	1.1497

Industry Benchmarks For Skilled Nursing Facilities In Maryland

Washington Metro

Net Resident Service Revenue	2023	2022	2021	2020	2019
Private Revenue PPD	\$480.43	\$441.75	\$408.57	\$462.75	\$471.16
Medicaid Revenue PPD	\$333.33	\$319.20	\$325.93	\$305.20	\$293.33
Medicare Revenue PPD	\$462.67	\$477.66	\$436.70	\$395.54	\$312.64
Total Revenue PPD	\$379.09	\$369.27	\$351.23	\$345.73	\$324.53

Expenditures	2023	2022	2021	2020	2019
Nursing PPD	\$162.39	\$156.78	\$149.97	\$148.59	\$131.65
Other Patient Care PPD	\$19.64	\$18.97	\$18.83	\$18.66	\$18.10
Food PPD	\$9.82	\$9.64	\$9.51	\$8.91	\$8.20
Routine PPD	\$50.71	\$50.09	\$50.15	\$48.41	\$44.46
Dietary PPD	\$16.82	\$16.97	\$16.36	\$16.36	\$14.86
Laundry PPD	\$4.56	\$4.38	\$4.45	\$4.40	\$4.24
Housekeeping PPD	\$8.67	\$8.47	\$8.70	\$8.42	\$7.41
Maintenance PPD	\$15.24	\$15.10	\$15.04	\$14.28	\$13.72
Administrative PPD	\$51.34	\$51.12	\$51.99	\$51.03	\$43.12
Administrative Wages PPD	\$3.72	\$3.66	\$3.70	\$3.49	\$3.13
Office Staff Wages PPD	\$16.48	\$16.36	\$16.50	\$15.60	\$13.02
Non-Property Insurance PPD	\$4.06	\$3.98	\$4.31	\$3.41	\$2.85
Capital/Property Service PPD	\$38.63	\$33.12	\$33.92	\$32.09	\$29.56
Capital Value Rental PPD	\$32.61	\$30.73	\$30.22	\$32.21	\$28.81
Total Cost PPD	\$355.31	\$340.80	\$335.07	\$330.98	\$295.70

Employee Benefits	2023	2022	2021	2020	2019
Nursing PPD	\$19.81	\$22.08	\$24.39	\$24.96	\$23.85
Other Patient Care PPD	\$1.68	\$1.67	\$1.82	\$1.84	\$1.74
Routine PPD	\$5.42	\$5.17	\$5.60	\$4.94	\$4.24
Administrative PPD	\$4.05	\$4.19	\$4.65	\$4.39	\$3.86
Total Benefits PPD	\$30.97	\$33.10	\$36.47	\$36.13	\$33.69

Industry Benchmarks For Skilled Nursing Facilities In Maryland

Washington Metro

Census Data	2023	2022	2021	2020	2019
Private Mix	10.85%	10.03%	10.56%	11.81%	12.04%
Medicaid Mix	59.14%	60.00%	61.01%	62.49%	62.12%
Medicare Mix	30.00%	29.98%	28.43%	25.70%	25.84%
Average Occupancy	84.70%	82.05%	76.72%	79.40%	87.13%

Receivables and Bad Debt	2023	2022	2021	2020	2019
Receivables as % of Revenue	16.85%	14.86%	13.58%	13.68%	13.93%
Bad Debts as % of Revenue	1.46%	1.18%	1.27%	1.67%	1.40%
Receivable Turnover (Days)	60.67	53.48	48.89	49.23	50.13

Medicaid Case Mix Index	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Average
2023	1.2382	1.2466	1.2658	1.2733	1.2560
2022	1.2189	1.2247	1.2582	1.2356	1.2341
2021	1.2538	1.2321	1.2154	1.2154	1.2292
2020	1.1813	1.1700	1.1711	1.2155	1.1833
2019	1.1466	1.1807	1.1813	1.1700	1.1697
Medicare Case Mix Index	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Average
2023	1.4164	1.4106	1.4230	1.4123	1.4157
2022	1.3656	1.3838	1.4342	1.4091	1.3987
2021	1.4467	1.4228	1.3828	1.3828	1.4076
2020	1.3872	1.4031	1.3975	1.4597	1.4107
2019	1.3886	1.3934	1.3872	1.4031	1.3931
Other Case Mix Index	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Average
2023	1.1029	1.1001	1.1208	1.1133	1.1092
2022	1.1119	1.1043	1.1142	1.0958	1.1065
2021	1.1509	1.1274	1.1168	1.1168	1.1277
2020	1.1303	1.1211	1.1263	1.1337	1.1276
2019	1.1334	1.1389	1.1303	1.1211	1.1309

Industry Benchmarks For Skilled Nursing Facilities In Maryland

Washington Metro

Total Case Mix Index	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Average
2023	1.2420	1.2448	1.2643	1.2610	1.2040
2022	1.2221	1.2272	1.2621	1.2373	1.2371
2021	1.2652	1.2425	1.2248	1.2248	1.2391
2020	1.2067	1.1997	1.2011	1.2440	1.2117
2019	1.1913	1.2110	1.2067	1.1997	1.2022

Industry Benchmarks For Skilled Nursing Facilities In Maryland

Western Maryland

Net Resident Service Revenue	2023	2022	2021	2020	2019
Private Revenue PPD	\$372.13	\$343.77	\$325.50	\$310.03	\$302.41
Medicaid Revenue PPD	\$280.72	\$269.51	\$254.83	\$245.06	\$235.64
Medicare Revenue PPD	\$436.19	\$423.65	\$363.80	\$327.02	\$221.50
Total Revenue PPD	\$320.16	\$307.35	\$283.97	\$267.94	\$244.80

Expenditures	2023	2022	2021	2020	2019
Nursing PPD	\$161.76	\$150.98	\$143.90	\$131.45	\$114.66
Other Patient Care PPD	\$21.72	\$20.58	\$19.73	\$18.11	\$17.86
Food PPD	\$10.53	\$10.29	\$9.59	\$9.01	\$8.14
Routine PPD	\$49.67	\$47.62	\$48.24	\$43.96	\$41.86
Dietary PPD	\$15.64	\$14.68	\$15.25	\$13.83	\$12.47
Laundry PPD	\$5.33	\$5.25	\$5.40	\$4.96	\$4.71
Housekeeping PPD	\$8.69	\$8.11	\$8.54	\$8.03	\$7.15
Maintenance PPD	\$15.07	\$14.23	\$13.94	\$12.31	\$12.66
Administrative PPD	\$48.89	\$46.43	\$45.38	\$39.14	\$35.42
Administrative Wages PPD	\$4.56	\$4.00	\$5.02	\$4.20	\$4.09
Office Staff Wages PPD	\$9.84	\$10.35	\$10.27	\$8.39	\$7.04
Non-Property Insurance PPD	\$3.44	\$2.70	\$3.68	\$2.33	\$2.05
Capital/Property Service PPD	\$41.80	\$38.12	\$33.91	\$32.26	\$32.67
Capital Value Rental PPD	\$26.33	\$34.39	\$32.47	\$29.70	\$23.15
Total Cost PPD	\$350.16	\$338.13	\$323.64	\$294.61	\$265.61

Employee Benefits	2023	2022	2021	2020	2019
Nursing PPD	\$26.86	\$27.54	\$27.82	\$27.46	\$25.72
Other Patient Care PPD	\$1.95	\$1.97	\$1.83	\$1.80	\$1.70
Routine PPD	\$4.95	\$5.36	\$5.10	\$4.83	\$4.88
Administrative PPD	\$3.71	\$4.00	\$3.96	\$3.63	\$3.40
Total Benefits PPD	\$37.47	\$38.86	\$38.72	\$37.72	\$35.70

Industry Benchmarks For Skilled Nursing Facilities In Maryland

Western Maryland

Census Data	2023	2022	2021	2020	2019
Private Mix	12.66%	11.55%	11.74%	11.76%	13.02%
Medicaid Mix	69.09%	69.14%	69.78%	71.14%	72.07%
Medicare Mix	18.26%	19.31%	18.48%	17.09%	14.91%
Average Occupancy	75.89%	74.13%	70.53%	79.56%	85.04%

Receivables and Bad Debt	2023	2022	2021	2020	2019
Receivables as % of Revenue	11.96%	14.39%	13.63%	13.06%	11.00%
Bad Debts as % of Revenue	1.59%	1.26%	1.67%	1.89%	1.85%
Receivable Turnover (Days)	43.04	51.81	49.08	47.01	39.59

Medicaid Case Mix Index	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Average
2023	1.2250	1.2354	1.2328	1.2440	1.2344
2022	1.2087	1.2040	1.2526	1.2608	1.2312
2021	1.1925	1.1934	1.2261	1.2261	1.2086
2020	1.1748	1.1989	1.2000	1.1949	1.1921
2019	1.1641	1.1875	1.1748	1.1989	1.1813
Medicare Case Mix Index	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Average
2023	1.3832	1.3549	1.3990	1.4001	1.3843
2022	1.3708	1.3524	1.3968	1.3861	1.3775
2021	1.4038	1.3538	1.3926	1.3926	1.3838
2020	1.3743	1.4176	1.4260	1.4137	1.4080
2019	1.4010	1.3906	1.3743	1.4176	1.3959
Other Case Mix Index	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Average
2023	1.1801	1.1990	1.2368	1.2032	1.2040
2022	1.2045	1.2035	1.2297	1.2087	1.2112
2021	1.2587	1.2456	1.2579	1.2579	1.2556
2020	1.2026	1.2096	1.2254	1.2336	1.2169
2019	1.2200	1.2446	1.2026	1.2096	1.2192

Industry Benchmarks For Skilled Nursing Facilities In Maryland

Western Maryland

Total Case Mix Index	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Average
2023	1.2464	1.2525	1.2654	1.2672	1.2579
2022	1.2370	1.2303	1.2808	1.2752	1.2558
2021	1.2314	1.2316	1.2598	1.2598	1.2452
2020	1.2084	1.2324	1.2386	1.2333	1.2280
2019	1.2085	1.2281	1.2084	1.2324	1.2194



Appendix

Facility Size Benchmarks For Skilled Nursing Facilities In Maryland

Industry Benchmarks For Skilled Nursing Facilities In Maryland

1 - 44 Beds

Net Resident Service Revenue	2023	2022	2021	2020	2019
Private Revenue PPD	\$388.56	\$365.86	\$334.28	\$332.67	\$316.27
Medicaid Revenue PPD	\$275.27	\$269.27	\$268.47	\$254.20	\$245.97
Medicare Revenue PPD	\$354.17	\$397.02	\$277.25	\$256.58	\$255.69
Total Revenue PPD	\$332.20	\$327.98	\$297.22	\$284.64	\$273.60

Expenditures	2023	2022	2021	2020	2019
Nursing PPD	\$189.54	\$180.27	\$198.30	\$194.90	\$153.17
Other Patient Care PPD	\$31.47	\$29.37	\$28.95	\$24.20	\$22.93
Food PPD	\$24.27	\$24.47	\$29.12	\$21.12	\$23.82
Routine PPD	\$77.12	\$79.83	\$80.63	\$66.13	\$59.27
Dietary PPD	\$26.97	\$28.64	\$23.04	\$20.22	\$21.87
Laundry PPD	\$6.72	\$5.28	\$6.75	\$6.10	\$5.05
Housekeeping PPD	\$8.40	\$13.03	\$10.13	\$9.24	\$8.27
Maintenance PPD	\$20.22	\$18.97	\$22.42	\$18.58	\$15.42
Administrative PPD	\$62.64	\$60.36	\$56.50	\$65.08	\$53.01
Administrative Wages PPD	\$12.30	\$10.90	\$12.08	\$9.59	\$11.32
Office Staff Wages PPD	\$27.92	\$25.53	\$26.12	\$22.85	\$18.83
Non-Property Insurance PPD	\$3.78	\$4.41	\$5.64	\$7.07	\$5.02
Capital/Property Service PPD	\$7.75	\$7.15	\$4.57	\$2.32	\$2.27
Capital Value Rental PPD	\$19.22	\$22.28	\$25.49	\$26.82	\$20.64
Total Cost PPD	\$387.73	\$379.27	\$394.43	\$379.45	\$311.28

Employee Benefits	2023	2022	2021	2020	2019
Nursing PPD	\$37.37	\$34.29	\$35.79	\$36.96	\$31.63
Other Patient Care PPD	\$3.39	\$2.98	\$3.61	\$3.61	\$3.32
Routine PPD	\$14.81	\$13.90	\$18.29	\$12.00	\$8.65
Administrative PPD	\$7.17	\$6.68	\$6.74	\$8.87	\$7.93
Total Benefits PPD	\$62.74	\$57.85	\$64.42	\$61.43	\$51.53

Industry Benchmarks For Skilled Nursing Facilities In Maryland

1 - 44 Beds

Census Data	2023	2022	2021	2020	2019
Private Mix	38.04%	38.89%	41.37%	36.79%	34.03%
Medicaid Mix	47.38%	44.94%	47.81%	53.50%	51.53%
Medicare Mix	14.57%	16.17%	10.83%	9.71%	14.44%
Average Occupancy	84.42%	76.40%	74.34%	77.41%	89.84%

Receivables and Bad Debt	2023	2022	2021	2020	2019
Receivables as % of Revenue	7.40%	7.19%	7.67%	10.56%	10.33%
Bad Debts as % of Revenue	0.66%	0.73%	0.25%	0.29%	0.59%
Receivable Turnover (Days)	26.64	25.90	27.63	38.01	37.20

Medicaid Case Mix Index	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Average
2023	0.8778	0.9107	0.9216	0.9009	0.9019
2022	0.9864	0.9644	0.9752	0.9706	0.9697
2021	0.9871	1.0094	0.9566	0.9566	0.9782
2020	0.9436	0.9487	0.9922	0.9941	0.9690
2019	0.9311	0.9340	0.9439	0.9511	0.9400
Medicare Case Mix Index	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Average
2023	1.4125	1.4101	1.3849	1.3572	1.3912
2022	1.4359	1.4266	1.4865	1.5141	1.4691
2021	1.4603	1.3770	1.3881	1.3881	1.3996
2020	1.3792	1.3918	1.4013	1.3553	1.3845
2019	1.3341	1.3516	1.3832	1.3925	1.3654
Other Case Mix Index	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Average
2023	1.0175	0.9918	1.0253	1.0135	1.0107
2022	0.9875	0.9414	0.9784	1.0015	0.9766
2021	0.9876	0.9724	1.0098	1.0098	0.9940
2020	1.0038	1.0048	1.0290	0.9995	1.0100
2019	0.9879	1.0091	1.0024	1.0030	1.0006

Industry Benchmarks For Skilled Nursing Facilities In Maryland

1 - 44 Beds

Total Case Mix Index	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Average
2023	1.0079	1.0161	1.0388	1.0168	1.0191
2022	1.0328	1.0175	1.0613	1.0700	1.0451
2021	1.0218	1.0337	1.0198	1.0198	1.0240
2020	1.0097	1.0161	1.0474	1.0229	1.0242
2019	1.0041	1.0104	1.0130	1.0208	1.0121

Industry Benchmarks For Skilled Nursing Facilities In Maryland

45 - 99 Beds

Net Resident Service Revenue	2023	2022	2021	2020	2019
Private Revenue PPD	\$428.45	\$388.13	\$377.79	\$356.07	\$331.81
Medicaid Revenue PPD	\$319.32	\$306.19	\$302.21	\$296.08	\$278.88
Medicare Revenue PPD	\$418.28	\$416.85	\$354.43	\$349.55	\$246.29
Total Revenue PPD	\$356.90	\$344.84	\$323.14	\$317.36	\$284.18

Expenditures	2023	2022	2021	2020	2019
Nursing PPD	\$172.07	\$163.30	\$158.65	\$151.28	\$132.98
Other Patient Care PPD	\$22.24	\$21.53	\$21.54	\$20.79	\$19.92
Food PPD	\$15.02	\$14.56	\$13.77	\$13.02	\$12.98
Routine PPD	\$57.73	\$54.97	\$55.55	\$52.10	\$48.45
Dietary PPD	\$18.07	\$17.49	\$17.66	\$16.82	\$16.64
Laundry PPD	\$5.26	\$4.91	\$4.68	\$4.44	\$4.14
Housekeeping PPD	\$9.16	\$8.55	\$9.19	\$9.10	\$7.76
Maintenance PPD	\$16.70	\$15.71	\$15.06	\$14.21	\$13.38
Administrative PPD	\$57.07	\$56.89	\$58.39	\$54.70	\$47.10
Administrative Wages PPD	\$7.21	\$7.34	\$7.31	\$6.77	\$6.93
Office Staff Wages PPD	\$16.84	\$17.26	\$17.99	\$15.96	\$12.66
Non-Property Insurance PPD	\$5.68	\$5.16	\$6.09	\$4.77	\$4.02
Capital/Property Service PPD	\$42.40	\$36.76	\$34.61	\$34.51	\$29.14
Capital Value Rental PPD	\$24.87	\$23.63	\$23.24	\$29.13	\$26.21
Total Cost PPD	\$376.39	\$357.08	\$351.98	\$342.52	\$303.81

Employee Benefits	2023	2022	2021	2020	2019
Nursing PPD	\$22.66	\$23.83	\$24.94	\$25.92	\$24.55
Other Patient Care PPD	\$1.98	\$1.94	\$2.22	\$2.15	\$2.07
Routine PPD	\$8.54	\$8.31	\$8.96	\$7.53	\$6.52
Administrative PPD	\$4.81	\$5.02	\$6.18	\$5.08	\$4.65
Total Benefits PPD	\$37.99	\$39.10	\$42.30	\$40.68	\$37.78

Industry Benchmarks For Skilled Nursing Facilities In Maryland

45 - 99 Beds

Census Data	2023	2022	2021	2020	2019
Private Mix	13.94%	13.66%	14.01%	13.49%	14.72%
Medicaid Mix	64.06%	61.13%	62.24%	66.34%	63.40%
Medicare Mix	22.00%	25.20%	23.75%	20.18%	21.89%
Average Occupancy	84.10%	80.71%	74.41%	75.98%	84.63%

Receivables and Bad Debt	2023	2022	2021	2020	2019
Receivables as % of Revenue	13.60%	15.02%	11.72%	12.39%	12.52%
Bad Debts as % of Revenue	1.34%	1.08%	1.30%	1.45%	1.18%
Receivable Turnover (Days)	48.97	54.06	42.18	44.59	45.06

Medicaid Case Mix Index	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Average
2023	1.2449	1.2206	1.2152	1.2187	1.2252
2022	1.1935	1.1997	1.2310	1.2279	1.2128
2021	1.1996	1.1996	1.1899	1.1899	1.1949
2020	1.1243	1.1401	1.1486	1.1973	1.1511
2019	1.1083	1.1238	1.1201	1.1362	1.1221
Medicare Case Mix Index	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Average
2023	1.3937	1.3741	1.3683	1.3625	1.3753
2022	1.3406	1.3391	1.3700	1.3603	1.3533
2021	1.4020	1.4129	1.3723	1.3723	1.3887
2020	1.3656	1.3707	1.3793	1.4336	1.3838
2019	1.3632	1.3669	1.3654	1.3717	1.3668
Other Case Mix Index	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Average
2023	1.1557	1.1511	1.1520	1.1369	1.1489
2022	1.1492	1.1474	1.1677	1.1530	1.1544
2021	1.1698	1.1564	1.1650	1.1650	1.1641
2020	1.1266	1.1434	1.1586	1.1610	1.1470
2019	1.1224	1.1574	1.1257	1.1432	1.1372

Industry Benchmarks For Skilled Nursing Facilities In Maryland

45 - 99 Beds

Total Case Mix Index	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Average
2023	1.2623	1.2427	1.2382	1.2318	1.2441
2022	1.2164	1.2196	1.2533	1.2438	1.2333
2021	1.2271	1.2305	1.2229	1.2229	1.2258
2020	1.1702	1.1821	1.1939	1.2274	1.1919
2019	1.1609	1.1763	1.1668	1.1795	1.1709

Industry Benchmarks For Skilled Nursing Facilities In Maryland

100 - 199 Beds

Net Resident Service Revenue	2023	2022	2021	2020	2019
Private Revenue PPD	\$424.54	\$393.63	\$376.47	\$468.40	\$478.04
Medicaid Revenue PPD	\$331.02	\$317.01	\$304.13	\$306.64	\$300.13
Medicare Revenue PPD	\$470.40	\$480.04	\$431.93	\$408.26	\$333.26
Total Revenue PPD	\$369.09	\$359.01	\$336.90	\$341.22	\$324.52

Expenditures	2023	2022	2021	2020	2019
Nursing PPD	\$162.46	\$161.24	\$152.76	\$146.11	\$126.66
Other Patient Care PPD	\$19.13	\$18.64	\$18.55	\$18.44	\$17.54
Food PPD	\$8.35	\$8.33	\$8.06	\$7.59	\$6.85
Routine PPD	\$48.01	\$47.55	\$48.15	\$45.67	\$41.92
Dietary PPD	\$15.43	\$15.32	\$15.31	\$15.11	\$13.66
Laundry PPD	\$4.71	\$4.53	\$4.59	\$4.60	\$4.43
Housekeeping PPD	\$9.09	\$8.80	\$9.00	\$8.43	\$7.41
Maintenance PPD	\$14.59	\$14.78	\$14.79	\$13.57	\$12.99
Administrative PPD	\$49.45	\$48.96	\$51.51	\$48.67	\$41.48
Administrative Wages PPD	\$3.64	\$3.60	\$3.77	\$3.54	\$3.08
Office Staff Wages PPD	\$14.55	\$14.31	\$14.55	\$13.67	\$11.55
Non-Property Insurance PPD	\$4.14	\$4.11	\$4.62	\$3.54	\$3.09
Capital/Property Service PPD	\$41.68	\$35.95	\$36.15	\$33.51	\$30.99
Capital Value Rental PPD	\$31.76	\$27.49	\$26.24	\$27.59	\$25.04
Total Cost PPD	\$352.49	\$339.82	\$333.37	\$320.00	\$283.62

Employee Benefits	2023	2022	2021	2020	2019
Nursing PPD	\$18.45	\$19.85	\$22.93	\$24.84	\$22.99
Other Patient Care PPD	\$1.59	\$1.57	\$1.70	\$1.77	\$1.70
Routine PPD	\$4.20	\$4.13	\$4.46	\$3.96	\$3.44
Administrative PPD	\$3.81	\$3.83	\$4.27	\$4.05	\$3.55
Total Benefits PPD	\$28.05	\$29.37	\$33.36	\$34.62	\$31.69

Industry Benchmarks For Skilled Nursing Facilities In Maryland

100 - 199 Beds

Census Data	2023	2022	2021	2020	2019
Private Mix	10.47%	9.89%	9.70%	9.91%	10.73%
Medicaid Mix	67.76%	66.95%	67.86%	68.29%	68.29%
Medicare Mix	21.76%	23.17%	22.43%	21.79%	20.98%
Average Occupancy	83.21%	80.59%	74.75%	78.89%	86.36%

Receivables and Bad Debt	2023	2022	2021	2020	2019
Receivables as % of Revenue	17.36%	17.29%	15.96%	14.65%	14.16%
Bad Debts as % of Revenue	1.76%	1.38%	1.24%	1.71%	1.63%
Receivable Turnover (Days)	62.51	62.24	57.46	52.73	50.99

Medicaid Case Mix Index	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Average
2023	1.2192	1.2261	1.2409	1.2443	1.2326
2022	1.1908	1.1899	1.2253	1.2178	1.2055
2021	1.2100	1.1828	1.1807	1.1807	1.1887
2020	1.1483	1.1490	1.1494	1.1891	1.1577
2019	1.1373	1.1523	1.1466	1.1469	1.1458
Medicare Case Mix Index	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Average
2023	1.3802	1.3835	1.4054	1.3887	1.3896
2022	1.3627	1.3718	1.4012	1.3776	1.3788
2021	1.3899	1.4027	1.3743	1.3743	1.3853
2020	1.3517	1.3710	1.3710	1.3872	1.3694
2019	1.3641	1.3589	1.3514	1.3703	1.3612
Other Case Mix Index	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Average
2023	1.1673	1.1641	1.1698	1.1650	1.1666
2022	1.1575	1.1491	1.1700	1.1614	1.1594
2021	1.1858	1.1724	1.1715	1.1715	1.1751
2020	1.1569	1.1543	1.1625	1.1653	1.1592
2019	1.1566	1.1675	1.1567	1.1535	1.1586

Industry Benchmarks For Skilled Nursing Facilities In Maryland

100 - 199 Beds

Total Case Mix Index	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Average
2023	1.2403	1.2458	1.2613	1.2565	1.2509
2022	1.2171	1.2160	1.2523	1.2383	1.2307
2021	1.2368	1.2216	1.2144	1.2144	1.2218
2020	1.1837	1.1864	1.1898	1.2200	1.1938
2019	1.1821	1.1910	1.1824	1.1846	1.1850

Industry Benchmarks For Skilled Nursing Facilities In Maryland

200+ Beds

Net Resident Service Revenue	2023	2022	2021	2020	2019
Private Revenue PPD	\$475.67	\$405.27	\$392.38	\$427.82	\$409.66
Medicaid Revenue PPD	\$348.06	\$332.40	\$340.12	\$314.08	\$293.45
Medicare Revenue PPD	\$471.08	\$444.78	\$399.82	\$329.22	\$237.60
Total Revenue PPD	\$380.60	\$366.08	\$355.55	\$338.52	\$310.61

Expenditures	2023	2022	2021	2020	2019
Nursing PPD	\$188.39	\$178.16	\$173.34	\$164.22	\$146.61
Other Patient Care PPD	\$22.67	\$22.35	\$22.44	\$21.04	\$21.04
Food PPD	\$10.44	\$10.64	\$9.91	\$8.73	\$7.82
Routine PPD	\$64.64	\$61.52	\$59.49	\$54.71	\$50.81
Dietary PPD	\$20.24	\$19.45	\$18.34	\$17.32	\$15.61
Laundry PPD	\$5.66	\$5.38	\$5.29	\$4.73	\$4.22
Housekeeping PPD	\$11.35	\$10.38	\$10.10	\$9.79	\$8.75
Maintenance PPD	\$21.29	\$20.93	\$19.71	\$17.52	\$17.46
Administrative PPD	\$63.55	\$61.77	\$63.52	\$53.49	\$48.84
Administrative Wages PPD	\$2.27	\$2.50	\$2.38	\$2.12	\$2.15
Office Staff Wages PPD	\$23.25	\$22.07	\$22.41	\$20.02	\$17.96
Non-Property Insurance PPD	\$5.76	\$5.61	\$6.25	\$4.92	\$4.28
Capital/Property Service PPD	\$25.76	\$24.33	\$23.60	\$21.91	\$19.53
Capital Value Rental PPD	\$24.87	\$24.37	\$25.10	\$21.61	\$21.43
Total Cost PPD	\$389.88	\$372.50	\$367.50	\$336.98	\$308.25

Employee Benefits	2023	2022	2021	2020	2019
Nursing PPD	\$24.56	\$25.42	\$31.39	\$29.24	\$31.05
Other Patient Care PPD	\$1.53	\$1.57	\$1.77	\$1.71	\$1.93
Routine PPD	\$6.10	\$5.38	\$6.06	\$5.35	\$4.77
Administrative PPD	\$5.44	\$5.59	\$6.20	\$5.33	\$4.71
Total Benefits PPD	\$37.63	\$37.96	\$45.42	\$41.64	\$42.46

Industry Benchmarks For Skilled Nursing Facilities In Maryland

200+ Beds

Census Data	2023	2022	2021	2020	2019
Private Mix	10.10%	10.54%	10.41%	9.70%	10.06%
Medicaid Mix	67.49%	66.49%	66.58%	67.34%	67.08%
Medicare Mix	22.41%	22.97%	23.01%	22.96%	22.87%
Average Occupancy	80.38%	78.45%	77.47%	83.79%	90.13%

Receivables and Bad Debt	2023	2022	2021	2020	2019
Receivables as % of Revenue	12.80%	11.73%	12.72%	11.90%	14.50%
Bad Debts as % of Revenue	2.06%	1.95%	2.09%	2.58%	2.48%
Receivable Turnover (Days)	46.10	42.23	45.81	42.85	52.21

Medicaid Case Mix Index	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Average
2023	1.2499	1.2589	1.2773	1.2391	1.2560
2022	1.2207	1.2358	1.2684	1.2458	1.2423
2021	1.2534	1.2051	1.1846	1.1846	1.2074
2020	1.1675	1.1661	1.1618	1.2296	1.1798
2019	1.1206	1.1519	1.1637	1.1613	1.1494
Medicare Case Mix Index	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Average
2023	1.3961	1.3801	1.3572	1.3464	1.3708
2022	1.3620	1.3701	1.3858	1.4024	1.3808
2021	1.4265	1.3890	1.3532	1.3532	1.3800
2020	1.3964	1.3850	1.3779	1.4363	1.3971
2019	1.3766	1.3868	1.3930	1.3825	1.3847
Other Case Mix Index	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Average
2023	1.1156	1.0951	1.1195	1.1055	1.1088
2022	1.1568	1.1370	1.1304	1.1243	1.1372
2021	1.0861	1.0763	1.0918	1.0918	1.0866
2020	1.0942	1.0991	1.0994	1.0691	1.0915
2019	1.0727	1.0792	1.0912	1.0972	1.0851

Industry Benchmarks For Skilled Nursing Facilities In Maryland

200+ Beds

Total Case Mix Index	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Average
2023	1.2474	1.2483	1.2615	1.2308	1.2470
2022	1.2294	1.2355	1.2613	1.2478	1.2433
2021	1.2473	1.2076	1.1917	1.1917	1.2096
2020	1.1880	1.1833	1.1786	1.2260	1.1928
2019	1.1554	1.1745	1.1843	1.1792	1.1734



Appendix

Facility Type Benchmarks For Skilled Nursing Facilities In Maryland

Industry Benchmarks For Skilled Nursing Facilities In Maryland

For Profit

Net Resident Service Revenue	2023	2022	2021	2020	2019
Private Revenue PPD	\$421.41	\$384.09	\$375.12	\$510.01	\$521.22
Medicaid Revenue PPD	\$334.54	\$321.17	\$313.40	\$311.25	\$302.20
Medicare Revenue PPD	\$468.84	\$473.38	\$418.77	\$405.98	\$324.90
Total Revenue PPD	\$399.09	\$360.04	\$338.00	\$343.96	\$323.79

Expenditures	2023	2022	2021	2020	2019
Nursing PPD	\$159.88	\$157.64	\$149.98	\$143.32	\$123.84
Other Patient Care PPD	\$18.35	\$17.87	\$17.69	\$17.49	\$16.20
Food PPD	\$8.03	\$8.02	\$7.62	\$7.16	\$6.32
Routine PPD	\$46.56	\$45.54	\$45.69	\$43.23	\$39.60
Dietary PPD	\$15.02	\$14.56	\$14.32	\$14.32	\$13.20
Laundry PPD	\$4.85	\$4.63	\$4.54	\$4.43	\$4.19
Housekeeping PPD	\$9.02	\$8.63	\$8.82	\$8.23	\$7.23
Maintenance PPD	\$14.48	\$14.66	\$14.71	\$13.34	\$12.52
Administrative PPD	\$47.29	\$47.33	\$49.84	\$46.75	\$40.28
Administrative Wages PPD	\$4.12	\$4.10	\$4.11	\$3.89	\$3.48
Office Staff Wages PPD	\$12.21	\$12.12	\$12.59	\$11.77	\$9.84
Non-Property Insurance PPD	\$4.39	\$4.28	\$5.08	\$3.88	\$3.39
Capital/Property Service PPD	\$44.83	\$38.41	\$38.28	\$35.60	\$32.71
Capital Value Rental PPD	\$32.39	\$27.48	\$26.64	\$28.76	\$26.64
Total Cost PPD	\$349.29	\$334.27	\$328.12	\$315.14	\$279.27

Employee Benefits	2023	2022	2021	2020	2019
Nursing PPD	\$16.69	\$18.37	\$21.05	\$22.76	\$21.15
Other Patient Care PPD	\$1.24	\$1.21	\$1.33	\$1.43	\$1.37
Routine PPD	\$3.19	\$3.05	\$3.30	\$2.90	\$2.46
Administrative PPD	\$3.27	\$3.34	\$3.77	\$3.65	\$3.16
Total Benefits PPD	\$24.39	\$25.98	\$29.45	\$30.75	\$28.15

Industry Benchmarks For Skilled Nursing Facilities In Maryland

For Profit

Census Data	2023	2022	2021	2020	2019
Private Mix	8.65%	8.20%	8.06%	7.35%	7.84%
Medicaid Mix	69.27%	67.76%	68.63%	69.89%	70.01%
Medicare Mix	22.08%	24.04%	23.31%	22.76%	22.15%
Average Occupancy	84.31%	81.36%	75.52%	79.04%	86.39%

Receivables and Bad Debt	2023	2022	2021	2020	2019
Receivables as % of Revenue	17.26%	17.09%	15.31%	14.35%	14.75%
Bad Debts as % of Revenue	1.94%	1.50%	1.38%	1.80%	1.70%
Receivable Turnover (Days)	62.15	61.52	55.12	51.67	53.09

Medicaid Case Mix Index	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Average
2023	1.2481	1.2529	1.2653	1.2686	1.2588
2022	1.2118	1.2172	1.2518	1.2387	1.2298
2021	1.2430	1.2166	1.2143	1.2143	1.2221
2020	1.1832	1.1838	1.1854	1.2270	1.1937
2019	1.1634	1.1824	1.1832	1.1845	1.1784
Medicare Case Mix Index	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Average
2023	1.3900	1.3847	1.3970	1.3910	1.3907
2022	1.3626	1.3777	1.3911	1.3814	1.3786
2021	1.4094	1.4021	1.3841	1.3841	1.3948
2020	1.3682	1.3810	1.3797	1.4015	1.3822
2019	1.3779	1.3798	1.3682	1.3812	1.3768
Other Case Mix Index	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Average
2023	1.1813	1.1824	1.1822	1.1755	1.1803
2022	1.1815	1.1674	1.1903	1.1714	1.1778
2021	1.2161	1.1910	1.1904	1.1904	1.1964
2020	1.1900	1.1870	1.1935	1.2060	1.1934
2019	1.1884	1.2026	1.1900	1.1885	1.1924

Industry Benchmarks For Skilled Nursing Facilities In Maryland

For Profit

Total Case Mix Index	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Average
2023	1.2645	1.2673	1.2783	1.2754	1.2714
2022	1.2349	1.2391	1.2715	1.2552	1.2502
2021	1.2686	1.2478	1.2417	1.2417	1.2498
2020	1.2153	1.2163	1.2192	1.2562	1.2257
2019	1.2053	1.2192	1.2153	1.2170	1.2142

Industry Benchmarks For Skilled Nursing Facilities In Maryland

Non-Profit

Net Resident Service Revenue	2023	2022	2021	2020	2019
Private Revenue PPD	\$438.00	\$400.74	\$379.37	\$369.30	\$360.17
Medicaid Revenue PPD	\$306.26	\$289.74	\$281.42	\$275.61	\$262.28
Medicare Revenue PPD	\$421.49	\$421.60	\$387.73	\$307.20	\$235.62
Total Revenue PPD	\$422.70	\$342.04	\$327.37	\$306.04	\$284.87

Expenditures	2023	2022	2021	2020	2019
Nursing PPD	\$194.69	\$186.98	\$178.46	\$170.00	\$150.74
Other Patient Care PPD	\$27.01	\$26.53	\$26.25	\$24.92	\$25.59
Food PPD	\$16.39	\$16.20	\$15.32	\$13.68	\$13.67
Routine PPD	\$72.44	\$71.76	\$70.28	\$64.59	\$59.46
Dietary PPD	\$22.81	\$23.63	\$22.88	\$20.76	\$18.74
Laundry PPD	\$5.24	\$4.95	\$5.33	\$5.17	\$4.90
Housekeeping PPD	\$10.66	\$10.55	\$10.49	\$10.37	\$8.99
Maintenance PPD	\$21.08	\$20.28	\$18.74	\$17.46	\$17.40
Administrative PPD	\$72.77	\$70.38	\$70.13	\$62.71	\$53.77
Administrative Wages PPD	\$4.21	\$4.15	\$4.56	\$3.80	\$4.10
Office Staff Wages PPD	\$30.56	\$29.99	\$28.51	\$25.47	\$21.68
Non-Property Insurance PPD	\$5.17	\$5.01	\$5.00	\$4.03	\$3.43
Capital/Property Service PPD	\$18.82	\$18.00	\$18.64	\$18.36	\$16.46
Capital Value Rental PPD	\$21.48	\$24.28	\$23.72	\$21.81	\$19.28
Total Cost PPD	\$407.22	\$397.92	\$387.48	\$362.38	\$325.29

Employee Benefits	2023	2022	2021	2020	2019
Nursing PPD	\$31.89	\$32.21	\$36.02	\$35.31	\$34.89
Other Patient Care PPD	\$3.27	\$3.25	\$3.43	\$3.20	\$3.20
Routine PPD	\$12.66	\$12.35	\$12.85	\$10.84	\$9.43
Administrative PPD	\$7.77	\$7.93	\$8.62	\$7.07	\$6.46
Total Benefits PPD	\$55.58	\$55.74	\$60.91	\$56.42	\$53.97

Industry Benchmarks For Skilled Nursing Facilities In Maryland

Non-Profit

Census Data	2023	2022	2021	2020	2019
Private Mix	21.15%	20.88%	19.86%	22.12%	23.51%
Medicaid Mix	57.12%	57.26%	59.17%	59.67%	57.37%
Medicare Mix	21.73%	21.86%	20.97%	18.21%	19.12%
Average Occupancy	77.63%	75.62%	72.85%	79.31%	87.20%

Receivables and Bad Debt	2023	2022	2021	2020	2019
Receivables as % of Revenue	12.23%	12.08%	12.64%	12.07%	11.68%
Bad Debts as % of Revenue	1.09%	1.16%	1.36%	1.78%	1.56%
Receivable Turnover (Days)	44.03	43.49	45.52	43.46	42.06

Medicaid Case Mix Index	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Average
2023	1.1676	1.1701	1.1905	1.1707	1.1746
2022	1.1369	1.1383	1.1749	1.1674	1.1538
2021	1.1720	1.1547	1.1408	1.1408	1.1526
2020	1.0986	1.1017	1.1057	1.1516	1.1138
2019	1.0724	1.1015	1.0986	1.1017	1.0936
Medicare Case Mix Index	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Average
2023	1.3826	1.3836	1.3997	1.3573	1.3811
2022	1.3345	1.3219	1.3914	1.3695	1.3552
2021	1.4072	1.3992	1.3556	1.3556	1.3780
2020	1.3561	1.3679	1.3700	1.4317	1.3784
2019	1.3548	1.3533	1.3461	1.3679	1.3580
Other Case Mix Index	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Average
2023	1.1019	1.0806	1.1122	1.0936	1.0969
2022	1.0812	1.0899	1.1011	1.1014	1.0932
2021	1.1064	1.0935	1.0927	1.0927	1.0965
2020	1.0759	1.0830	1.0850	1.0757	1.0801
2019	1.0708	1.0887	1.0759	1.0830	1.0801

Industry Benchmarks For Skilled Nursing Facilities In Maryland

Non-Profit

Total Case Mix Index	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Average
2023	1.1957	1.1925	1.2163	1.1886	1.1982
2022	1.1616	1.1620	1.2039	1.1948	1.1802
2021	1.1953	1.1862	1.1732	1.0732	1.1822
2020	1.1386	1.1438	1.1480	1.0757	1.1510
2019	1.1292	1.1465	1.1386	1.1438	1.1395