Trella HEALTH

Post-Acute Care Industry Trend Report

2024 EDITION

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ABOUT OUR DATA SOURCES

As one of only a few companies in the country deemed both a Qualified Entity by the Centers for Medicare and Medicaid Services and an Innovator under its Virtual Research Data Center Program, Trella Health has access to 100% of Medicare Part A and Part B claims and Medicare Advantage data. The findings presented in this report were derived from Medicare FFS claims data through 2023 Q4, Medicare Advantage claims data through 2021 Q4, Healthcare Cost Report Information System (HCRIS) data available as of July 2024, and Monthly Medicare Enrollment data published by CMS through February 2024.

> Continuous innovation in an industry requires strong collaboration. With data-backed insights, we are shaping the future of healthcare together.
>
> – Scott Tapp, CEO, Trella Health

A Note from Scott Tapp
CEO, Trella Health

At Trella Health, we believe in the power of data to foster meaningful change in healthcare. As part of our mission to promote industry-wide performance visibility, I am excited to share the findings of this year's Post-Acute Care Industry Trend Report.

By leveraging Trella Health's unique access to the most recent and complete data from the Centers for Medicare & Medicaid Services, this report analyzes key national and state-level trends, such as Medicare Advantage (MA) enrollment, discharge instructions, utilization rates, and more.

To complement the data-driven insights in this report, we partnered with a select group of post-acute care leaders to gain their firsthand perspectives on trends and challenges shaping the industry today, such as staffing shortages, MA shifts, and leveraging technology.

Plus, this year we deepened our analysis with expanded state-level data, offering a more granular view of trends and performance metrics across different regions.

Below are a few key takeaways from this year's report:

- Medicare Advantage enrollment continues to increase, and MA penetration eclipsed the much-anticipated 50% mark in 2023, hitting 54.7% as of February 2024.
- FFS inpatient discharge instruction rates for home health and skilled nursing continue to inch closer to pre-pandemic levels, though these rates remained more stable than previous year-over-year changes.
- Annualized changes in home health (-3.0% between 2022 Q3 and 2023 Q3 reporting periods) and skilled nursing (-13.8% between 2022 Q4 and 2023 Q4 reporting periods) FFS admissions continue to decrease due to increased MA enrollment.
- Hospice admissions increased by 2.1% between the 2022 Q4 and 2023 Q4 reporting periods. Further, hospice utilization increased to 49.8% in the 2023 Q4 reporting period, four percentage points higher than the 2020 Q4 reporting period. This was due to lower utilization rates during the pandemic when Covid-related deaths were usually not admitted into hospice.

As the industry becomes increasingly complex, more data is needed to understand the full picture. We are constantly diversifying our dataset to include more payer sources and enhance insights across the care continuum. Recently, we increased our medical and pharmacy claims volume by 2x – covering over 255 million patient lives annually. Future investments, such as increased access to MA data, will continue to fuel meaningful insights that drive positive change in healthcare.

Continuous innovation in an industry requires strong collaboration. With data-backed insights, we are shaping the future of healthcare together. Let us know what data points would help your organization achieve its goals.

Sincerely,

Scott Tapp
scott@trellahealth.com

Voices of Experience:
Post-Acute Care Leaders on Trends, Challenges, and Opportunities

To ensure a comprehensive understanding of the current post-acute care landscape, we supplemented the data presented in this report with the perspectives and insights from a select group of post-acute care (PAC) leaders.

Their voices offer a valuable addition to the quantitative analysis, providing a deeper understanding of the qualitative impact of these trends and the strategies leaders are employing to navigate the changing landscape.

THEME 1:
REIMBURSEMENT RATE DILEMMA: ADAPTING TO A NEW FINANCIAL PARADIGM IN POST-ACUTE CARE

The financial sustainability of the post-acute care industry is being tested by fee-for-service reimbursement increases that lag well below recent inflation rates and a Medicare Advantage landscape that continues to grow while reimbursing post-acute agencies at lower rates. These financial pressures are forcing providers to explore innovative optimization solutions to remain competitive, high-quality, and profitable.

> "Something's got to evolve. Reimbursement has to go up or companies need to get more efficient. It's probably some combination of both that will ensure the viability of the services in the future."
>
> **– David Baiada, CEO, BAYADA Home Health Care**

THEME 2:
THE MEDICARE ADVANTAGE IMPERATIVE: ADAPTING TO A CHANGING LANDSCAPE

Medicare Advantage (MA) is rapidly growing and becoming the dominant form of Medicare coverage. This shift presents significant financial challenges for post-acute providers. Patients covered by MA plans constitute more and more of a home health agency's daily census, often pay less than traditional Medicare, and have more complex requirements. To succeed, providers must understand the MA landscape, build relationships with MA plans, and prove their value through high-quality, cost-effective care.

> "Medicare Advantage is undeniably growing in the marketplace, but this growth comes at a cost: reduced care quality, shrinking margins, and increased financial pressure on providers."
>
> **– James Szymanski, SVP of Sales, Traditions Health**

> "The rising prevalence of Medicare Advantage, with its tendency to underpay for home health services including CMS' proposed rate cuts on original Medicare, is directly undermining our ability to adequately staff and deliver sustainable care."
>
> **– Divesh Aidasani, Vice President, Strategy & Operations, BAYADA Home Health Care**

Voices of Experience:
Post-Acute Care Leaders on Trends, Challenges, and Opportunities

THEME 3:
REIMAGINING THE POST-ACUTE WORKFORCE:
STRATEGIES FOR ATTRACTING AND RETAINING TOP TALENT

The post-acute care industry has grappled with a severe workforce shortage. Significant decreases in healthcare labor supply in the immediate aftermath of the COVID-19 pandemic caused increased competition among healthcare agencies for limited staff. To overcome this crisis, providers need to rethink their approach to attracting and retaining talent. This includes offering competitive pay and benefits, investing in training and development, and creating a more supportive and flexible work environment.

"We're heavily focused on technological efficiencies, especially through RPA and workflow automation. Automating tasks like referrals and EMR data entry frees up our staff to focus on what matters most – providing quality care."

– Luke James, President, VitalCaring Group

"We've revolutionized our care delivery model to maximize clinician capacity. By embracing innovative approaches like remote virtual visits and empowering clinicians to work at the top of their license, we're tackling the staffing shortage head-on."

– Aaron Swift, Regional Manager of Business Development, Sentara Healthcare

"We are committed to investing in individuals who are eager to enter the home healthcare sector, emphasizing the value of flexibility and patient safety at home. Our focus is on effectively managing this initiative within our agencies to ensure a positive and enriching experience for clinicians joining this workforce."

– Krystal Cruz, Chief Strategy Officer, Parx Home Health Care

"Our approach to staffing challenges is multifaceted: leveraging technology to accelerate recruitment process and matching, reducing documentation and administrative tasks, and implementing local initiatives to enhance retention. This combined strategy should prove effective in addressing workforce needs."

– Divesh Aidasani, Vice President, Strategy & Operations, BAYADA Home Health Care

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THEME 4:
TECH-ENABLED CARE: THE FUTURE OF POST-ACUTE EXCELLENCE

Technology is revolutionizing post-acute care. Remote patient monitoring, AI, and automation are just a few of the tools that are transforming how care is delivered. These technologies can help providers overcome workforce shortages, improve care coordination, enhance patient engagement, and drive innovation. Embracing technology is no longer optional; it's essential for staying competitive and delivering high-quality care in the evolving post-acute landscape.

> "Technology has become a real ally in healthcare. Solutions like Trella Health's targeting capabilities are invaluable for our limited sales force, helping us focus on where we can make the biggest difference for patients."
>
> **– Randy Rusche, Director Business Development, AdventHealth**

> "We are strategically integrating AI to automate tasks and enhance clinical decision-making. Our goal is to elevate patient outcomes, optimize resource allocation, and foster a better work-life balance for our team."
>
> **– Krystal Cruz, Chief Strategy Officer, Parx Home Health Care**

THEME 5:
THE HOSPICE CARVE-IN EXPERIMENT: LESSONS LEARNED AND FUTURE IMPLICATIONS FOR HOSPICE CARE

The termination of the hospice carve-in component of the Value-Based Insurance Design (VBID) model has raised important questions about the future of hospice care. While the experiment aimed to improve care coordination and reduce costs, it faced challenges in implementation and uptake. The lessons learned by CMS from this experiment will be crucial in shaping future models of hospice care within MA plans, as the industry continues to adapt to the growing prevalence of MA.

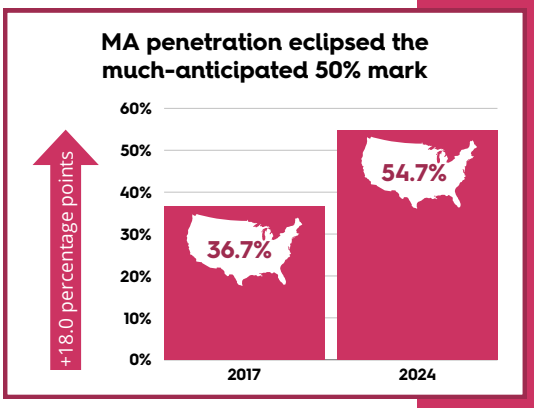
> "As is typical, these proposed changes [to the hospice carve-in model] will likely face negotiation and revision before ultimately being implemented. We've seen this pattern before – anticipation, followed by back-and-forth discussions, minor adjustments, and finally, the new regulations become our reality."
>
> **– Randy Rusche, Director Business Development, AdventHealth**

> "Value-based care in hospice is gaining traction. I think CMS will continue exploring its potential in hospice, and that trend isn't going away."
>
> **– Aaron Swift, Regional Manager of Business Development, Sentara Healthcare**

National Medicare Enrollment

KEY TAKEAWAYS

- As of February 2024, over half of Medicare-eligible beneficiaries (54.7%) are enrolled in a Medicare Advantage (MA) plan.
- Fee-For-Service (FFS) enrollment declined by 0.8M from 2023 to February 2024, indicating that FFS beneficiaries are electing to switch to MA plans.
- Between 2017 and 2024, the portion of Medicare beneficiaries enrolled in an MA plan increased by 18.0 percentage points, from 36.7% to 54.7%.

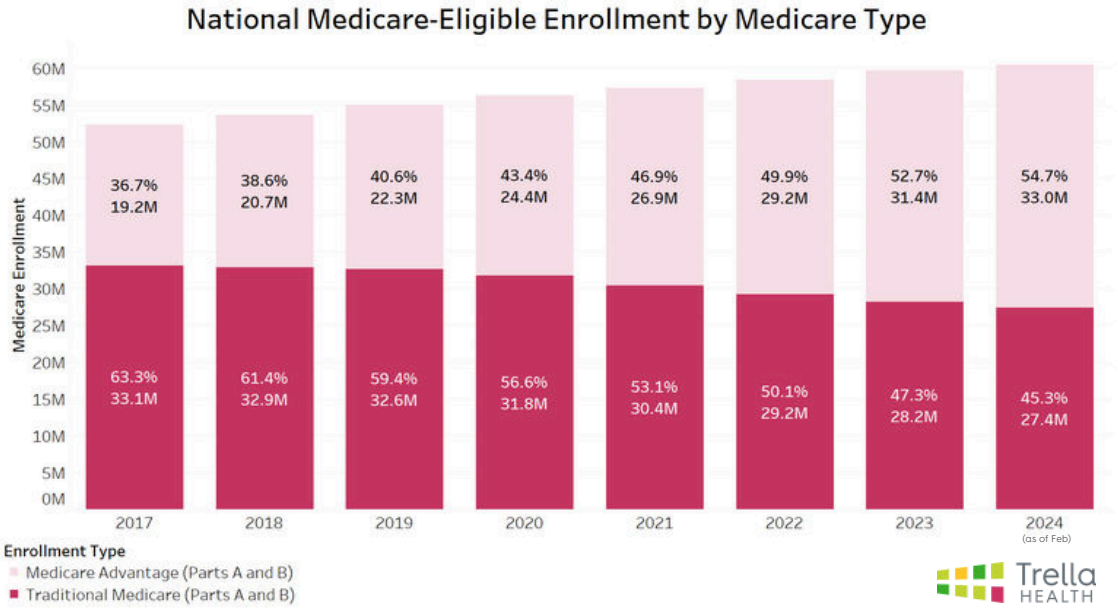


INCREASES IN MEDICARE ADVANTAGE ENROLLMENT CONTINUE TO ACCELERATE

Between 2017 and 2024, annual MA enrollment grew by an average of 8.1%. Over the same timeframe, the annual MA penetration rate grew by an average of 2.5 percentage points. In each year between 2020 and 2023, the penetration rate grew by over 2.8 percentage points.

These trends indicate that not only is MA enrollment growing, but its growth is accelerating. MA plans' flexibility in offering additional incentives that FFS beneficiaries can't access likely plays a key role in enticing Medicare beneficiaries to enroll in an MA plan rather than the traditional FFS coverage.

Overall enrollment in Medicare increased by 15.6%, from 52.3M in 2017 to 60.4M in 2024 with an average annual percent increase of 2.1%. This trend is likely to continue for the next 10 years as Generation X begins to enter Medicare age and life expectancy continues to rise.



Medicare Advantage Penetration by State

KEY TAKEAWAYS

- Between 2023 and February 2024, Medicare Advantage (MA) penetration grew in 49 states and DC, with rates of growth varying from -0.1 percentage point to 6.4 percentage points.
- MA plans focused expansion on southern- and middle-American states. Arkansas, Mississippi, Wyoming, North Dakota, and West Virginia all saw MA penetration rate increases above 4.4 percentage points between 2022 and 2023.
- The number of states with an MA penetration rate above 60% rose from just 1 (RI) in 2022 to 9 (ME, CT, HI, AL, MN, MI, WI, FL, and RI) in 2024.

States with largest percentage point increase in MA penetration rates

State	2022	2023	% Point Increase
AR	40.4%	46.2%	5.8
WY	9.2%	14.6%	5.4
MS	37.3%	42.2%	4.9
ND	29.3%	33.9%	4.6
WV	50.1%	54.5%	4.4

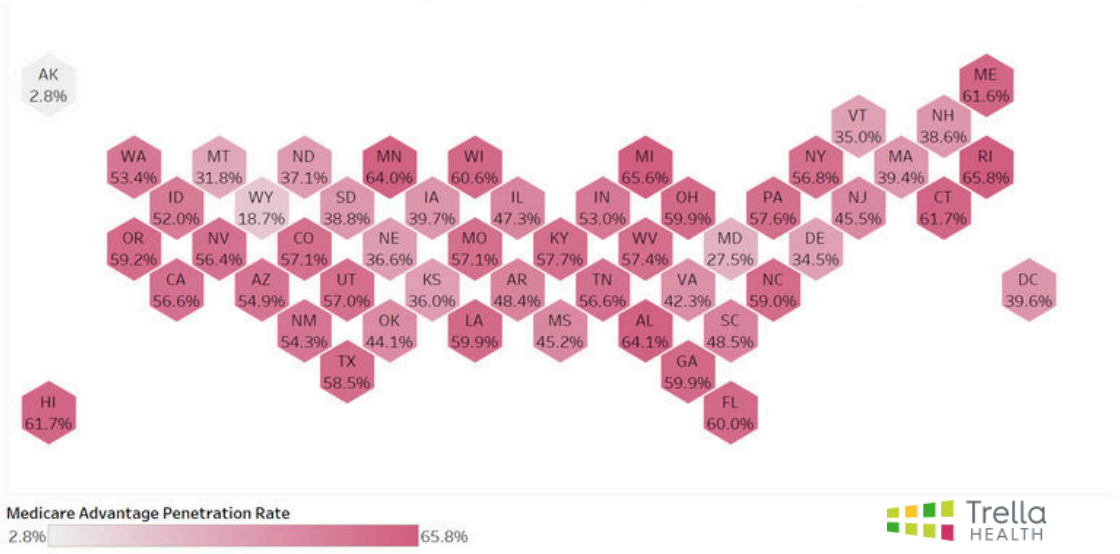
MEDICARE ADVANTAGE PLANS TARGET MARKETS WITH LOW MA PENETRATION

Between 2023 and February of 2024, Medicare Advantage (MA) enrollment increased in 49 states (Alaska decreased very slightly) and DC, indicating a broad expansion strategy by MA plans.

In 2022 and 2023, where the full year of data is available, MA penetration increased in all 50 states and DC. Of the five states with the largest percentage point increase in MA penetration rate, as shown in the table above, four had an MA penetration rate below 41% in 2022.

Comparatively, of the five states with the smallest percentage point increases, four had an MA penetration rate above 51% in 2022. This trend indicates a certain degree of market saturation in states with large numbers of MA enrollees and concerted efforts by MA plans to expand into states with more opportunity for enrollment increases.

Medicare Advantage Penetration by State, February 2024



National Medicare Advantage and Fee-For-Service Enrollment by State and Year

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Medicare Advantage Enrollment (Parts A & B) by State and Year

State	2020	2021	2022	2023
AK	1.8K	2.3K	2.6K	2.9K
AL	485.8K	541.4K	588.2K	630.0K
AR	192.9K	222.5K	247.2K	287.6K
AZ	581.9K	632.4K	676.5K	718.2K
CA	2,903.0K	3,057.6K	3,203.3K	3,366.0K
CO	407.5K	439.3K	474.1K	508.3K
CT	309.8K	339.0K	364.4K	393.2K
DC	20.8K	23.8K	26.5K	29.7K
DE	40.9K	51.7K	62.0K	71.0K
FL	2267.6K	2443.1K	2600.1K	2749.1K
GA	760.3K	854.1K	931.0K	1004.8K
HI	133.0K	142.8K	151.3K	158.8K
IA	160.0K	181.3K	206.9K	235.3K
ID	129.6K	145.8K	161.8K	178.0K
IL	683.2K	780.2K	880.3K	958.8K
IN	460.3K	525.9K	578.5K	634.9K
KS	116.5K	140.9K	162.5K	181.6K
KY	362.2K	413.1K	460.1K	500.2K
LA	371.2K	420.0K	456.9K	495.1K
MA	363.3K	401.1K	439.1K	481.1K
MD	138.1K	176.1K	208.6K	245.4K
ME	144.5K	168.4K	187.8K	203.8K
MI	1003.6K	1105.8K	1201.3K	1297.8K
MN	506.4K	558.6K	602.0K	646.3K
MO	500.0K	556.5K	609.7K	666.0K
MS	145.3K	183.1K	217.2K	249.4K
MT	48.8K	56.0K	63.4K	70.6K
NC	824.0K	928.8K	1033.4K	1143.0K
ND	26.7K	31.2K	37.7K	44.8K
NE	71.2K	88.2K	105.0K	120.0K
NH	67.4K	81.7K	95.6K	109.9K
NJ	527.7K	580.9K	625.7K	670.2K
NM	170.4K	186.8K	204.8K	220.0K
NV	220.0K	244.9K	266.5K	288.0K
NY	1602.8K	1709.2K	1813.4K	1923.8K
OH	1091.4K	1170.1K	1256.5K	1334.8K
OK	190.2K	235.2K	269.5K	301.2K
OR	417.4K	442.7K	470.2K	495.4K
PA	1235.9K	1311.2K	1394.4K	1480.9K
RI	107.2K	116.1K	126.3K	136.1K
SC	368.0K	421.8K	472.5K	518.0K
SD	41.5K	48.1K	56.3K	64.8K
TN	588.3K	639.2K	687.1K	738.8K
TX	1823.9K	2032.8K	2206.9K	2402.7K
UT	166.1K	185.1K	203.1K	223.3K
VA	388.2K	462.7K	533.1K	594.1K
VT	21.8K	30.7K	43.0K	49.6K
WA	509.9K	566.6K	617.7K	675.5K
WI	555.1K	603.0K	652.9K	703.9K
WV	167.5K	190.0K	208.0K	228.1K
WY	5.6K	6.9K	10.3K	16.7K

Fee-For-Service Enrollment (Parts A & B) by State and Year

State	2020	2021	2022	2023
AK	89.9K	92.8K	95.2K	98.0K
AL	498.0K	450.2K	415.6K	388.3K
AR	406.6K	383.1K	364.4K	334.6K
AZ	673.4K	653.0K	636.0K	625.3K
CA	2811.9K	2751.3K	2718.0K	2687.6K
CO	440.8K	432.3K	418.9K	408.4K
CT	313.2K	296.0K	274.9K	262.5K
DC	56.7K	54.2K	52.2K	49.5K
DE	158.4K	154.0K	150.2K	148.4K
FL	2114.9K	2058.0K	2006.8K	1955.5K
GA	864.5K	806.1K	765.9K	733.9K
HI	109.7K	108.0K	105.2K	102.3K
IA	433.8K	422.5K	408.4K	392.2K
ID	194.8K	190.7K	184.2K	178.3K
IL	1367.0K	1295.2K	1225.3K	1182.1K
IN	730.8K	683.2K	651.5K	620.0K
KS	385.1K	370.5K	358.9K	349.9K
KY	507.8K	465.5K	426.6K	397.9K
LA	449.3K	410.9K	385.9K	362.4K
MA	850.9K	835.5K	820.4K	801.5K
MD	776.1K	752.8K	738.0K	722.1K
ME	175.8K	160.4K	148.2K	138.8K
MI	965.1K	893.1K	827.5K	769.9K
MN	459.8K	430.6K	410.8K	391.9K
MO	653.8K	613.6K	579.2K	544.4K
MS	426.9K	393.5K	365.7K	341.7K
MT	170.6K	169.3K	167.2K	165.8K
NC	1080.5K	1015.9K	954.9K	891.1K
ND	96.2K	94.6K	91.2K	87.4K
NE	253.5K	243.2K	233.4K	225.1K
NH	207.5K	201.9K	196.3K	189.7K
NJ	924.0K	890.3K	870.3K	858.3K
NM	221.9K	212.7K	201.6K	193.9K
NV	270.8K	260.0K	249.1K	240.5K
NY	1703.9K	1651.0K	1599.8K	1560.2K
OH	1105.4K	1055.8K	1002.2K	965.3K
OK	497.5K	462.7K	438.7K	420.3K
OR	398.0K	389.1K	375.4K	363.5K
PA	1301.3K	1255.7K	1211.8K	1173.9K
RI	91.7K	86.7K	81.4K	77.3K
SC	666.4K	639.1K	616.8K	600.4K
SD	124.3K	121.8K	117.9K	113.5K
TN	698.0K	666.9K	637.5K	609.2K
TX	2082.1K	1970.8K	1900.9K	1820.9K
UT	208.0K	201.6K	194.4K	185.8K
VA	1001.4K	955.6K	914.1K	886.3K
VT	116.6K	111.6K	102.7K	99.3K
WA	760.7K	737.5K	712.0K	681.1K
WI	568.2K	546.0K	523.4K	500.6K
WV	246.0K	225.0K	207.5K	190.4K
WY	99.1K	101.3K	101.1K	97.7K

Medicare Advantage Penetration Rate by State and Year

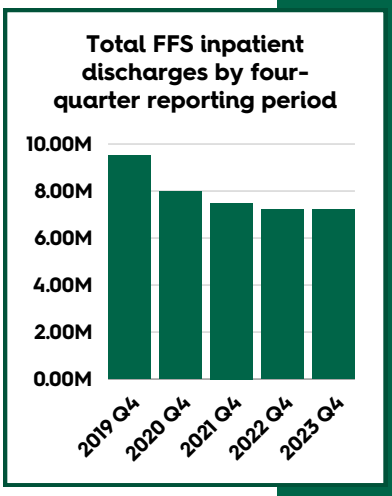
State	2020	2021	2022	2023
AK	2.0%	2.4%	2.7%	2.9%
AL	49.4%	54.6%	58.6%	61.9%
AR	32.2%	36.7%	40.4%	46.2%
AZ	46.4%	49.2%	51.5%	53.5%
CA	50.8%	52.6%	54.1%	55.6%
CO	48.0%	50.4%	53.1%	55.4%
CT	49.7%	53.4%	57.0%	60.0%
DC	26.8%	30.5%	33.7%	37.5%
DE	20.5%	25.1%	29.2%	32.4%
FL	51.7%	54.3%	56.4%	58.4%
GA	46.8%	51.4%	54.9%	57.8%
HI	54.8%	56.9%	59.0%	60.8%
IA	26.9%	30.0%	33.6%	37.5%
ID	39.9%	43.3%	46.8%	50.0%
IL	33.3%	37.6%	41.8%	44.8%
IN	38.6%	43.5%	47.0%	50.6%
KS	23.2%	27.5%	31.2%	34.2%
KY	41.6%	47.0%	51.9%	55.7%
LA	45.2%	50.5%	54.2%	57.7%
MA	29.9%	32.4%	34.9%	37.5%
MD	15.1%	19.0%	22.0%	25.4%
ME	45.1%	51.2%	55.9%	59.5%
MI	51.0%	55.3%	59.2%	62.8%
MN	52.4%	56.5%	59.4%	62.3%
MO	43.3%	47.6%	51.3%	55.0%
MS	25.4%	31.8%	37.3%	42.2%
MT	22.2%	24.9%	27.5%	29.9%
NC	43.3%	47.8%	52.0%	56.2%
ND	21.7%	24.8%	29.3%	33.9%
NE	21.9%	26.6%	31.0%	34.8%
NH	24.5%	28.8%	32.7%	36.7%
NJ	36.3%	39.5%	41.8%	43.8%
NM	43.4%	46.8%	50.4%	53.1%
NV	44.8%	48.5%	51.7%	54.5%
NY	48.5%	50.9%	53.1%	55.2%
OH	49.7%	52.6%	55.6%	58.0%
OK	27.7%	33.7%	38.1%	41.7%
OR	51.2%	53.2%	55.6%	57.7%
PA	48.7%	51.1%	53.5%	55.8%
RI	53.9%	57.3%	60.8%	63.8%
SC	35.6%	39.8%	43.4%	46.3%
SD	25.0%	28.3%	32.3%	36.3%
TN	45.7%	48.9%	51.9%	54.8%
TX	46.7%	50.8%	53.7%	56.9%
UT	44.4%	47.9%	51.1%	54.6%
VA	27.9%	32.6%	36.8%	40.1%
VT	15.8%	21.6%	29.5%	33.3%
WA	40.1%	43.4%	46.5%	49.8%
WI	49.4%	52.5%	55.5%	58.4%
WV	40.5%	45.8%	50.1%	54.5%
WY	5.3%	6.4%	9.2%	14.6%

FFS Inpatient Discharge Instructions by Post-Acute Care Destination, 2019 Q1 – 2023 Q4

KEY TAKEAWAYS

- After increasing consistently before the COVID-19 pandemic, the percentage of inpatient discharges instructed to receive post-acute care decreased slightly from 52.9% to 52.5% between the 2022 Q4 and 2023 Q4 reporting periods.

- Inpatient discharge instructions to skilled nursing and home health shifted significantly during the pandemic, though the percentage of inpatient discharges instructed to seek skilled nursing remained stable, changing only by 0.1 percentage point from 20.2% to 20.3% between the 2022 Q4 and 2023 Q4 reporting periods. Home health instructions, however, decreased between the 2022 Q4 and 2023 Q4 reporting periods, from 23.0% to 22.5%, a significant contributor to the overall decrease in inpatient discharge instructions.

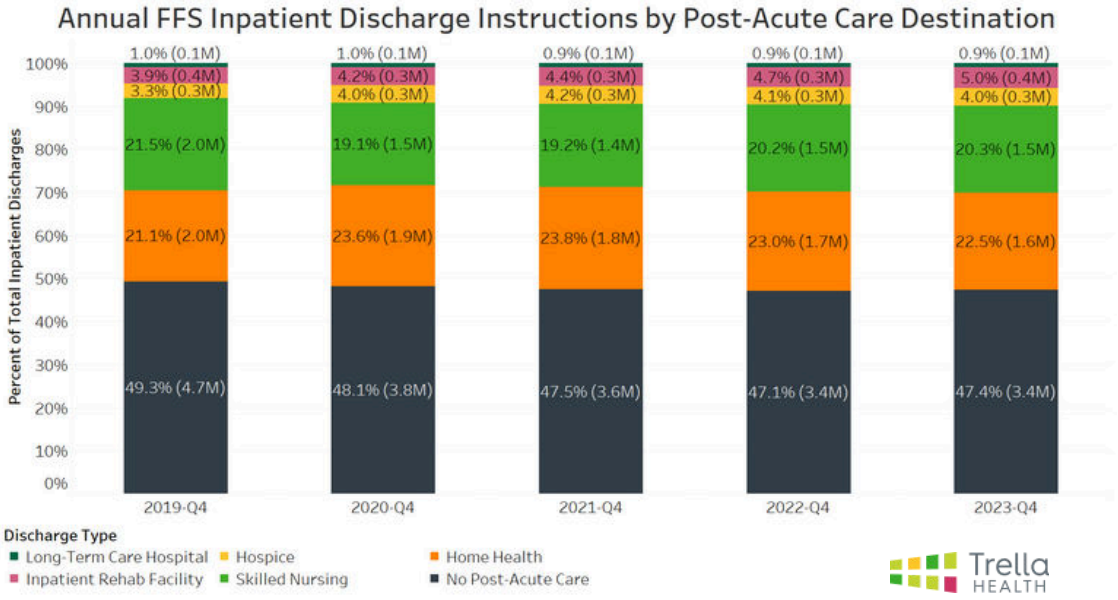


POST-ACUTE DISCHARGE INSTRUCTIONS STABILIZE AFTER TUMULT FROM THE PANDEMIC

Amidst the COVID-19 pandemic, specifically during the initial period of shutdown in 2020, there was a shift in inpatient discharge instructions indicating a heavy preference for at-home care. This resulted in a 2.7 percentage point increase in the percentage of discharges instructed to receive home health care between the 2019 Q4 and 2021 Q4 reporting periods, coinciding with a 2.3 percentage point decrease for skilled nursing instructions.

The minimal movement of inpatient discharge percentages by post-acute care destination between the 2022 Q4 and 2023 Q4 reporting periods suggests a return to the stability typically observed in years without a global pandemic.

However, the instructional rate for inpatient discharges to skilled nursing remains below pre-pandemic levels and home health instructions remain above pre-pandemic levels, leaving the possibility of future movements.



PAC Adherence and Instructional Variation by State, 2019 Q1 – 2023 Q4

KEY TAKEAWAYS

- The portion of inpatient discharges with post-acute care instructions changed by less than one percentage point for 35 states between the 2022 Q4 and 2023 Q4 reporting periods.
- Little movement in inpatient discharges with post-acute care instructions between the 2022 Q4 and 2023 Q4 reporting periods across all states indicates a stabilized PAC industry after the COVID-19 pandemic.
- Adherence to inpatient discharge instructions between the 2022 Q4 and 2023 Q4 reporting periods remained consistent for home health, increased for hospice, and decreased for skilled nursing.

Adherence to inpatient discharge instructions (2023 Q4)

71.3% Home Health

91.1% Hospice

84.2% Skilled Nursing

STATE POST-ACUTE INSTRUCTIONAL RATES REMAIN RELATIVELY UNCHANGED

The percentage of inpatient discharges with post-acute care instructions remained extremely stable between the 2022 Q4 and 2023 Q4 reporting periods. States with small populations, where minimal changes in discharge instruction rates can have outsized impacts on the overall rate of inpatient discharge instructions, saw the largest changes.

Adherence to inpatient discharge instructions to home health reversed its trend from the 2020 Q4, 2021 Q4, and 2022 Q4 reporting periods by increasing very slightly (0.8 percentage points) between the 2022 Q4 and 2023 Q4 reporting periods. However, the increase in the adherence rate in the latest reporting period appears to be driven primarily by a decrease in the real number of instructions (1.66M to 1.62M) with relatively consistent adhering discharges (1.17M to 1.16M).

Comparatively, between the 2022 Q4 and 2023 Q4 reporting periods, adherence to skilled nursing instructions decreased, but the number of discharge instructions to skilled nursing increased from 1.45M to 1.46M.

Percent of FFS Inpatient Discharges with PAC Instructions by State

FFS Inpatient Discharge Instructions by State and Reporting Period

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PAC Instructions			
State	2021 Q4	2022 Q4	2023 Q4
AK	3.5K	3.6K	3.9K
AL	66.0K	63.5K	61.4K
AR	49.3K	48.5K	46.6K
AZ	62.4K	59.4K	61.7K
CA	336.0K	348.8K	365.2K
CO	39.6K	38.8K	38.6K
CT	55.3K	50.9K	49.5K
DC	12.6K	11.0K	10.0K
DE	20.9K	20.4K	21.3K
FL	337.0K	339.3K	347.1K
GA	99.5K	95.7K	91.8K
HI	6.4K	6.1K	6.3K
IA	37.5K	34.9K	33.3K
ID	14.2K	13.4K	13.8K
IL	171.6K	165.9K	164.4K
IN	88.3K	85.5K	81.9K
KS	44.6K	41.7K	40.8K
KY	58.9K	54.6K	52.3K
LA	63.1K	61.0K	58.1K
MA	149.0K	143.2K	146.9K
MD	85.5K	85.2K	85.3K
ME	15.1K	13.1K	13.3K
MI	120.1K	109.5K	101.8K
MN	48.2K	44.1K	44.8K
MO	83.7K	78.5K	74.7K
MS	51.4K	49.4K	47.6K
MT	9.4K	8.6K	8.6K
NC	119.5K	108.8K	104.6K
ND	11.9K	11.0K	11.5K
NE	24.8K	23.0K	23.7K
NH	25.2K	23.1K	23.0K
NJ	126.7K	125.5K	125.1K
NM	15.8K	15.1K	15.2K
NV	37.8K	37.0K	37.9K
NY	232.0K	228.5K	229.0K
OH	152.6K	142.3K	139.1K
OK	59.9K	57.7K	57.8K
OR	23.2K	20.9K	21.8K
PA	199.8K	186.6K	186.4K
RI	14.2K	12.8K	12.7K
SC	77.9K	77.1K	78.3K
SD	13.5K	13.0K	12.8K
TN	89.4K	86.6K	84.9K
TX	292.3K	294.7K	287.7K
UT	22.2K	21.3K	20.8K
VA	118.4K	114.1K	113.6K
VT	9.0K	7.9K	7.5K
WA	49.5K	47.9K	49.1K
WI	53.3K	49.3K	49.6K
WV	30.9K	30.6K	28.5K
WY	4.5K	4.3K	4.4K

No-PAC Instructions			
State	2021 Q4	2022 Q4	2023 Q4
AK	10.4K	10.9K	11.8K
AL	54.6K	50.9K	49.4K
AR	48.1K	46.3K	42.4K
AZ	78.1K	74.4K	80.6K
CA	263.0K	266.7K	268.7K
CO	45.1K	44.0K	45.9K
CT	27.4K	26.1K	26.4K
DC	13.4K	12.7K	12.7K
DE	14.5K	13.5K	14.1K
FL	254.4K	258.3K	261.2K
GA	102.9K	98.3K	97.2K
HI	10.1K	10.4K	11.0K
IA	43.2K	41.9K	41.6K
ID	16.8K	15.7K	16.3K
IL	160.4K	148.9K	153.8K
IN	95.7K	88.2K	88.8K
KS	47.6K	44.4K	43.4K
KY	60.8K	55.3K	55.0K
LA	54.7K	51.0K	48.0K
MA	87.5K	83.4K	86.2K
MD	72.6K	69.5K	71.9K
ME	12.5K	11.2K	11.1K
MI	118.9K	106.2K	102.0K
MN	65.5K	60.3K	61.6K
MO	84.7K	79.2K	78.9K
MS	42.6K	37.9K	34.5K
MT	19.5K	18.6K	18.4K
NC	111.8K	103.0K	101.4K
ND	17.5K	17.6K	16.3K
NE	29.1K	28.3K	29.6K
NH	16.7K	15.8K	16.7K
NJ	102.6K	100.2K	103.9K
NM	20.3K	18.0K	17.8K
NV	34.0K	32.9K	32.1K
NY	198.0K	191.0K	190.8K
OH	135.8K	123.0K	128.5K
OK	50.9K	46.4K	46.9K
OR	39.3K	39.2K	39.0K
PA	150.4K	142.9K	145.9K
RI	8.7K	7.8K	7.7K
SC	57.1K	55.5K	58.9K
SD	20.3K	18.8K	19.2K
TN	88.7K	83.9K	84.9K
TX	263.3K	253.9K	252.3K
UT	20.2K	20.3K	19.9K
VA	94.7K	90.6K	92.1K
VT	7.8K	7.0K	7.4K
WA	75.9K	73.3K	72.5K
WI	65.4K	62.5K	62.4K
WV	31.2K	29.5K	30.3K
WY	9.8K	9.4K	8.4K

% Discharges w/ PAC Instructions			
State	2021 Q4	2022 Q4	2023 Q4
AK	25.1%	24.8%	24.9%
AL	54.7%	55.5%	55.4%
AR	50.6%	51.2%	52.3%
AZ	44.4%	44.4%	43.3%
CA	56.1%	56.7%	57.6%
CO	46.7%	46.9%	45.7%
CT	66.9%	66.1%	65.3%
DC	48.4%	46.5%	43.9%
DE	59.1%	60.2%	60.1%
FL	57.0%	56.8%	57.1%
GA	49.2%	49.3%	48.5%
HI	38.8%	37.0%	36.3%
IA	46.4%	45.5%	44.5%
ID	45.8%	46.0%	45.8%
IL	51.7%	52.7%	51.7%
IN	48.0%	49.2%	48.0%
KS	48.4%	48.4%	48.5%
KY	49.2%	49.7%	48.7%
LA	53.6%	54.4%	54.8%
MA	63.0%	63.2%	63.0%
MD	54.1%	55.1%	54.3%
ME	54.8%	54.0%	54.7%
MI	50.3%	50.8%	50.0%
MN	42.4%	42.2%	42.1%
MO	49.7%	49.8%	48.6%
MS	54.7%	56.6%	57.9%
MT	32.6%	31.6%	31.8%
NC	51.7%	51.4%	50.8%
ND	40.4%	38.4%	41.4%
NE	46.0%	44.8%	44.5%
NH	60.2%	59.4%	57.9%
NJ	55.2%	55.6%	54.6%
NM	43.8%	45.6%	46.1%
NV	52.6%	53.0%	54.2%
NY	54.0%	54.5%	54.6%
OH	52.9%	53.6%	52.0%
OK	54.1%	55.4%	55.2%
OR	37.1%	34.8%	35.9%
PA	57.0%	56.6%	56.1%
RI	61.9%	62.0%	62.1%
SC	57.7%	58.2%	57.1%
SD	39.9%	40.8%	40.0%
TN	50.2%	50.8%	50.0%
TX	52.6%	53.7%	53.3%
UT	52.2%	51.2%	51.0%
VA	55.6%	55.7%	55.2%
VT	53.4%	52.9%	50.5%
WA	39.5%	39.5%	40.4%
WI	44.9%	44.1%	44.3%
WV	49.8%	50.8%	48.5%
WY	31.6%	31.1%	34.3%

Home Health Admissions, 2019 Q1 – 2023 Q3

KEY TAKEAWAYS

- National year-over-year FFS home health admissions continued to decrease slightly during the 2023 Q3 reporting period, though these declines slowed compared to the 2022 Q3 reporting period.
- In the 2023 Q3 reporting period, FFS home health admissions decreased by 3.0%, compared to a 3.6% decrease in FFS enrollment between calendar years 2022 and 2023.
- MA home health admissions (+11.7%) increased faster than MA enrollment (+10.0%) during calendar year 2021, driven mostly by lower admissions in 2020 due to COVID-19 lockdowns.

Annualized FFS home health admissions compared to enrollment

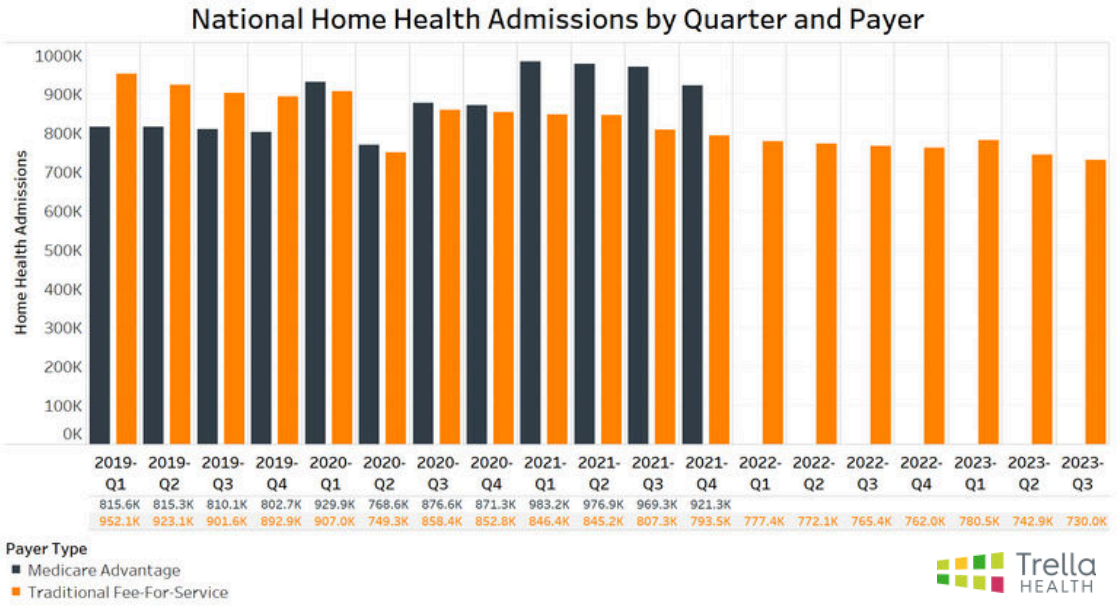
R4Q Admits	R4Q 2020 Q3	R4Q 2021 Q3	R4Q 2022 Q3	R4Q 2023 Q3
Annualized Admissions	3.4M	3.4M	3.1M	3.0M
% Change		-1.6%	-7.3%	-3.0%
Enrollment Calendar Year	2020	2021	2022	2023
FFS Enrollment	31.8M	30.4M	29.2M	28.2M
% Change		-4.4%	-3.9%	-3.6%

CHANGES IN HOME HEALTH ADMISSIONS RESEMBLE ENROLLMENT ADJUSTMENTS

The year-over-year change in annual FFS home health admissions for the 2023 Q3 reporting period closely resembles the change in FFS enrollment between calendar years 2022 and 2023, further validating a stabilization in the industry after the tumultuousness during the COVID-19 pandemic. However, the continued trend towards MA enrollment signals continued decreases in FFS home health admissions for the foreseeable future.

Comparatively, MA admissions in calendar year 2021 increased faster than MA enrollment. While this is likely due to a deflated base year, home health agencies will continue to see MA beneficiaries represent a higher percentage of their patient population, making it imperative to seek out and negotiate the most lucrative MA reimbursement contracts possible.

Note: The 2023 edition of the Industry Trend Report showed distinct Medicare Advantage home health patients rather than Medicare Advantage home health admissions. This year shows MA home health admissions to be more consistent with how FFS admissions are calculated.

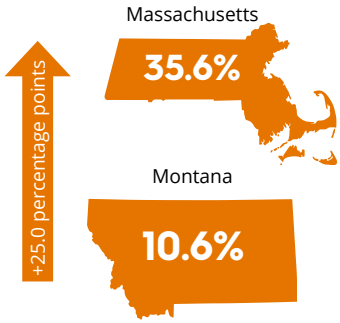


Home Health Utilization and Adherence, 2021 Q4 - 2023 Q3

KEY TAKEAWAYS

- National FFS home health utilization in the 2023 Q3 reporting period (24.8%) increased by 0.2 percentage points compared to the 2022 Q3 reporting period (24.6%).
- The range of FFS home health utilization by state during the 2023 Q3 reporting period was 25.0 percentage points, indicating substantial geographic variation in home health care accessibility or awareness after inpatient discharge.
- Patients that adhered to inpatient discharge instructions to home health had a 30-day readmission rate 2.3 percentage points lower than patients that did not adhere to inpatient discharge instructions to home health.

25.0 percentage point variation between the highest and lowest state by utilization rate



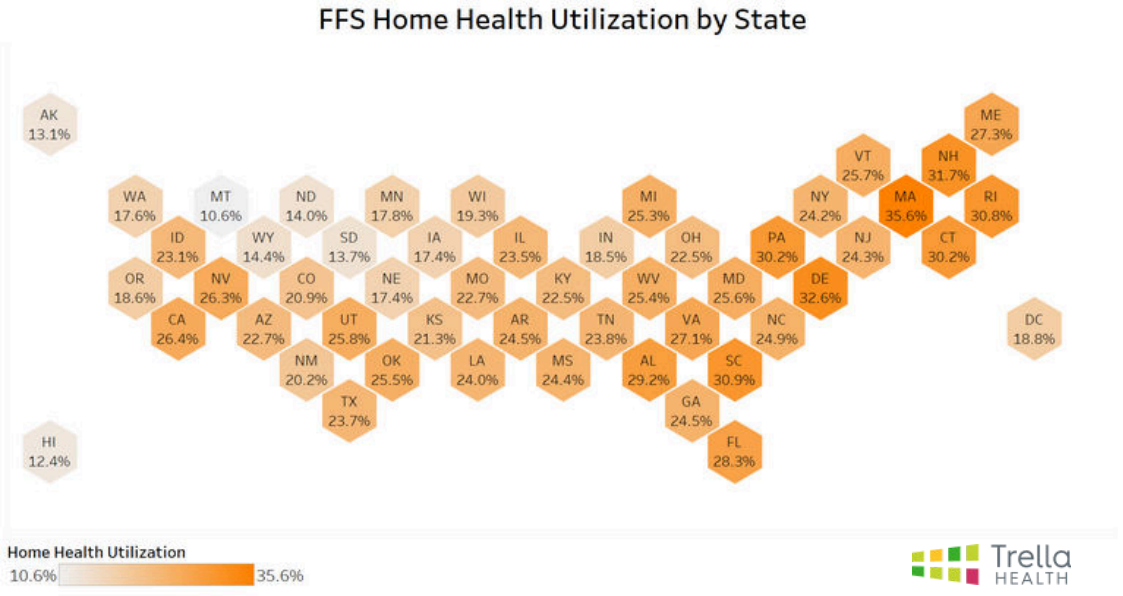
HOME HEALTH UTILIZATION INCREASES

The increase in national FFS home health utilization between the 2022 Q3 and 2023 Q3 reporting periods was likely driven by the slight uptick in adherence to inpatient discharge instructions. Despite this utilization increase, the number of distinct patients that entered home health within 30 days of inpatient discharge remained largely unchanged at 1.5M.

While home health utilization remained consistent for most states between the 2022 Q3 and 2023 Q3 reporting periods, significant geographic differences in utilization indicates opportunities for expanded awareness and access to home health services.

The difference in the 30-day readmission rate for patients that adhered to home health discharge instructions (12.9%) compared to the patients who didn't adhere (15.2%) points to the importance and value of home health care after inpatient discharge.

Note: Trella's methodology for home health utilization was altered to only include admissions to home health within 30 days of inpatient discharge rather than including a home health admissions at any point during the reporting period.



FFS Home Health Admissions and Utilization by State and Reporting Period

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Reporting Period: 2022 Q3			
State	Home Health Admissions	YoY % Change in Admissions	Home Health Utilization
AK	3.7K	0.3%	13.0%
AL	55.5K	-8.3%	28.7%
AR	34.3K	-7.4%	24.6%
AZ	47.1K	-6.6%	21.8%
CA	394.2K	-0.7%	26.3%
CO	31.6K	-8.4%	21.2%
CT	41.9K	-8.6%	31.0%
DC	3.9K	-18.1%	18.2%
DE	14.7K	-7.0%	30.8%
FL	296.1K	-10.8%	27.2%
GA	75.6K	-7.4%	24.7%
HI	4.6K	-4.2%	13.1%
IA	22.1K	-12.7%	17.2%
ID	15.0K	-7.9%	23.1%
IL	139.5K	-8.6%	23.3%
IN	51.6K	-10.8%	18.8%
KS	29.7K	-6.1%	21.2%
KY	43.9K	-11.0%	22.5%
LA	45.5K	-10.4%	23.9%
MA	115.3K	-4.3%	35.3%
MD	71.8K	-4.0%	25.6%
ME	13.7K	-16.1%	28.1%
MI	96.5K	-11.2%	24.8%
MN	33.3K	-8.5%	17.5%
MO	51.5K	-10.8%	22.6%
MS	48.9K	-10.2%	25.2%
MT	5.8K	-9.9%	11.1%
NC	88.7K	-9.4%	24.7%
ND	4.3K	-10.1%	12.4%
NE	16.1K	-6.3%	17.7%
NH	20.9K	-8.2%	33.1%
NJ	85.8K	-4.7%	24.8%
NM	14.6K	-9.3%	19.4%
NV	31.3K	-6.0%	25.4%
NY	160.7K	-6.4%	24.4%
OH	94.7K	-9.0%	22.3%
OK	50.5K	-6.3%	24.5%
OR	24.5K	-7.7%	18.8%
PA	133.3K	-7.9%	30.2%
RI	11.7K	-8.1%	31.6%
SC	65.9K	-4.3%	30.7%
SD	6.7K	1.0%	15.0%
TN	65.3K	-8.1%	23.7%
TX	208.9K	-7.5%	23.5%
UT	24.1K	-6.8%	25.9%
VA	92.7K	-8.0%	27.6%
VT	10.2K	-12.7%	27.7%
WA	46.5K	-5.2%	18.3%
WI	37.2K	-7.4%	19.3%
WV	22.2K	-8.9%	25.2%
WY	4.8K	-7.7%	14.1%

Reporting Period: 2023 Q3			
State	Home Health Admissions	YoY % Change in Admissions	Home Health Utilization
AK	3.9K	4.9%	13.1%
AL	51.3K	-7.6%	29.2%
AR	31.8K	-7.5%	24.5%
AZ	47.6K	1.0%	22.7%
CA	411.6K	4.4%	26.4%
CO	29.7K	-5.8%	20.9%
CT	40.6K	-3.1%	30.2%
DC	4.2K	6.7%	18.8%
DE	15.1K	3.1%	32.6%
FL	298.8K	0.9%	28.3%
GA	71.7K	-5.1%	24.5%
HI	4.5K	-3.0%	12.4%
IA	20.3K	-7.9%	17.4%
ID	14.4K	-3.9%	23.1%
IL	134.7K	-3.4%	23.5%
IN	47.9K	-7.1%	18.5%
KS	27.7K	-6.9%	21.3%
KY	40.4K	-7.9%	22.5%
LA	42.1K	-7.4%	24.0%
MA	115.6K	0.3%	35.6%
MD	70.3K	-2.1%	25.6%
ME	12.8K	-6.4%	27.3%
MI	87.6K	-9.2%	25.3%
MN	32.3K	-3.0%	17.8%
MO	47.8K	-7.2%	22.7%
MS	43.7K	-10.5%	24.4%
MT	5.4K	-7.0%	10.6%
NC	83.7K	-5.5%	24.9%
ND	4.3K	-1.0%	14.0%
NE	14.7K	-8.2%	17.4%
NH	19.8K	-5.6%	31.7%
NJ	83.9K	-2.2%	24.3%
NM	13.9K	-4.8%	20.2%
NV	30.8K	-1.9%	26.3%
NY	159.0K	-1.1%	24.2%
OH	89.6K	-5.3%	22.5%
OK	48.6K	-3.9%	25.5%
OR	23.6K	-3.6%	18.6%
PA	128.4K	-3.7%	30.2%
RI	11.1K	-5.2%	30.8%
SC	65.3K	-0.9%	30.9%
SD	6.1K	-9.8%	13.7%
TN	61.6K	-5.7%	23.8%
TX	192.8K	-7.7%	23.7%
UT	22.9K	-5.1%	25.8%
VA	88.6K	-4.4%	27.1%
VT	9.5K	-6.4%	25.7%
WA	43.8K	-5.8%	17.6%
WI	34.9K	-6.3%	19.3%
WV	20.4K	-8.4%	25.4%
WY	4.5K	-7.2%	14.4%

Hospice Admissions, 2019 Q1 – 2023 Q4

KEY TAKEAWAYS

- National year-over-year hospice admissions increased slightly for each quarter in the 2023 Q4 reporting period, with the highest increase of 4.9% occurring in 2023 Q2.
- Slight year-over-year increases in hospice admissions observed since 2019 are likely to continue as the baby boomer generation ages into the average hospice age.
- The number of mortalities on hospice remained consistent between the 2022 Q4 and 2023 Q4 reporting periods, though a decrease in the number of Medicare mortalities caused an increase in the percentage of deaths on hospice.

Hospice admissions, mortalities, and mortalities on hospice by reporting period

	2020 Q4	2021 Q4	2022 Q4	2023 Q4
Hospice Admissions	1.5M	1.5M	1.5M	1.6M
Medicare Mortalities (FFS + MA)	2.7M	2.7M	2.6M	2.5M
Mortalities on Hospice	1.2M	1.2M	1.2M	1.2M
% of Deaths on Hospice	45.8%	45.4%	47.2%	49.8%

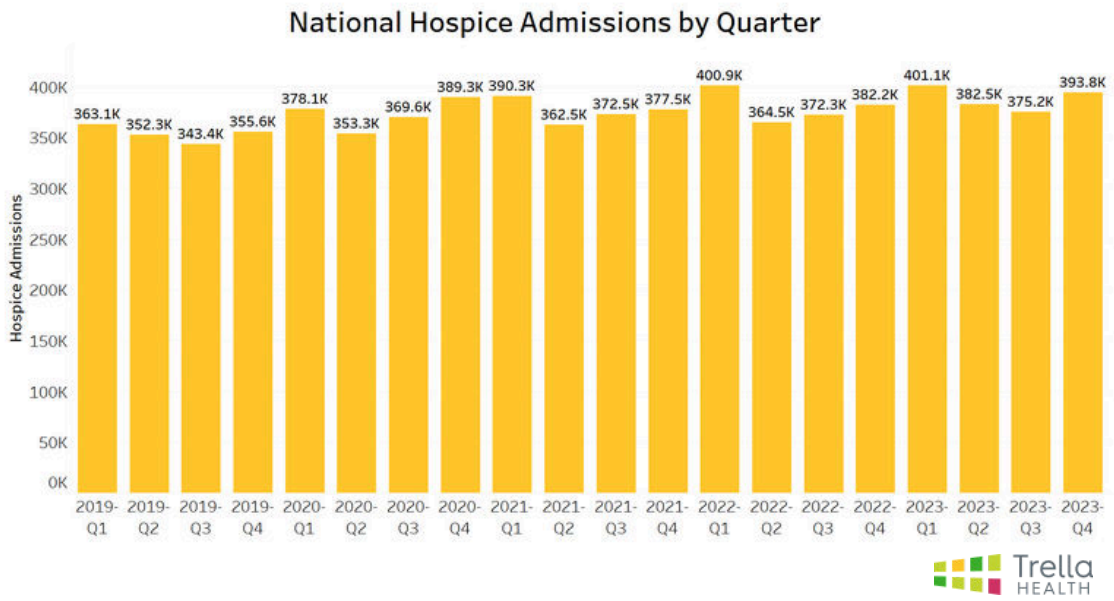
CONSISTENT ADMISSIONS INCREASES INDICATE A PROMISING FUTURE

Consistent increases in the year-over-year hospice admissions for each quarter in the 2023 Q4 reporting period indicates a healthy industry poised to care for the aging baby boomer generation in years to come. During the COVID-19 pandemic the percentage of Medicare mortalities that received hospice decreased, illustrated in the table above.

However, since COVID-19 caused fewer deaths in the 2023 Q4 reporting period, the percentage of mortalities that received hospice care recovered to pre-pandemic levels.

Additionally, national hospice average length of stay (ALOS) increased by 2 days between the 2022 Q4 and 2023 Q4 reporting periods, from 62.5 to 64.5. This increase further supports increased stability in the hospice industry overall.

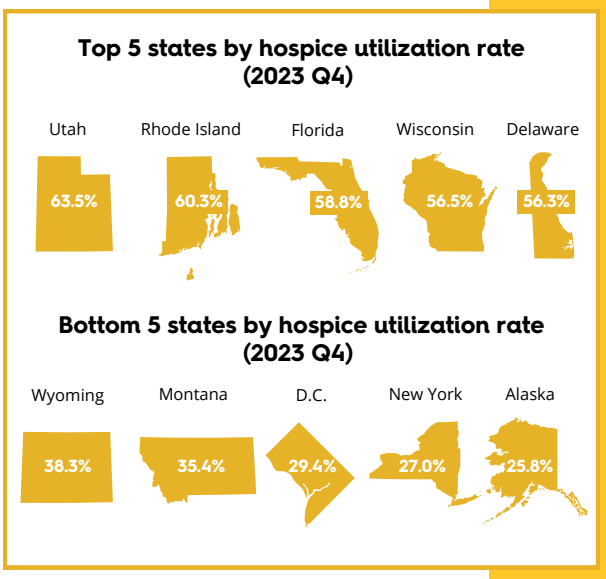
Note: Hospice admissions in this section does not include Medicare beneficiaries that received hospice care paid through their Medicare Advantage plan as part of the VBID hospice carve-in program, and thus could be slightly understated.



Hospice Utilization, 2019 Q3 – 2023 Q4

KEY TAKEAWAYS

- Variation of the percentage of Medicare mortalities that received hospice care indicates inconsistent access or awareness of hospice services across states.
- Hospice utilization should be a key metric for evaluation of expansion opportunities: states with lower utilization could have unmet demand for hospice services while higher utilization may indicate a saturated market.

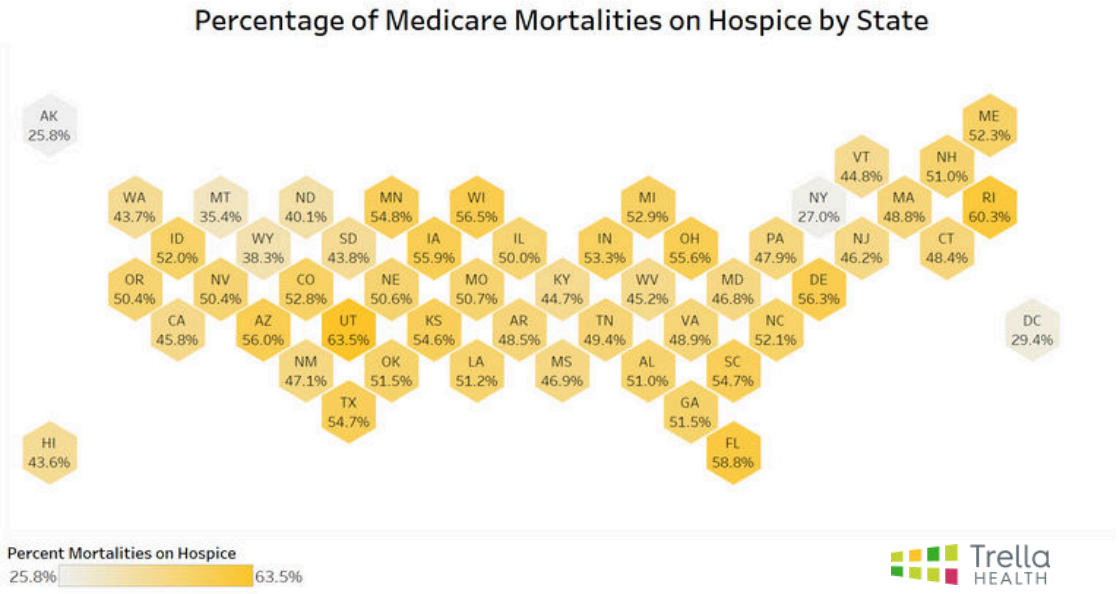


FEWER COVID-RELATED DEATHS CONTRIBUTED TO UTILIZATION INCREASES

Nationally, the percentage of Medicare mortalities that received hospice care in the 2023 Q4 reporting period increased relative to the 2021 Q4 and 2022 Q4 reporting periods.

While this increase in utilization is likely due to a decrease in deaths caused by COVID-19 (which have a lower utilization of hospice care), state-level versions of this metric indicate inconsistent access or awareness of hospice care across geographies.

Since hospice utilization has stabilized towards pre-pandemic levels, it now represents a key metric for the evaluation of expansion opportunities. Population-dense regions with hospice utilization lower than the national average should be prioritized in targeted expansion territories.



Hospice Admissions, Mortalities, and Utilization by State and Reporting Period

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Hospice Admissions			
State	2021 Q4	2022 Q4	2023 Q4
AK	1.2K	1.2K	1.2K
AL	31.8K	32.0K	32.3K
AR	16.8K	17.4K	17.2K
AZ	40.3K	40.7K	41.4K
CA	154.0K	156.6K	166.5K
CO	20.7K	21.8K	22.6K
CT	14.0K	14.3K	14.7K
DC	1.4K	1.4K	1.5K
DE	5.7K	5.8K	5.8K
FL	134.0K	134.7K	137.1K
GA	49.5K	48.7K	50.0K
HI	5.5K	5.6K	5.5K
IA	17.1K	17.8K	18.0K
ID	8.8K	8.8K	8.9K
IL	51.8K	52.4K	52.7K
IN	34.0K	34.4K	35.8K
KS	15.4K	16.0K	15.8K
KY	20.5K	20.8K	21.0K
LA	24.9K	24.0K	24.7K
MA	27.8K	28.6K	29.3K
MD	22.2K	22.6K	22.8K
ME	7.9K	8.1K	8.6K
MI	53.1K	52.4K	54.2K
MN	25.2K	25.5K	26.1K
MO	32.2K	32.9K	33.6K
MS	16.6K	16.5K	17.2K
MT	4.6K	4.4K	4.0K
NC	49.3K	50.4K	52.3K
ND	2.1K	2.3K	2.5K
NE	8.1K	8.4K	8.9K
NH	6.6K	6.7K	7.1K
NJ	33.3K	33.7K	33.4K
NM	9.6K	9.8K	10.0K
NV	14.2K	15.0K	15.4K
NY	45.2K	43.6K	41.6K
OH	69.7K	69.2K	68.8K
OK	22.9K	23.5K	24.1K
OR	20.8K	20.7K	20.6K
PA	64.7K	64.0K	64.1K
RI	5.7K	5.8K	6.0K
SC	30.1K	30.8K	31.8K
SD	3.4K	3.5K	3.6K
TN	34.6K	35.6K	36.4K
TX	125.2K	128.7K	132.6K
UT	12.5K	13.0K	13.2K
VA	35.6K	36.0K	36.8K
VT	2.9K	2.9K	3.1K
WA	26.0K	26.3K	27.0K
WI	31.0K	31.7K	32.6K
WV	10.5K	10.7K	10.4K
WY	1.9K	2.1K	2.1K

Mortalities			
State	2021 Q4	2022 Q4	2023 Q4
AK	4.2K	3.9K	3.8K
AL	53.4K	49.1K	46.8K
AR	31.4K	30.3K	28.7K
AZ	61.2K	57.3K	54.1K
CA	256.5K	247.6K	234.2K
CO	36.4K	36.0K	34.8K
CT	27.6K	28.3K	26.8K
DC	4.1K	3.9K	3.6K
DE	8.9K	9.0K	8.5K
FL	204.6K	192.9K	185.5K
GA	83.9K	77.9K	73.9K
HI	10.4K	10.9K	10.5K
IA	28.4K	28.3K	27.3K
ID	14.6K	13.9K	13.4K
IL	97.8K	97.3K	90.5K
IN	61.1K	59.3K	55.6K
KS	25.1K	25.1K	23.4K
KY	46.7K	45.1K	41.9K
LA	42.4K	39.4K	37.5K
MA	51.9K	52.3K	50.9K
MD	44.3K	44.0K	41.5K
ME	14.2K	14.3K	14.1K
MI	94.5K	90.4K	84.9K
MN	41.7K	41.9K	40.6K
MO	57.9K	56.8K	53.3K
MS	31.0K	29.3K	27.3K
MT	10.0K	9.4K	9.2K
NC	92.0K	89.3K	85.3K
ND	5.6K	5.6K	5.5K
NE	15.3K	15.3K	15.1K
NH	11.8K	12.1K	12.0K
NJ	67.2K	66.0K	61.6K
NM	18.2K	17.7K	16.8K
NV	24.3K	23.9K	22.1K
NY	147.3K	142.4K	133.3K
OH	114.9K	109.1K	101.6K
OK	38.7K	37.2K	34.4K
OR	36.2K	36.3K	34.5K
PA	126.2K	120.9K	114.7K
RI	9.4K	9.0K	8.7K
SC	50.2K	48.0K	45.9K
SD	7.3K	7.3K	7.0K
TN	69.3K	66.0K	62.1K
TX	198.0K	184.3K	175.4K
UT	17.0K	17.0K	16.4K
VA	67.6K	66.1K	62.9K
VT	5.7K	5.8K	5.7K
WA	54.6K	55.5K	52.5K
WI	49.7K	49.9K	47.7K
WV	23.3K	21.9K	19.8K
WY	5.1K	4.7K	4.5K

Hospice Mortalities			
State	2021 Q4	2022 Q4	2023 Q4
AK	1.0K	1.0K	1.0K
AL	23.7K	23.8K	23.9K
AR	14.0K	14.2K	13.9K
AZ	31.2K	31.1K	30.3K
CA	107.9K	109.1K	107.2K
CO	17.1K	17.6K	18.4K
CT	12.2K	12.6K	13.0K
DC	1.1K	1.1K	1.1K
DE	4.6K	4.9K	4.8K
FL	109.7K	107.6K	109.2K
GA	39.0K	38.0K	38.1K
HI	4.7K	4.8K	4.6K
IA	14.7K	15.3K	15.2K
ID	7.3K	7.2K	7.0K
IL	45.4K	45.2K	45.3K
IN	28.9K	29.3K	29.6K
KS	12.6K	13.0K	12.8K
KY	18.6K	18.6K	18.7K
LA	19.4K	19.0K	19.2K
MA	23.9K	24.1K	24.9K
MD	19.1K	19.7K	19.4K
ME	7.0K	7.2K	7.4K
MI	45.4K	44.9K	45.0K
MN	21.3K	21.7K	22.3K
MO	26.7K	27.1K	27.0K
MS	12.6K	12.5K	12.8K
MT	3.8K	3.7K	3.2K
NC	42.2K	43.3K	44.4K
ND	1.8K	2.0K	2.2K
NE	7.0K	7.4K	7.7K
NH	5.7K	5.7K	6.1K
NJ	28.6K	29.0K	28.5K
NM	7.9K	8.0K	7.9K
NV	10.9K	11.1K	11.1K
NY	38.8K	37.4K	36.0K
OH	58.5K	57.6K	56.5K
OK	17.7K	17.8K	17.7K
OR	18.2K	17.9K	17.4K
PA	55.5K	54.8K	55.0K
RI	5.0K	5.0K	5.3K
SC	24.2K	24.9K	25.1K
SD	3.0K	3.1K	3.1K
TN	29.5K	30.4K	30.6K
TX	95.0K	96.4K	95.9K
UT	9.7K	10.1K	10.4K
VA	30.2K	30.2K	30.8K
VT	2.5K	2.5K	2.5K
WA	22.5K	22.7K	23.0K
WI	26.6K	27.1K	26.9K
WV	9.1K	9.2K	9.0K
WY	1.6K	1.8K	1.7K

Hospice Utilization			
State	2021 Q4	2022 Q4	2023 Q4
AK	24.1%	25.6%	25.8%
AL	44.4%	48.6%	51.0%
AR	44.4%	46.9%	48.5%
AZ	51.0%	54.2%	56.0%
CA	42.1%	44.1%	45.8%
CO	47.0%	48.8%	52.8%
CT	44.2%	44.6%	48.4%
DC	26.5%	27.4%	29.4%
DE	51.3%	54.0%	56.3%
FL	53.6%	55.8%	58.8%
GA	46.5%	48.7%	51.5%
HI	45.4%	43.6%	43.6%
IA	51.8%	54.0%	55.9%
ID	49.9%	51.6%	52.0%
IL	46.5%	46.4%	50.0%
IN	47.3%	49.4%	53.3%
KS	50.3%	51.5%	54.6%
KY	39.8%	41.2%	44.7%
LA	45.7%	48.2%	51.2%
MA	46.1%	46.0%	48.8%
MD	43.1%	44.8%	46.8%
ME	49.3%	50.4%	52.3%
MI	48.1%	49.6%	52.9%
MN	51.1%	51.9%	54.8%
MO	46.2%	47.7%	50.7%
MS	40.6%	42.6%	46.9%
MT	38.4%	39.2%	35.4%
NC	45.9%	48.5%	52.1%
ND	31.2%	36.2%	40.1%
NE	46.1%	48.3%	50.6%
NH	48.2%	47.1%	51.0%
NJ	42.6%	44.0%	46.2%
NM	43.0%	45.1%	47.1%
NV	44.9%	46.3%	50.4%
NY	26.3%	26.3%	27.0%
OH	50.9%	52.8%	55.6%
OK	45.6%	47.7%	51.5%
OR	50.2%	49.2%	50.4%
PA	44.0%	45.3%	47.9%
RI	53.1%	55.4%	60.3%
SC	48.2%	51.8%	54.7%
SD	41.3%	42.7%	43.8%
TN	42.6%	46.0%	49.4%
TX	48.0%	52.3%	54.7%
UT	57.1%	59.5%	63.5%
VA	44.6%	45.8%	48.9%
VT	44.1%	43.2%	44.8%
WA	41.2%	40.8%	43.7%
WI	53.4%	54.3%	56.5%
WV	39.1%	42.1%	45.2%
WY	31.8%	37.6%	38.3%

Skilled Nursing Admissions, 2019 Q1 – 2023 Q4

KEY TAKEAWAYS

- National FFS skilled nursing admissions decreased by 13.8% year-over-year for the 2023 Q4 reporting period. This decrease was primarily driven by driven by substantial quarterly shifts for 2023 Q3 and 2023 Q4, respectively.

- National year-over-year MA skilled nursing admissions increased by 21.2% during calendar year 2021, likely driven by a relatively deflated 2020 level due to the pandemic lockdowns.

Annualized FFS skilled nursing admissions compared to enrollment

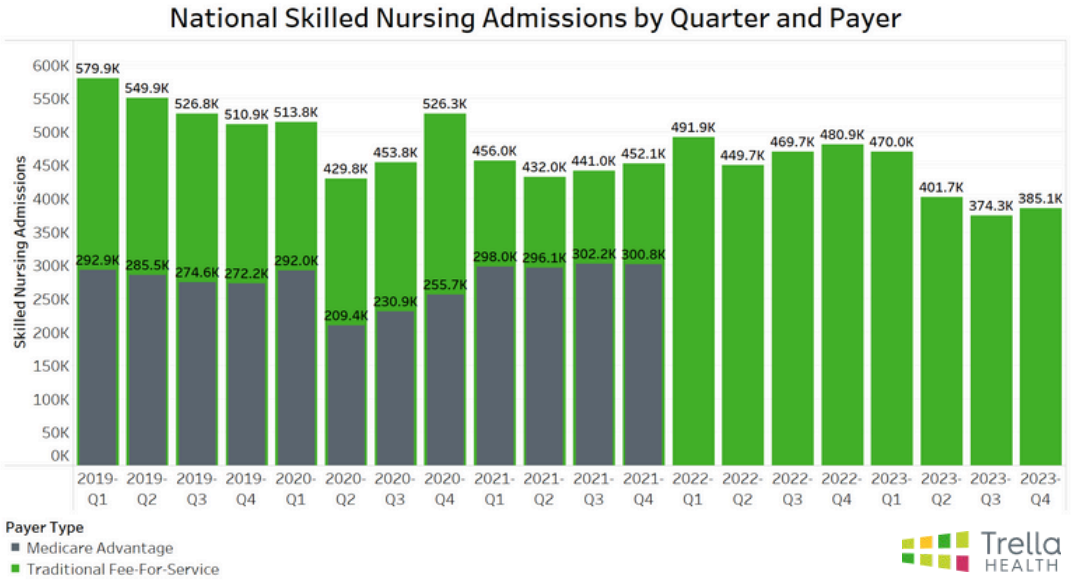
Reporting Period	2020 Q4	2021 Q4	2022 Q4	2023 Q4
Annualized Admissions	1.9M	1.8M	1.9M	1.6M
% Change		-7.4%	6.2%	-13.8%
Enrollment Calendar Year	**2020**	**2021**	**2022**	**2023**
FFS Enrollment	31.8M	30.4M	29.2M	28.2M
% Change		-4.4%	-3.9%	-3.6%

SKILLED NURSING ADMISSIONS DECREASED IN THE 2023 Q4 REPORTING PERIOD

Despite representing a higher percentage of FFS inpatient discharge instructions, skilled nursing admissions decreased significantly in the 2023 Q4 reporting period. FFS skilled nursing admissions may have been bolstered by taking on more COVID-19 patients amidst the wave of infections that occurred in 2022 Q1, which may explain an industry readjustment once the pandemic became better in-hand.

Indicated in the table above, the percentage decrease in FFS skilled nursing admissions more than tripled the decrease in FFS enrollment, making up for a smaller decrease in admissions than FFS enrollment during the 2021 Q4 reporting period and a slight increase in admissions compared to a 3.9% decrease in enrollment during the 2022 Q4 reporting period.

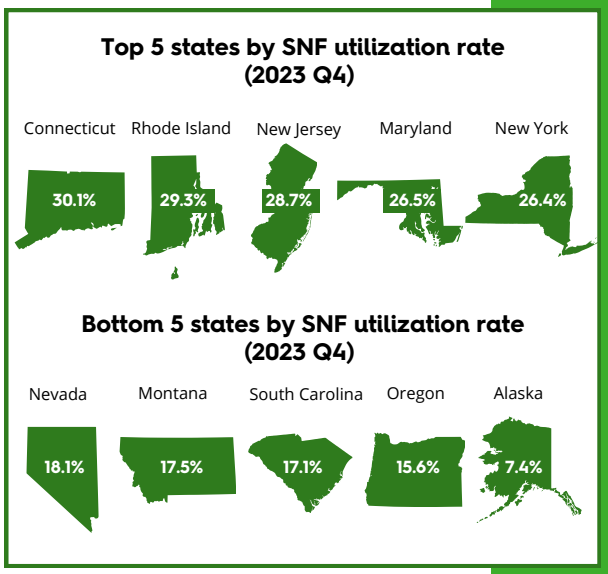
The long-term trajectory for Medicare Advantage skilled nursing admissions is more difficult to ascertain due to the available timeframe being considerably impacted by the COVID-19 pandemic. After a 12.2% year-over-year decrease in skilled nursing admissions during calendar year 2020, MA admissions increased by 21.2% in calendar year 2021. Despite the increase in the latest calendar year of available data, it's likely that 2022 will show an even greater increase because, relative to 2019, MA skilled nursing admissions haven't increased at the same rate as MA enrollment (2019 to 2021 admissions increased by only 6.4% compared to a 20.5% increase in MA enrollment).



Skilled Nursing Utilization, 2022 Q1 - 2023 Q4

KEY TAKEAWAYS

- National FFS skilled nursing utilization remained relatively stable in the 2023 Q4 reporting period at 22.7%, compared to 22.9% in the 2022 Q4 reporting period.
- While a range of 22.7 percentage points for state-level utilization may appear to indicate significant geographic differences, this range is nearly halved (14.5 percentage points) when the outlier of Alaska is excluded.

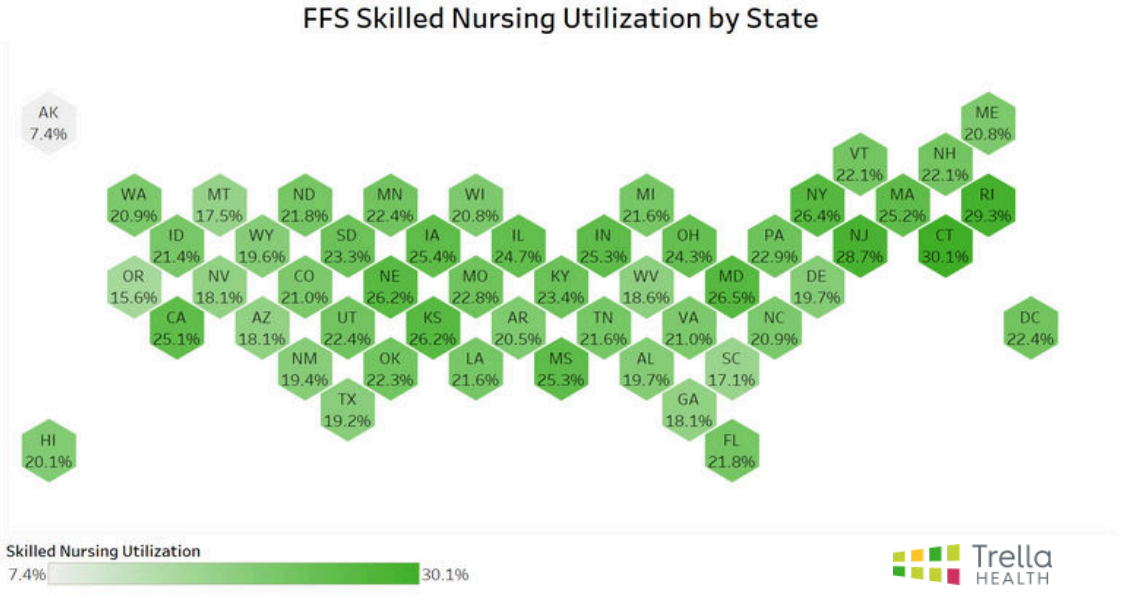


SKILLED NURSING UTILIZATION STABILIZES FROM THE PANDEMIC

While national FFS skilled nursing utilization remained stable between the 2022 Q4 and 2023 Q4 reporting periods, utilization is 2.0 percentage points below pre-pandemic benchmarks (24.7% in the 2019 Q3 reporting period).

It's possible that the skilled nursing industry still needs some time to recover from the impacts of the COVID-19 pandemic; the stability between the 2022 Q4 and 2023 Q4 reporting periods could also indicate that a slightly lower utilization is the new normal.

Despite the stability in national FFS skilled nursing utilization, state level values for this metric moved by between -1.4 and 2.0 percentage points between the 2022 Q4 and 2023 Q4 reporting periods. Some states with the largest increases in FFS skilled nursing utilization had decreases in year-over-year skilled nursing admissions. This trend could be explained by adjustments and realignment to more typical skilled nursing utilization in the context of decreasing FFS enrollment.



FFS Skilled Nursing Admissions and Utilization by State and Reporting Period

Reporting Period: 2022 Q4			
State	Skilled Nursing Admissions	YoY % Change in Admissions	SNF Utilization
AK	1.4K	2.4%	7.3%
AL	22.8K	-1.6%	19.5%
AR	21.8K	11.9%	20.1%
AZ	26.8K	4.7%	19.4%
CA	196.7K	21.2%	24.2%
CO	20.5K	9.7%	21.4%
CT	29.0K	6.8%	31.3%
DC	3.5K	-5.3%	22.8%
DE	7.0K	-0.6%	20.0%
FL	150.3K	7.1%	22.5%
GA	36.6K	3.3%	17.8%
HI	3.4K	2.2%	19.0%
IA	27.2K	5.9%	26.6%
ID	7.0K	6.1%	19.4%
IL	93.1K	6.8%	25.9%
IN	50.4K	3.7%	26.3%
KS	25.8K	1.9%	26.7%
KY	30.7K	-0.9%	23.6%
LA	26.1K	8.1%	20.6%
MA	63.2K	6.6%	25.2%
MD	49.6K	7.9%	27.0%
ME	6.9K	-0.6%	20.1%
MI	50.0K	-1.7%	21.6%
MN	25.9K	-7.9%	22.5%
MO	40.1K	5.8%	23.3%
MS	23.0K	2.4%	24.5%
MT	5.6K	-1.1%	16.8%
NC	48.2K	-2.4%	20.7%
ND	5.8K	-2.9%	21.4%
NE	15.2K	-1.4%	26.5%
NH	10.1K	9.3%	21.4%
NJ	76.6K	9.1%	29.5%
NM	8.4K	10.7%	18.9%
NV	11.9K	8.8%	18.2%
NY	143.0K	9.4%	26.4%
OH	76.1K	1.0%	25.7%
OK	27.8K	5.6%	22.3%
OR	10.3K	-4.2%	14.9%
PA	77.4K	3.0%	22.8%
RI	6.7K	1.9%	29.5%
SC	26.9K	7.6%	17.4%
SD	7.9K	3.1%	24.0%
TN	36.4K	0.0%	22.2%
TX	122.3K	7.9%	20.0%
UT	10.0K	5.8%	22.3%
VA	49.1K	5.2%	21.7%
VT	5.4K	6.3%	21.6%
WA	26.8K	6.9%	19.4%
WI	28.2K	-5.3%	21.2%
WV	12.9K	9.4%	19.8%
WY	4.2K	13.3%	18.4%

Reporting Period: 2023 Q4			
State	Skilled Nursing Admissions	YoY % Change in Admissions	SNF Utilization
AK	1.4K	2.3%	7.4%
AL	20.5K	-9.9%	19.7%
AR	17.4K	-20.2%	20.5%
AZ	23.3K	-13.0%	18.1%
CA	165.9K	-15.7%	25.1%
CO	17.3K	-15.4%	21.0%
CT	23.2K	-20.1%	30.1%
DC	3.2K	-8.1%	22.4%
DE	6.4K	-9.2%	19.7%
FL	134.2K	-10.7%	21.8%
GA	33.2K	-9.3%	18.1%
HI	3.7K	7.2%	20.1%
IA	21.6K	-20.5%	25.4%
ID	6.7K	-4.5%	21.4%
IL	77.4K	-16.9%	24.7%
IN	39.9K	-21.0%	25.3%
KS	22.2K	-13.9%	26.2%
KY	25.0K	-18.6%	23.4%
LA	21.9K	-16.1%	21.6%
MA	57.0K	-9.8%	25.2%
MD	43.4K	-12.5%	26.5%
ME	6.1K	-11.9%	20.8%
MI	42.9K	-14.3%	21.6%
MN	23.5K	-9.4%	22.4%
MO	34.4K	-14.1%	22.8%
MS	21.1K	-8.4%	25.3%
MT	5.1K	-8.5%	17.5%
NC	42.9K	-11.1%	20.9%
ND	5.2K	-10.7%	21.8%
NE	14.0K	-8.2%	26.2%
NH	8.7K	-13.4%	22.1%
NJ	68.8K	-10.2%	28.7%
NM	7.1K	-15.7%	19.4%
NV	10.5K	-11.9%	18.1%
NY	126.9K	-11.2%	26.4%
OH	62.5K	-17.9%	24.3%
OK	23.6K	-15.2%	22.3%
OR	10.1K	-1.8%	15.6%
PA	71.7K	-7.4%	22.9%
RI	6.0K	-10.4%	29.3%
SC	22.8K	-15.0%	17.1%
SD	7.4K	-6.7%	23.3%
TN	31.9K	-12.5%	21.6%
TX	94.4K	-22.8%	19.2%
UT	8.4K	-16.4%	22.4%
VA	41.6K	-15.2%	21.0%
VT	4.5K	-16.1%	22.1%
WA	26.2K	-2.5%	20.9%
WI	24.3K	-13.9%	20.8%
WV	10.4K	-19.4%	18.6%
WY	3.5K	-17.6%	19.6%

Post-Acute Care Staffing Trends

KEY TAKEAWAYS

- Healthcare Cost Report Information System (HCRIS) data for home health agencies and skilled nursing facilities indicate staffing challenges throughout 2022.
- Skilled Nursing Facility staff per agency decreased by 9.1% between fiscal years ending in 2019 and years ending in 2022 while Other Long-Term Care staff decreased by 24.5% over the same timeframe.
- Per-agency home health staffing total, administrative, and healthcare full-time equivalent (FTE) employees decreased between fiscal years ending in 2021 and 2022 by 2.2%, 1.8%, and 2.7%, respectively.

Per-Agency Full Time Equivalent (FTE) Employees by Fiscal Year End for Skilled Nursing Cost Reports

FTE Type	2019	2020	2021	2022
Skilled Nursing Facility	94.3	91.3	84.0	85.7
Nursing Facility	1.2	1.4	1.1	1.2
Other Long-Term Care	2.5	2.5	2.1	1.9

Per-Agency Full Time Equivalent (FTE) Employees by Fiscal Year End for Home Health Agency Cost Reports

FTE Type	2020	2021	2022
Total FTEs	21.7	22.7	22.2
Admin FTEs	6.7	6.9	6.8
Supervisor FTEs	1.0	0.9	0.9
Healthcare FTEs	14.0	14.9	14.5

STAFFING SHORTAGES IN POST-ACUTE CARE: A GROWING CONCERN

Since the start of the pandemic, post-acute care agencies have been constantly forced to provide much more healthcare with fewer employees. Between calendar years 2020 and 2021, FFS and MA admissions to skilled nursing admissions rose by 2.2%, from 2.91M to 2.98M. Comparatively, per-agency skilled nursing FTEs for fiscal years ending between 2020 and 2021 decreased by 7.9%.

Essentially, an average skilled nursing facility cared for 2.2% more patients with 7.9% fewer staff. Despite a slight increase in the per-agency skilled nursing FTEs at SNFs between 2021 and 2022, per-agency FTEs remain 9.1% below pre-pandemic levels.

While pre-pandemic per-agency FTE data isn't available using the exact same methodology for home health agencies, the data available for agencies with fiscal years ending between 2020 and 2022 presents a concerning trend. The increase in per-agency FTEs between 2020 and 2021 is almost certainly caused by a 2020 value that is much lower than 2019 and would be expected as the United States adjusted to the pandemic. However, the decrease between 2021 and 2022 indicates the potential for home health agency staffing levels to hover around those during the height of the pandemic.

The cost report data quantifies a substantial headwind for post-acute care agencies going forward. The market for nurses and therapists has become much more competitive due to increases in demand for healthcare as the population over 65 continues to represent a higher percentage of the overall population. Competitive labor markets, combined with changes in reimbursement rates that fail to keep up with inflation, require agencies to more effectively and efficiently streamline their hiring and retaining of staff.

Note: Analysis of HCRIS data was performed by fiscal year of each agency, excluding outlier data points and obvious errors. Skilled nursing reports for fiscal years ending in 2022 were limited, though provide a sufficient sample (more than 50% of agencies present other years). Home health FTEs were aggregated based on the type of FTE listed in the cost report.

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