#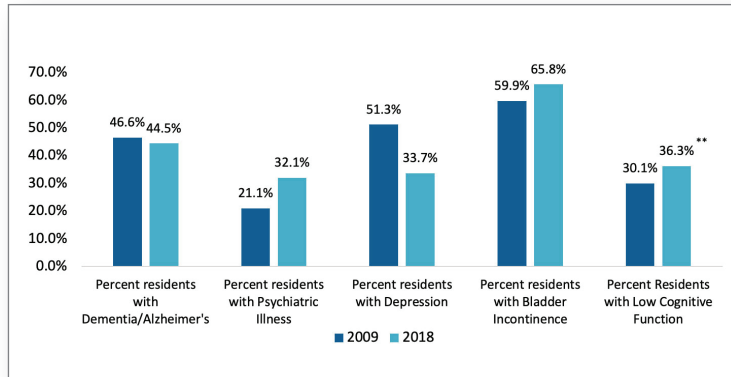 Nursing homes are now serving individuals who have particularly challenging diagnoses and they are increasingly drawn from less wealthy populations.
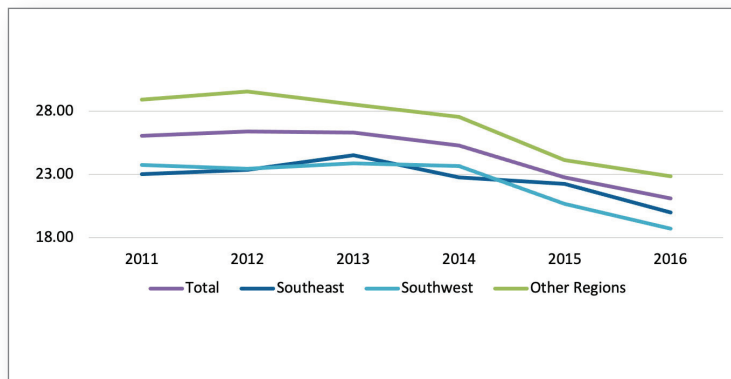
Figure 15: Selected Diagnoses of Residents

Diagnostic profile of residents is changing: more severe cognitive issues, increases in psychiatric diagnoses and bladder incontinence

Figure 24: Adjusted Median Length of Stay

Rising numbers of residents are entering nursing homes with higher levels of frailty closer to the end of life reflected in a median adjusted length of stay decline of 19%.

*Figure 12: Average Percent Medicaid Patients*
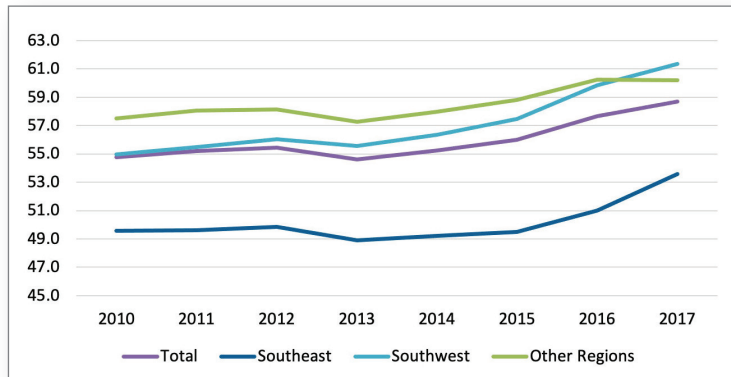
About three in five residents receive Medicaid, this indicating that nursing homes are serving a poorer population

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Demand has been declining but is expected to grow even as nursing home closures increase.
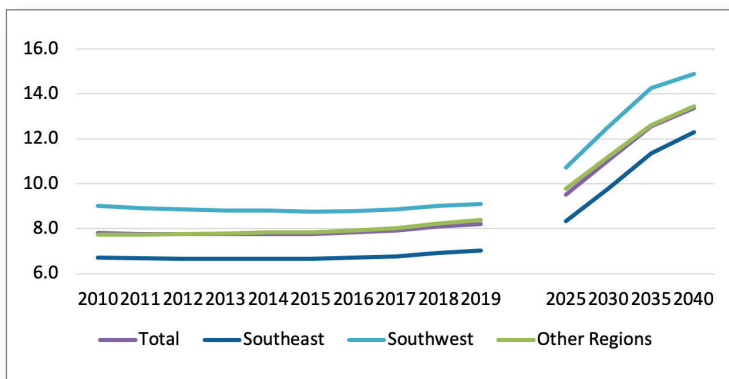
WHAT IS
HAPPENING *to*
Pennsylvania's
Nursing Homes?

Figure 9: Prevalence of Nursing Home Utilization among Population Age 65 and Over
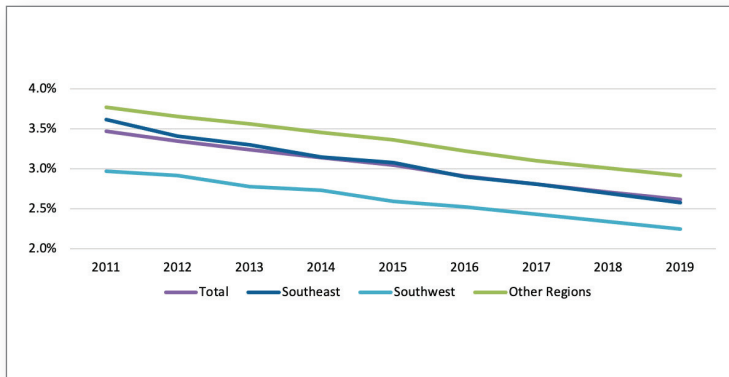

Prevalence rates for nursing home utilization among population age 65 and over have declined from 3.5% in 2011 to 2.6% in 2019

Figure 4: Percent Population 75 Years and Older

Over the next decade the population age 75 years and over is expected to grow by 35%, leading to increasing demand for all LTSS services, including nursing home care

*Figure 10: Number of Nursing Home Closures in Pennsylvania, 2015-2019*
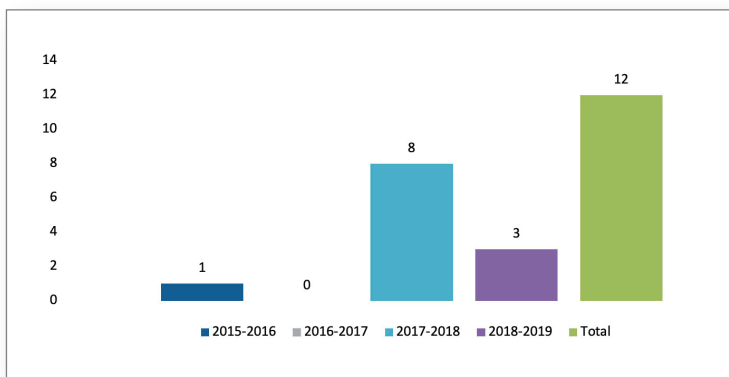
There has been an increase in closures over the past five years, and this data does not account for pandemic-related closures

Note: A quarter of closures are in rural areas and if current prevalence rates and bed-supply for the age 65+ population stay constant, there will be a shortfall of roughly 2,000 beds by 2025.

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Staff hours and compensation have stayed relatively constant making it difficult to provide high quality care and to recruit, retain and train direct care workers.
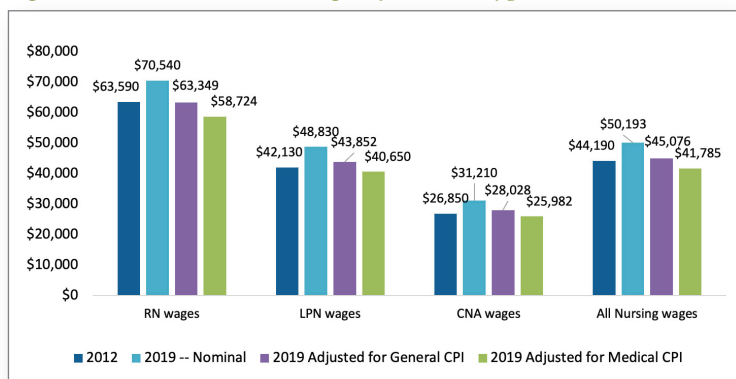
Figure 16: Mean Hours Per Day by Worker Type: 2009 - 2017
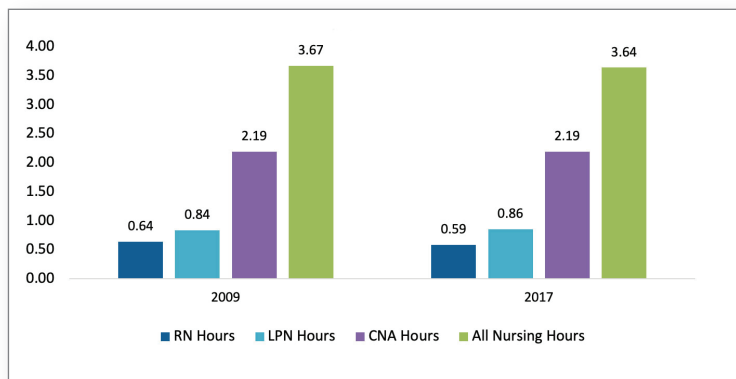
Even as the medical complexity of patients has increased, care hours have stayed relatively constant and there has been a slight decline in RN hours
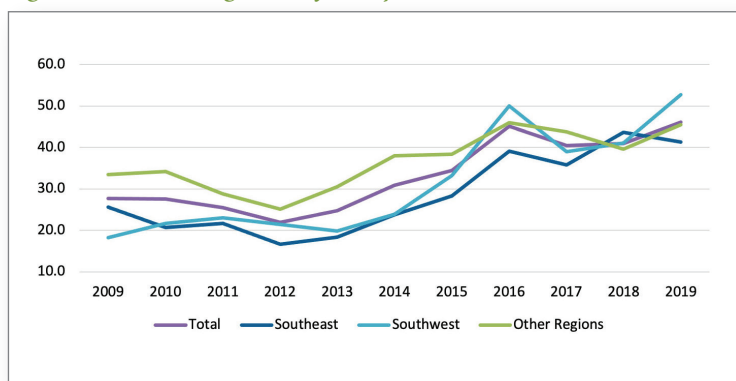
Figure 18: Median Annual Wages by Worker Type: 2012 - 2019

Overall, median nursing wages have only increased at 1.9% per year but real wages have remained completely flat or declined

DATA SUGGESTS NURSING HOMES FACE GROWING QUALITY CHALLENGES

Figure 20: Mean Weighted Deficiency Score

There has been a significant increase in the average weighted deficiency score of nursing homes – from 27.6 to 41.0 over the last decade

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Nursing homes are increasingly dependent on Medicaid financing leading to a growing gap between what is needed to meet resident needs and reimbursement levels.
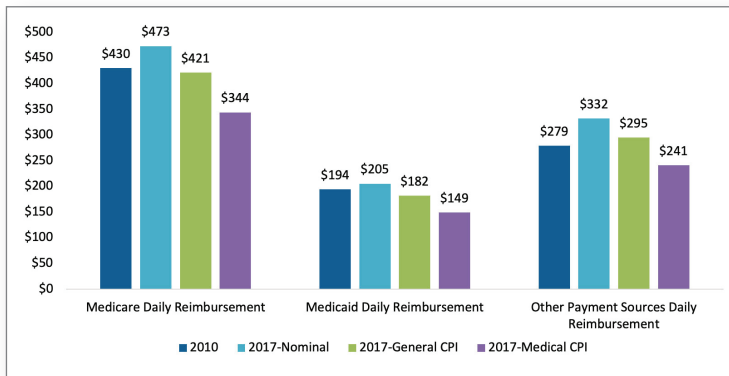
Figure 25: Change in Ratio of Payment Source Days to Total Days 2010-2017
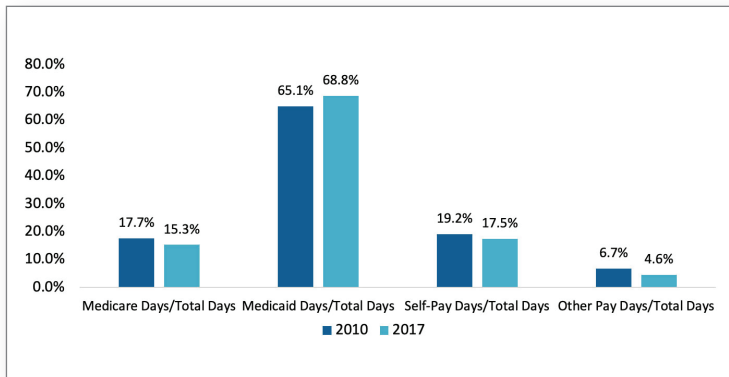
Medicaid reimbursed days have increased to 68.8% of all days while all other payment sources have declined over the period

Figure 26: Change in Daily Reimbursement Rates by Payer 2010-2017

Medicaid has the lowest level of reimbursement and lowest rate of growth among major payment sources

Note: Adjusting for the medical CPI, Medicaid rates declined by 23.2% as compared to declines of 20.0% and 13.6% for Medicare and other sources, respectively.

Figure 27: Mean Ratio Medicaid Per Diem Rate/Average Private and Semi-Private Daily Charge
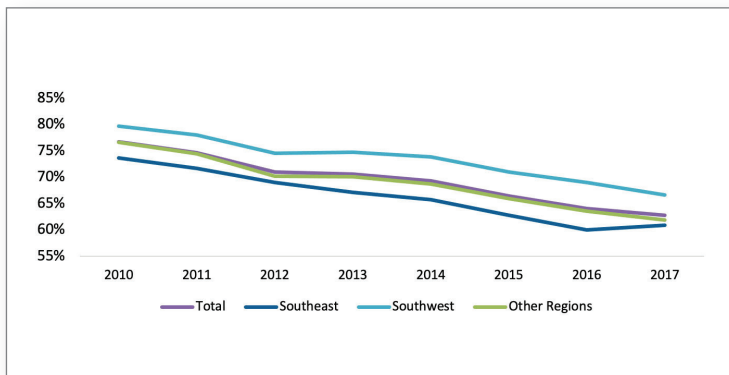
Since 2010 Medicaid rates cover a declining proportion of the average rate charged for private/semi-private rooms

Note: In 2010 Medicaid rates represented roughly 77% of private/semi-private room charges, by 2017 this figure had fallen to 63% – an 18% decline over the period.

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