A recent analysis of Medicare cost report data for skilled nursing facilities (SNFs) disclosed a surprising trend: a decline in average length of stay (ALOS) in SNFs at the national level from 2011 through 2017. This finding was so surprising that it initially raised questions about the accuracy of the dataset. On delving deeper into the data, however, the analysis was able to validate the trend, while also detecting some interesting parallel trends.

The data show ALOS steadily declined over the study period, but at a slower rate between 2016 and 2017. The decline in ALOS correlated with a notable increase in the number of SNF discharges occurring during the study period coupled with relatively little change in total annual days of care.

To investigate whether the declining ALOS might reflect a capacity issue, the analysis examined numbers of beds, bed days available, and numbers of SNF facilities. If a capacity problem existed, it would be reasonable to expect increases in the number of beds and/or the number of facilities to meet the increased demand, yet only nominal changes were observed in these areas, indicating such increases have not occurred.

Other explanations might include improved operating efficiencies to reduce ALOS or increased use of alternative care settings such as home health care. If improved efficiencies have enabled SNF operators to increase patient volumes while reducing ALOS, a deeper analysis of SNF practices could provide beneficial insight for establishing new performance benchmarks for all SNFs.

The analysis described here looked at data for days, discharges, staffed beds, and bed days obtained from Medicare cost report worksheet S-3 Part 1, line 1, for each SNF and aggregated nationally for facility fiscal years ending within federal fiscal years 2011 through 2017. Data for 2018 were not yet available at the time the analysis was being prepared for publication.

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