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Diversicare Announces 2017 Second Quarter Results

BRENTWOOD, TN, (August 3, 2017) – Diversicare Healthcare Services, Inc. (NASDAQ: DVCR), a premier provider of long-term care services, today announced its results for the second quarter ended June 30, 2017.

On July 27, 2017, the Board of Directors declared a quarterly dividend of $0.055 per common share payable to shareholders of record as of September 30, 2017, to be paid on October 16, 2017.

Second Quarter 2017 Highlights

- Net revenue increased to an all-time high of $142.6 million in the second quarter of 2017 from $95.8 million in the second quarter of 2016, an increase of 48.8%, primarily attributable to the 22 Alabama and Mississippi nursing centers acquired in the fourth quarter of 2016.
- Facility-level operating income was $29.4 million, or 20.6% of net revenue, an increase of $12.0 million from the prior year.
- Net income from continuing operations was $0.4 million, or $0.06 per share, in the second quarter of 2017, compared to a net loss from continuing operations of $2.2 million, or $0.35 per share, in the second quarter of 2016.
- Adjusted EBITDA was $4.8 million in the second quarter of 2017 compared to $1.9 million in the second quarter of 2016.
- On July 1, 2017, the Company purchased the assets of a 103-bed center in Selma, Alabama for $8.75 million.

See below for a reconciliation of all GAAP and non-GAAP financial results.

CEO Remarks

Commenting on the results, Kelly Gill, Diversicare's CEO, stated, "The second quarter 2017 proved to be a successful quarter for the Company as our net revenue increased to an all-time high of $142.6 million. We continue to experience accretive results from the centers we acquired from Golden Living in the fourth quarter 2016 and stable organic growth within our same-center group.

Mr. Gill continued, "Additionally, as previously announced, we added another center to our portfolio on July 1st, bringing our total centers operated to 77 and owned real estate to 18. Since we began our focused expansion plan, this center marks the 47th acquisition and is the 11th acquisition that included the purchase of the real estate. I'm proud and grateful for the strides and efforts made by our team to seamlessly integrate this new center onto our operating platform.

Mr. Gill concluded, "We continue to see positive synergies from our strategic investments and hardworking team members, which are reflective in our financial results. I look forward to building upon our success and sharing our results in the future."

Second Quarter 2017 Results

The following table summarizes key revenue and census statistics for continuing operations for each period:

	Three Months Ended June 30,	
	2017	**2016**
Skilled nursing occupancy	79.8%	76.7%
As a percent of total census:		
Medicare census	12.0%	11.7%
Medicaid census	68.6%	68.3%
Managed Care census	3.6%	3.5%
As a percent of total revenues:		
Medicare revenues	27.3%	27.6%
Medicaid revenues	51.6%	50.5%
Managed Care revenues	7.0%	6.8%
Average rate per day:		
Medicare	$ 453.02	$ 456.91
Medicaid	$ 173.92	$ 168.36
Managed Care	$ 391.60	$ 388.45

Patient Revenues

Patient revenues were $142.6 million and $95.8 million for the three months ended June 30, 2017 and 2016, respectively, an increase of $46.8 million. The following table summarizes the revenue fluctuations attributable to our portfolio growth (in thousands):

	Three Months Ended June 30,		
	2017	**2016**	**Change**
Same-store revenue	$ 96,570	$ 95,805	$ 765
2016 acquisition revenue	45,980	—	45,980
Total revenue	$ 142,550	$ 95,805	$ 46,745

The overall increase in revenues of $46.8 million is primarily attributable to revenue contributions from the acquisition of the Golden Living operations in Alabama and Mississippi during the fourth quarter of 2016 of $46.0 million.

On a same-store center basis, the average Medicare and Medicaid rate per patient day for the second quarter of 2017 increased compared to the second quarter of 2016, resulting in increases in revenue of $0.5 million and $0.5 million, respectively, or 2.4% and 0.9%, respectively. Our same-store Medicare average daily census for the second quarter of 2017 increased $0.6 million, or 2.8%, and conversely our Medicaid average daily census for the second quarter of 2017 decreased $1.1 million, or 2.2%. Revenue related to ancillary services increased for the second quarter of 2017 compared to the second quarter of 2016 by $0.2 million.

Expenses

Operating expense increased in the second quarter of 2017 to $113.2 million as compared to $78.4 million in the second quarter of 2016. Operating expense decreased as a percentage of revenue to 79.4% for the second quarter of 2017 as compared to 81.8% for the second quarter of 2016. The following table summarizes the expense increases attributable to our portfolio growth (in thousands):

	Three Months Ended June 30,		
	2017	**2016**	**Change**
Same-store operating expense	$ 76,991	$ 78,385	$ (1,394)
2016 acquisition expense	36,175	—	36,175
Total expense	$ 113,166	$ 78,385	$ 34,781

The overall increase in operating expense of $34.8 million is primarily attributable the acquisition of the Golden Living operations in Alabama and Mississippi during the fourth quarter of 2016 of $36.2 million.

On a same-store center basis, operating expenses decreased by $1.4 million, which is attributable to a favorable variance in bad debt expense and health insurance costs of $1.0 million and $0.2 million, respectively, in second quarter of 2017 compared to the second quarter of 2016.

One of the largest components of operating expenses is wages, which increased to $65.8 million during the second quarter of 2017 as compared to $45.1 million in the second quarter of 2016, which, consistent with above, is due to acquisition activity.

Lease expense increased in the second quarter of 2017 to $13.8 million as compared to $6.9 million in the second quarter of 2016. The increase in lease expense was primarily attributable to the 22 newly leased centers in Alabama and Mississippi, which occurred during the fourth quarter of 2016.

Professional liability expense was $2.7 million and $1.9 million in the second quarters of 2017 and 2016, respectively. Our cash expenditures for professional liability costs of continuing operations were $2.3 million and $0.9 million for the second quarters of 2017 and 2016, respectively. Professional liability expense and cash expenditures fluctuate from year to year based respectively on the results of our third-party professional liability actuarial studies and on the costs incurred in defending and settling existing claims. See “Liquidity and Capital Resources” for further discussion of the accrual for professional liability.

General and administrative expense was $8.2 million in the second quarter of 2017 as compared to $6.9 million in the second quarter of 2016, an increase of $1.3 million, but conversely decreased as a percentage of revenue from 7.2% in 2016 to 5.8% in 2017. The increase in general and administrative expense is attributable to an increase in corporate wages and payroll taxes and travel by $1.3 million and $0.1 million, respectively, which is due to the acquisition of 22 new centers during the fourth quarter of 2016.

Depreciation and amortization expense was approximately $2.6 million in the second quarter of 2017 as compared to $2.1 million in 2016. The increase in depreciation expense relates to fixed assets at the newly leased centers.

Interest expense was $1.5 million in the second quarter of 2017 and $1.2 million in the second quarter of 2016, an increase of $0.3 million. The increase was primarily attributable to higher debt balances in 2017 as a result of the change in ownership processes for the newly leased Alabama and Mississippi centers.

As a result of the above, continuing operations reported income of $0.5 million before income taxes for the second quarter of 2017 as compared to a loss of $3.4 million for the second quarter of 2016. The provision for income taxes was $0.1 million for the second quarter of 2017, and the benefit for income taxes $1.3 million was for the second quarter of 2016. Both basic and diluted income per common share from continuing operations were $0.06 for the second quarter of 2017 as compared to both basic and diluted loss per common share from continuing operations of $0.35 in the second quarter of 2016.

Receivables

Our net receivables balance increased $2.4 million to $64.6 million as of June 30, 2017, from $62.2 million as of December 31, 2016. The increase in accounts receivable is attributable to the 22 newly leased centers in Alabama and Mississippi.

Conference Call Information

A conference call has been scheduled for Thursday, August 3, 2017 at 4:00 P.M. Central time (5:00 P.M. Eastern time) to discuss second quarter 2017 results. The conference call information is as follows:

Date:	Thursday, August 3, 2017
Time:	4:00 P.M. Central, 5:00 P.M. Eastern
Webcast Links:	www.DVCR.com
Dial in numbers:	**877.340.2552** (domestic) or **253.237.1159** (International) Conference ID: 56397676 The Operator will connect you to Diversicare's Conference Call

A replay of the conference call will be accessible two hours after its completion through August 10, 2017, by dialing 855-859-2056 (domestic) or 404-537-3406 (international) and entering Conference ID 56397676.

FORWARD-LOOKING STATEMENTS

The "forward-looking statements" contained in this release are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are predictive in nature and are frequently identified by the use of terms such as "may," "will," "should," "expect," "believe," "estimate," "intend," and similar words indicating possible future expectations, events or actions. These forward-looking statements reflect our current views with respect to future events and present our estimates and assumptions only as of the date of this release. Actual results could differ materially from those contemplated by the forward-looking statements made in this release. In addition to any assumptions and other factors referred to specifically in connection with such statements, other factors, many of which are beyond our ability to control or predict, could cause our actual results to differ materially from the results expressed or implied in any forward-looking statements including, but not limited to, our ability to successfully integrate the operations of our new nursing centers in Alabama, Mississippi, Kansas and Kentucky, as well as successfully operate all of our centers, our ability to increase census at our renovated centers, changes in governmental reimbursement, government regulation, the impact of the recently adopted federal health care reform or any future health care reform, any increases in the cost of borrowing under our credit agreements, our ability to comply with covenants contained in those credit agreements, our ability to renew or extend our leases at or prior to the end of the existing lease terms, the outcome of professional liability lawsuits and claims, our ability to control ultimate professional liability costs, the accuracy of our estimate of our anticipated professional liability expense, the impact of future licensing surveys, the outcome of proceedings alleging violations of state or Federal False Claims Acts, laws and regulations governing quality of care or other laws and regulations applicable to our business including HIPAA and laws governing reimbursement from government payors, the costs of investing in our business initiatives and development, our ability to control costs, changes to our valuation of deferred tax assets, changes in occupancy rates in our centers, changing economic and competitive conditions, changes in anticipated revenue and cost growth, changes in the anticipated results of operations, the effect of changes in accounting policies as well as others. The Company has provided additional information in its Annual Report on Form 10-K for the fiscal year ended December 31, 2016, as well as in its other filings with the Securities and Exchange Commission, which readers are encouraged to review for further disclosure of other factors. These assumptions may not materialize to the extent assumed, and risks and uncertainties may cause actual results to be different from anticipated results. These risks and uncertainties also may result in changes to the Company's business plans and prospects. Diversicare Healthcare Services, Inc. is not responsible for updating the information contained in this press release beyond the published date, or for changes made to this document by wire services or Internet services.

Diversicare provides long-term care services to patients in 77 nursing centers and 8,556 skilled nursings beds. For additional information about the Company, visit Diversicare's web site: www.DVCR.com.

-Financial Tables to Follow-

DIVERSICARE HEALTHCARE SERVICES, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands)

	June 30, 2017 (Unaudited)	December 31, 2016
ASSETS:		
Current Assets		
Cash and cash equivalents	$ 3,900	$ 4,263
Receivables, net	64,633	62,152
Current assets of discontinued operations	42	28
Deposit in escrow	8,673	—
Other current assets	4,968	5,247
Total current assets	82,216	71,690
Property and equipment, net	60,012	59,800
Deferred income taxes	20,757	21,185
Acquired leasehold interest, net	6,883	7,075
Other assets, net	3,212	3,301
TOTAL ASSETS	$ 173,080	$ 163,051
LIABILITIES AND SHAREHOLDERS' EQUITY:		
Current Liabilities		
Current portion of long-term debt and capitalized lease obligations	$ 10,373	$ 7,715
Trade accounts payable	10,859	12,972
Current liabilities of discontinued operations	440	427
Accrued expenses:		
Payroll and employee benefits	18,857	20,108
Current portion of self-insurance reserves	10,196	9,401
Provider taxes	2,508	3,114
Other current liabilities	5,299	4,432
Total current liabilities	58,532	58,169
Noncurrent Liabilities		
Long-term debt and capitalized lease obligations, less current portion and deferred financing costs, net	81,449	72,145
Self-insurance reserves, less current portion	11,417	11,766
Other noncurrent liabilities	8,789	9,551
Total noncurrent liabilities	101,655	93,462
SHAREHOLDERS' EQUITY	12,893	11,420
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$ 173,080	$ 163,051

DIVERSICARE HEALTHCARE SERVICES, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per share data, unaudited)

	Three Months Ended June 30, 2017	Three Months Ended June 30, 2016
PATIENT REVENUES, net	$ 142,550	$ 95,805
Operating expense	113,166	78,385
Facility-level operating income	29,384	17,420
EXPENSES:		
Lease and rent expense	13,763	6,854
Professional liability	2,724	1,934
General and administrative	8,221	6,881
Depreciation and amortization	2,620	2,060
Lease termination costs	—	2,008
Total expenses less operating	27,328	19,737
OPERATING INCOME (LOSS)	2,056	(2,317)
OTHER INCOME (EXPENSE):		
Equity in net income of unconsolidated affiliate	—	28
Interest expense, net	(1,541)	(1,158)
Total other expense	(1,541)	(1,130)
INCOME (LOSS) FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	515	(3,447)
BENEFIT (PROVISION) FOR INCOME TAXES	(134)	1,297
INCOME (LOSS) FROM CONTINUING OPERATIONS	381	(2,150)
INCOME (LOSS) FROM DISCONTINUED OPERATIONS:		
OPERATING LOSS	(28)	—
NET INCOME (LOSS)	$ 353	$ (2,150)
NET INCOME (LOSS) PER COMMON SHARE:		
Per common share – basic		
Continuing operations	$ 0.06	$ (0.35)
Discontinued operations	—	—
	$ 0.06	$ (0.35)
Per common share – diluted	$ 0.06	$ (0.35)
Continuing operations	—	—
Discontinued operations	$ 0.06	$ (0.35)
DIVIDENDS DECLARED PER SHARE OF COMMON STOCK	$ 0.055	$ 0.055
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING:		
Basic	6,294	6,211
Diluted	6,472	6,211

DIVERSICARE HEALTHCARE SERVICES, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per share data, unaudited)

	Six Months Ended June 30,	
	2017	**2016**
PATIENT REVENUES, net	$ 284,050	$ 193,750
Operating expense	223,833	157,003
Facility-level operating income	60,217	36,747
EXPENSES:		
Lease and rent expense	27,506	14,106
Professional liability	5,394	4,000
General and administrative	17,194	13,615
Depreciation and amortization	5,107	4,063
Lease termination costs	—	2,008
Total expenses less operating	55,201	37,792
OPERATING INCOME (LOSS)	5,016	(1,045)
OTHER INCOME (EXPENSE):		
Equity in net income of unconsolidated affiliate	—	61
Gain on sale of investment in unconsolidated affiliate	733	—
Interest expense, net	(3,024)	(2,228)
Debt retirement costs	—	(351)
Total other expense	(2,291)	(2,518)
INCOME (LOSS) FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	2,725	(3,563)
BENEFIT (PROVISION) FOR INCOME TAXES	(996)	1,339
INCOME (LOSS) FROM CONTINUING OPERATIONS	1,729	(2,224)
INCOME (LOSS) FROM DISCONTINUED OPERATIONS:		
OPERATING LOSS	(43)	(37)
NET INCOME (LOSS)	$ 1,686	$ (2,261)
NET INCOME (LOSS) PER COMMON SHARE:		
Per common share – basic		
Continuing operations	$ 0.28	$ (0.36)
Discontinued operations	(0.01)	(0.01)
	$ 0.27	$ (0.37)
Per common share – diluted	$ 0.27	$ (0.36)
Continuing operations	(0.01)	(0.01)
Discontinued operations	$ 0.26	$ (0.37)
DIVIDENDS DECLARED PER SHARE OF COMMON STOCK	$ 0.11	$ 0.11
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING:		
Basic	6,263	6,185
Diluted	6,458	6,185

DIVERSICARE HEALTHCARE SERVICES, INC.
RECONCILIATION OF NET INCOME (LOSS) TO ADJUSTED EBITDA
(In thousands)

	For Three Months Ended				
	June 30, 2017	**March 31, 2017**	**December 31, 2016**	**September 30, 2016**	**June 30, 2016**
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Net income (loss)	$ 353	$ 1,333	$ 1,425	$ (975)	$ (2,150)
Loss from discontinued operations, net of tax	28	15	13	17	—
Income tax provision (benefit)	134	862	804	(495)	(1,297)
Interest expense	1,541	1,483	1,373	1,201	1,158
Depreciation and amortization	2,620	2,487	2,237	1,992	2,060
EBITDA	4,676	6,180	5,852	1,740	(229)
EBITDA adjustments:					
Acquisition related costs (a)	133	85	1,492	438	150
Lease termination costs (b)	—	—	—	—	2,008
Gain on sale of unconsolidated affiliate (c)	—	(733)	(1,366)	—	—
Adjusted EBITDA	$ 4,809	$ 5,532	$ 5,978	$ 2,178	$ 1,929

(a) Represents non-recurring costs associated with acquisition-related transactions.

(b) Represents non-recurring lease termination costs related to the termination of the Avon, Ohio operating lease in May 2016.

(c) Represents non-recurring gain on the sale of an unconsolidated affiliate in November 2016.

DIVERSICARE HEALTHCARE SERVICES, INC.
RECONCILIATION OF NET INCOME (LOSS) TO ADJUSTED NET INCOME (LOSS)
(In thousands, except per share data)

	For Three Months Ended				
	June 30, 2017	**March 31, 2017**	**December 31, 2016**	**September 30, 2016**	**June 30, 2016**
Net income (loss)	$ 353	$ 1,333	$ 1,425	$ (975)	$ (2,150)
Adjustments:					
Acquisition related costs (a)	133	85	1,492	438	150
Lease termination costs (b)	—	—	—	—	2,008
Gain on sale of unconsolidated affiliate (c)	—	(733)	(1,366)	—	—
Tax impact of above adjustments (d)	(53)	(283)	(1,000)	(153)	(755)
Discontinued operations, net of tax	28	15	13	17	—
Adjusted net income (loss)	$ 461	$ 417	$ 564	$ (673)	$ (747)
Adjusted net income (loss) per common share					
Basic	$ 0.07	$ 0.07	$ 0.09	$ (0.11)	$ (0.12)
Diluted	$ 0.07	$ 0.06	$ 0.09	$ (0.11)	$ (0.12)
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING:					
Basic	6,294	6,233	6,213	6,212	6,211
Diluted	6,472	6,440	6,421	6,212	6,211

(a) Represents non-recurring costs associated with acquisition-related transactions.
(b) Represents non-recurring lease termination costs related to the termination of the Avon, Ohio operating lease in May 2016.
(c) Represents non-recurring gain on the sale of an unconsolidated affiliate in November 2016.
(d) Represents tax provision for the cumulative adjustments for each period.

DIVERSICARE HEALTHCARE SERVICES, INC.
FUNDS PROVIDED BY OPERATIONS
(In thousands, except per share data)

	Six Months Ended June 30, 2017	Six Months Ended June 30, 2016
NET INCOME (LOSS)	$ 1,686	$ (2,261)
Discontinued operations	(43)	(37)
Net income (loss) from continuing operations	1,729	(2,224)
Adjustments to reconcile net income (loss) from continuing operations to funds provided by operations:		
Depreciation and amortization	5,107	4,063
Provision for doubtful accounts	4,187	3,661
Deferred income tax benefit	403	(1,689)
Provision for self-insured professional liability, net of cash payments	(309)	1,595
Stock based compensation	504	486
Equity in net losses of unconsolidated affiliate	—	(61)
Gain on sale of unconsolidated affiliate	(733)	—
Debt retirement costs	—	351
Provision for leases in excess of cash payments	(304)	(1,093)
Lease termination costs, net of cash payments	—	1,958
Deferred bonus	600	—
Other	247	358
FUNDS PROVIDED BY OPERATIONS	$ 11,431	$ 7,405
FUNDS PROVIDED BY OPERATIONS PER COMMON SHARE:		
Basic	$ 1.83	$ 1.20
Diluted	$ 1.77	$ 1.20
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING :		
Basic	6,263	6,185
Diluted	6,458	6,185

We have included certain financial measures in this press release, including EBITDA, Adjusted EBITDA, Adjusted Net income (loss) and Funds Provided by Operations which are "non-GAAP financial measures" using accounting principles generally accepted in the United States (GAAP) and using adjustments to GAAP (non-GAAP). These non-GAAP measures are not measurements under GAAP. These measurements should be considered in addition to, but not as a substitute for, the information contained in our financial statements prepared in accordance with GAAP. We define EBITDA as net income (loss) adjusted for loss (income) from discontinued operations, interest expense, income tax and depreciation and amortization. We define Adjusted EBITDA as EBITDA adjusted for acquisition-related, debt retirement, lease termination and lease deferral costs. We define Adjusted Net income (loss) as Net income (loss) adjusted for acquisition-related costs, lease termination costs, lease deferral costs, debt retirement costs and income (loss) from discontinued operations. Funds Provided by Operations is defined as net income from operating activities adjusted for the cash effect of professional liability and other non-cash charges. Management believes that Funds Provided by Operations is an important performance measurement because it eliminates the effect of actuarial assumptions on our professional liability reserves, includes the cash effect of professional liability payments, and does not include the effects of deferred tax benefit and other non-cash charges.

Our measurements of EBITDA, Adjusted EBITDA, Adjusted Net income (loss) and Funds Provided by Operations may not be comparable to similarly titled measures of other companies. We have included information concerning EBITDA, Adjusted EBITDA, Adjusted Net income (loss) and Funds Provided by Operations in this press release because we believe that such information is used by certain investors as measures of a company's historical performance. Management believes that Adjusted EBITDA and Adjusted Net income (loss) are important performance measurements because they eliminate certain nonrecurring start-up losses and separation costs. Management believes that Funds Provided by Operations is an important performance measurement because it eliminates the effect of actuarial assumptions on our professional liability reserves, includes the cash effect of professional liability payments, and does not include the effects of deferred taxes and other non-cash items. Our presentation of EBITDA, Adjusted EBITDA, Adjusted Net income (loss) and Funds Provided by Operations should not be construed as an inference that our future results will be unaffected by unusual or nonrecurring items.

DIVERSICARE HEALTHCARE SERVICES, INC.
SELECTED OPERATING STATISTICS
(Unaudited)

Three Months Ended June 30, 2017

	As of June 30, 2017			Occupancy (Note 2)					
Region (Note 1)	Licensed Nursing Beds (4)	Available Nursing Beds (4)	Skilled Nursing Weighted Average Daily Census	Licensed Nursing Beds	Available Nursing Beds	Medicare Utilization	**2017 Q2 Revenue ($ in millions)**	**Medicare Room and Board Revenue PPD (Note 3)**	**Medicaid Room and Board Revenue PPD (Note 3)**
Alabama	2,361	2,294	2,014	85.3%	87.8%	11.7%	$ 43.0	$ 439.19	$ 183.30
Kansas	464	464	406	87.5%	87.5%	10.7%	7.8	432.42	160.12
Kentucky	1,285	1,281	1,121	87.2%	87.5%	14.2%	26.7	464.48	190.44
Mississippi	1,138	1,103	1,005	88.3%	91.1%	14.0%	21.1	419.80	181.71
Missouri	339	339	232	68.4%	68.4%	8.4%	4.1	489.99	140.73
Ohio	404	393	342	84.6%	87.0%	13.2%	9.4	492.81	190.04
Tennessee	617	551	433	70.2%	78.6%	16.4%	9.6	446.61	175.72
Texas	1,845	1,662	1,196	64.8%	71.9%	7.9%	20.9	505.87	141.72
Total	8,453	8,087	6,749	79.8%	83.5%	12.0%	$ 142.6	$ 453.02	$ 173.92

Note 1: The Alabama region includes nursing centers in Alabama and Florida. The Kentucky region includes one nursing center in Indiana.

Note 2: The number of Licensed Nursing Beds is based on the licensed capacity of the facility. The Company has historically reported its occupancy based on licensed nursing beds, and excludes a limited number of assisted living, independent living, and personal care beds. The number of Available Nursing Beds represents licensed nursing beds less beds removed from service. Available nursing beds is subject to change based upon the needs of the facilities, including configuration of patient rooms, common usage areas and offices, status of beds (private, semi-private, ward, etc.) and renovations. Occupancy is measured on a weighted average basis.

Note 3: These Medicare and Medicaid revenue rates include room and board revenues, but do not include any ancillary revenues related to these patients.

Note 4: The Licensed and Available Nursing Bed counts above include only licensed and available SNF beds.

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