

# McKnight's Long-Term Care News

<https://www.mcknights.com/news/gap-between-patient-costs-reimbursements-hits-11-daily/>

## Gap between patient costs, reimbursements hits \$11 daily

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Federal reimbursements for care during the public health emergency haven't been enough to cover skilled nursing providers actual costs, according to a new analysis by Marcum LLP's Healthcare Services Group.

The New York-based advisory firm on Tuesday released its annual nursing home [benchmarking study](#), which this year used more than 38,000 Medicare cost reports between 2018-2020.

The analysis showed PHE reimbursements averaged \$24.98 per patient day in 2020, while the year-over-year change in total cost from 2019 to 2020 averaged \$35.98 per patient day.

The authors said the \$11 gap illustrates the challenge the industry is still facing in reconciling rising costs with government reimbursement.

Additionally, industry wide staffing shortages forced an increase of in-house staffing hours and led to "significantly higher" contract costs. In-house staffing hour costs increased by 2.88% during 2019.

Nationally, the average hourly contract registered nurse cost increased from \$53.65 in 2018 to \$55.19 in 2019. The contract registered nurse average hourly rates then increased to \$61.46 in 2020 for an 11.35% increase. Nursing hours per patient day also increased by 2.8% during 2019.

"Together with runaway inflation and limited government support, staffing shortages look to be a continued bedevilment for long-term care facilities for the foreseeable future," advisory partner and report author Matthew Bovolack said.

"If there is a silver lining, we believe it is that the need for quality care for seniors remains and, if our demographic indications are correct, will grow as the population continues to age in place," he added.