

ENSIGN GROUP, INC
Form 8-K
October 21, 2009

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 8-K
CURRENT REPORT**

Pursuant to Section 13 OR 15(d) of The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): October 21, 2009

THE ENSIGN GROUP, INC.

(Exact name of registrant as specified in its charter)

Delaware

001-33757

33-0861263

(State or other jurisdiction
of incorporation)

(Commission File Number)

(IRS Employer Identification No.)

**27101 Puerta Real, Suite 450
Mission Viejo, CA**

92691

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code: **(949) 487-9500**

N/A

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 7.01 Regulation FD Disclosure.

As previously disclosed during the second quarter of the current year, The Ensign Group, Inc., a Delaware corporation, beginning with the filing of its third quarter 10-Q, will be expanding its Management Discussion and Analysis disclosures to provide better visibility into its acquisitions and their assimilation into the organization. These expanded disclosures do not change the Company's previously disclosed consolidated financial statements. On a go-forward basis, the Company's facilities will be grouped as follows:

Same Facility Results this group will include facilities purchased by the Company at least three calendar years ago, which as of October 2009 would include facilities purchased prior to January 1, 2006.

Transitioning Facility Results this group will include facilities purchased by the Company less than three, but more than one calendar year ago, which as of October 2009 would include facilities purchased from January 1, 2006 to December 31, 2007.

Recently Acquired Facilities this group will include any facility purchased by the Company less than one full calendar year ago, which as of October 2009 would include facilities purchased on or after January 1, 2008.

The Company believes this information will provide the reader with valuable insight regarding its operations as facilities mature. The effect of this expanded disclosure for each quarter and year to date period for filings from the first quarter of 2007 to the second quarter of 2009 are disclosed below:

Results of Operations
Quarter and Year to Date Periods 2009

| | Three Months Ended March 31, | | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|---|-------------|--|-------------|--------------------------------------|-------------|
| | 2009 | 2008 | 2009 | 2008 | 2009 | 2008 |
| | (Dollars in thousands) | | (Dollars in thousands) | | (Dollars in thousands) | |
| Total Facility Results: | | | | | | |
| Revenue | \$ 130,285 | \$ 113,779 | \$ 132,178 | \$ 115,318 | \$ 262,463 | \$ 229,097 |
| Number of facilities at period end | 70 | 61 | 70 | 62 | 70 | 62 |
| Actual patient days | 566,619 | 530,395 | 576,738 | 528,984 | 1,143,357 | 1,059,379 |
| Occupancy percentage | | | | | | |
| Operational beds | 79.8% | 82.0% | 79.4% | 81.0% | 79.6% | 81.5% |
| Skilled mix by nursing days | 25.2% | 25.3% | 24.3% | 25.5% | 24.8% | 25.4% |
| Skilled mix by revenue | 48.6% | 49.0% | 48.0% | 49.4% | 48.3% | 49.2% |
| | | | | | | |
| | Three Months Ended March 31, | | Three Months Ended June 30, | | Six Months Ended June 30, | |
| | 2009 | 2008 | 2009 | 2008 | 2009 | 2008 |
| | (Dollars in thousands) | | (Dollars in thousands) | | (Dollars in thousands) | |
| Same Facility Results(1): | | | | | | |
| Revenue | \$ 100,317 | \$ 94,545 | \$ 100,031 | \$ 94,495 | \$ 200,348 | \$ 189,040 |
| Number of facilities at period end | 46 | 46 | 46 | 46 | 46 | 46 |
| Actual patient days | 424,300 | 431,168 | 423,175 | 425,665 | 847,475 | 856,833 |
| Occupancy percentage | | | | | | |
| Operational beds | 84.2% | 84.8% | 83.1% | 83.8% | 83.7% | 84.3% |
| Skilled mix by nursing days | 27.2% | 27.0% | 26.1% | 27.0% | 26.6% | 27.0% |
| Skilled mix by revenue | 50.6% | 50.7% | 50.1% | 51.0% | 50.3% | 50.9% |
| | | | | | | |
| | Three Months Ended March 31, | | Three Months Ended June 30, | | Six Months Ended June 30, | |
| | 2009 | 2008 | 2009 | 2008 | 2009 | 2008 |
| | (Dollars in thousands) | | (Dollars in thousands) | | (Dollars in thousands) | |
| Transitioning Facility Results(2): | | | | | | |
| Revenue | \$ 21,622 | \$ 19,234 | \$ 21,726 | \$ 19,760 | \$ 43,348 | \$ 38,994 |
| Number of facilities at period end | 15 | 15 | 15 | 15 | 15 | 15 |
| Actual patient days | 100,476 | 99,227 | 101,407 | 98,716 | 201,883 | 197,943 |
| Occupancy percentage | | | | | | |
| Operational beds | 72.1% | 71.7% | 73.3% | 71.4% | 72.7% | 71.6% |
| Skilled mix by nursing days | 22.6% | 18.3% | 22.3% | 19.5% | 22.5% | 18.9% |
| Skilled mix by revenue | 47.1% | 40.4% | 47.2% | 42.0% | 47.1% | 41.2% |

| | Three Months Ended March 31, | | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|---------------------------------|------|--------------------------------|----------|------------------------------|----------|
| | 2009 | 2008 | 2009 | 2008 | 2009 | 2008 |
| | (Dollars in thousands) | | (Dollars in thousands) | | (Dollars in thousands) | |
| Recently Acquired Facility Results(3): | | | | | | |
| Revenue | \$ 8,346 | \$ | \$ 10,421 | \$ 1,063 | \$ 18,767 | \$ 1,063 |
| Number of facilities at period end | 9 | | 9 | 1 | 9 | 1 |
| Actual patient days | 41,843 | | 52,156 | 4,603 | 93,999 | 4,603 |
| Occupancy percentage | | | | | | |
| Operational beds | 62.6% | % | 66.0% | 66.2% | 64.4% | 66.2% |
| Skilled mix by nursing days | 12.6% | % | 13.5% | 28.0% | 13.1% | 28.0% |
| Skilled mix by revenue | 28.0% | % | 29.2% | 48.2% | 28.6% | 48.2% |

(1) Same Facility Results represents facilities purchased by the Company at least three calendar years ago, which for the calendar year 2009 would include facilities purchased prior to January 1, 2006.

(2) Transitioning Facility Results represents facilities purchased by the Company less than three, but more than one calendar year ago, which for the calendar year 2009 would include facilities purchased from January 1, 2006 to December 31,

2007.

- (3) Recently Acquired Facility Results represents any facility purchased by the Company less than one full calendar year ago, which for the calendar year 2009 would include facilities purchased on or after January 1, 2008.

Results of Operations
Year to Date Periods 2008

| | Six Months Ended June 30, | | Nine Months Ended September 30, | | Twelve Months Ended December 31, | |
|------------------------------------|--------------------------------------|-------------|--|-------------|---|-------------|
| | 2008 | 2007 | 2008 | 2007 | 2008 | 2007 |
| | (Dollars in thousands) | | (Dollars in thousands) | | (Dollars in thousands) | |
| Total Facility Results: | | | | | | |
| Revenue | \$ 229,097 | \$ 198,247 | \$ 345,425 | \$ 302,339 | \$ 469,372 | \$ 411,318 |
| Number of facilities at period end | 62 | 60 | 62 | 61 | 63 | 61 |
| Actual patient days | 1,059,379 | 1,013,624 | 1,594,616 | 1,546,083 | 2,135,662 | 2,078,893 |
| Occupancy percentage | | | | | | |
| Operational beds | 81.5% | 80.9% | 81.1% | 81.2% | 81.1% | 81.3% |
| Skilled mix by nursing days | 25.4% | 23.7% | 25.1% | 23.3% | 25.1% | 23.3% |
| Skilled mix by revenue | 49.2% | 45.1% | 49.0% | 44.5% | 48.8% | 44.7% |

| | Six Months Ended June 30, | | Nine Months Ended September 30, | | Twelve Months Ended December 31, | |
|------------------------------------|--------------------------------------|-------------|--|-------------|---|-------------|
| | 2008 | 2007 | 2008 | 2007 | 2008 | 2007 |
| | (Dollars in thousands) | | (Dollars in thousands) | | (Dollars in thousands) | |
| Same Facility Results(1): | | | | | | |
| Revenue | \$ 173,937 | \$ 155,653 | \$ 261,171 | \$ 235,789 | \$ 354,024 | \$ 319,299 |
| Number of facilities at period end | 43 | 43 | 43 | 43 | 43 | 43 |
| Actual patient days | 799,320 | 792,102 | 1,200,101 | 1,199,537 | 1,601,227 | 1,604,448 |
| Occupancy percentage | | | | | | |
| Operational beds | 84.3% | 84.0% | 83.9% | 84.3% | 83.8% | 84.3% |
| Skilled mix by nursing days | 26.8% | 24.8% | 26.4% | 24.4% | 26.3% | 24.5% |
| Skilled mix by revenue | 50.6% | 46.0% | 50.1% | 45.5% | 49.8% | 45.9% |

| | Six Months Ended June 30, | | Nine Months Ended September 30, | | Twelve Months Ended December 31, | |
|---|--------------------------------------|-------------|--|-------------|---|-------------|
| | 2008 | 2007 | 2008 | 2007 | 2008 | 2007 |
| | (Dollars in thousands) | | (Dollars in thousands) | | (Dollars in thousands) | |
| Transitioning Facility Results(2): | | | | | | |
| Revenue | \$ 44,619 | \$ 37,396 | \$ 66,813 | \$ 56,950 | \$ 90,036 | \$ 77,563 |
| Number of facilities at period end | 14 | 14 | 14 | 14 | 14 | 14 |
| Actual patient days | 203,100 | 189,651 | 302,913 | 288,228 | 405,468 | 388,834 |
| Occupancy percentage | | | | | | |
| Operational beds | 76.8% | 72.1% | 76.0% | 72.6% | 76.2% | 73.3% |

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| | | | | | | |
|-----------------------------|-------|-------|-------|-------|-------|-------|
| Skilled mix by nursing days | 23.2% | 21.6% | 22.9% | 21.2% | 22.9% | 21.2% |
| Skilled mix by revenue | 47.1% | 43.0% | 47.0% | 42.4% | 47.0% | 42.3% |

| | Six Months Ended June 30, 2008 | | Nine Months Ended September 30, 2008 | | Twelve Months Ended December 31, 2008 | |
|---|--------------------------------------|----------|--|----------|---|-----------|
| | 2008 | 2007 | 2008 | 2007 | 2008 | 2007 |
| | (Dollars in thousands) | | (Dollars in thousands) | | (Dollars in thousands) | |
| Recently Acquired Facility Results(3): | | | | | | |
| Revenue | \$ 10,541 | \$ 5,198 | \$ 17,441 | \$ 9,600 | \$ 25,312 | \$ 14,456 |
| Number of facilities at period end | 5 | 3 | 5 | 4 | 6 | 4 |
| Actual patient days | 56,959 | 31,871 | 91,602 | 58,318 | 128,967 | 85,611 |
| Occupancy percentage | | | | | | |
| Operational beds | 66.7% | 69.3% | 66.6% | 68.6% | 67.6% | 68.3% |
| Skilled mix by nursing days | 15.1% | 13.5% | 17.1% | 13.4% | 18.0% | 13.5% |
| Skilled mix by revenue | 35.5% | 33.9% | 39.2% | 33.4% | 41.1% | 33.5% |

(1) Same Facility Results represents facilities purchased by the Company at least three calendar years ago, which for the calendar year 2008 would include facilities purchased prior to January 1, 2005.

(2) Transitioning Facility Results represents facilities purchased by the Company less than three, but more than one calendar year ago, which for the calendar year 2008 would include facilities purchased from

January 1, 2005
to December 31,
2006.

- (3) Recently
Acquired
Facility Results
represents any
facility
purchased by
the Company
less than one
full calendar
year ago, which
for the calendar
year 2008
would include
facilities
purchased on or
after January 1,
2007.

Results of Operations
Quarter to Date Periods 2008

| | Three Months Ended March 31, 2008 | | Three Months Ended June 30, 2008 | | Three Months Ended September 30, 2008 | | Three Months Ended December 31, 2008 | |
|------------------------------------|--|-------------|---|-------------|--|-------------|---|-------------|
| | 2007 | 2008 | 2007 | 2008 | 2007 | 2008 | 2007 | 2008 |
| | (Dollars in thousands) | | (Dollars in thousands) | | (Dollars in thousands) | | (Dollars in thousands) | |
| Total Facility Results: | | | | | | | | |
| Revenue | \$ 113,779 | \$ 97,978 | \$ 115,318 | \$ 100,269 | \$ 116,328 | \$ 104,092 | \$ 123,947 | \$ 108,979 |
| Number of facilities at period end | 61 | 60 | 62 | 60 | 62 | 61 | 63 | 61 |
| Actual patient days | 530,395 | 497,887 | 528,984 | 515,737 | 535,237 | 532,459 | 541,046 | 532,810 |
| Occupancy percentage | | | | | | | | |
| Operational beds | 82.0% | 81.1% | 81.0% | 80.7% | 80.4% | 81.6% | 81.0% | 81.5% |
| Skilled mix by nursing days | 25.3% | 24.3% | 25.5% | 23.3% | 24.6% | 22.6% | 25.0% | 23.4% |
| Skilled mix by revenue | 49.0% | 45.6% | 49.4% | 44.6% | 48.5% | 43.3% | 48.1% | 45.4% |

| | Three Months Ended March 31, 2008 | | Three Months Ended June 30, 2008 | | Three Months Ended September 30, 2008 | | Three Months Ended December 31, 2008 | |
|------------------------------------|--|-------------|---|-------------|--|-------------|---|-------------|
| | 2007 | 2008 | 2007 | 2008 | 2007 | 2008 | 2007 | 2008 |
| | (Dollars in thousands) | | (Dollars in thousands) | | (Dollars in thousands) | | (Dollars in thousands) | |
| Same Facility Results(1): | | | | | | | | |
| Revenue | \$ 87,226 | \$ 77,877 | \$ 86,711 | \$ 77,775 | \$ 87,233 | \$ 80,136 | \$ 92,853 | \$ 83,509 |
| Number of facilities at period end | 43 | 43 | 43 | 43 | 43 | 43 | 43 | 43 |
| Actual patient days | 402,840 | 394,139 | 396,480 | 397,963 | 400,781 | 407,435 | 401,126 | 404,911 |
| Occupancy percentage | | | | | | | | |
| Operational beds | 84.9% | 84.0% | 83.6% | 83.9% | 83.2% | 85.0% | 83.4% | 84.4% |
| Skilled mix by nursing days | 26.8% | 25.3% | 26.8% | 24.3% | 25.7% | 23.7% | 26.0% | 24.8% |
| Skilled mix by revenue | 50.5% | 46.5% | 50.7% | 45.4% | 49.2% | 44.5% | 48.8% | 47.0% |

| | Three Months Ended March 31, | Three Months Ended June 30, | Three Months Ended September 30, | Three Months Ended December 31, |
|--|---|--|---|--|
|--|---|--|---|--|

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| | 2008 (Dollars in thousands) | 2007 | 2008 (Dollars in thousands) | 2007 | 2008 (Dollars in thousands) | 2007 | 2008 (Dollars in thousands) | 2007 |
|---|-----------------------------------|-----------|-----------------------------------|-----------|-----------------------------------|-----------|-----------------------------------|-----------|
| Transitioning Facility Results(2): | | | | | | | | |
| Revenue | \$ 21,782 | \$ 18,544 | \$ 22,836 | \$ 18,853 | \$ 22,195 | \$ 19,554 | \$ 23,223 | \$ 20,614 |
| Number of facilities at period end | 14 | 14 | 14 | 14 | 14 | 14 | 14 | 14 |
| Actual patient days | 100,814 | 93,922 | 102,286 | 95,729 | 99,813 | 98,577 | 102,555 | 100,606 |
| Occupancy percentage | | | | | | | | |
| Operational beds | 76.2% | 71.8% | 77.3% | 72.4% | 74.6% | 73.7% | 76.7% | 75.2% |
| Skilled mix by nursing days | 23.0% | 21.7% | 23.5% | 21.6% | 22.3% | 20.5% | 22.8% | 21.0% |
| Skilled mix by revenue | 46.5% | 43.6% | 47.8% | 42.5% | 46.7% | 41.2% | 47.0% | 42.0% |

| | Three Months Ended March 31, 2008 | | Three Months Ended June 30, 2008 | | Three Months Ended September 30, 2008 | | Three Months Ended December 31, 2008 | |
|---|---|----------|--|----------|---|----------|--|----------|
| | 2008 | 2007 | 2008 | 2007 | 2008 | 2007 | 2008 | 2007 |
| | (Dollars in thousands) | | (Dollars in thousands) | | (Dollars in thousands) | | (Dollars in thousands) | |
| Recently Acquired Facility Results(3): | | | | | | | | |
| Revenue | \$ 4,771 | \$ 1,557 | \$ 5,771 | \$ 3,641 | \$ 6,900 | \$ 4,402 | \$ 7,871 | \$ 4,856 |
| Number of facilities at period end | 4 | 3 | 5 | 3 | 5 | 4 | 6 | 4 |
| Actual patient days | 26,741 | 9,826 | 30,218 | 22,045 | 34,643 | 26,447 | 37,365 | 27,293 |
| Occupancy percentage | | | | | | | | |
| Operational beds | 67.1% | 70.8% | 64.6% | 68.6% | 68.2% | 67.8% | 70.0% | 67.7% |
| Skilled mix by nursing days | 12.9% | 11.0% | 17.1% | 14.7% | 20.3% | 13.2% | 20.3% | 13.6% |
| Skilled mix by revenue | 32.8% | 27.2% | 37.7% | 36.8% | 44.9% | 32.8% | 45.3% | 33.6% |

(1) Same Facility Results represents facilities purchased by

the Company at least three calendar years ago, which for the calendar year 2008 would include facilities purchased prior to January 1, 2005.

- (2) Transitioning Facility Results represents facilities purchased by the Company less than three, but more than one calendar year ago, which for the calendar year 2008 would include facilities purchased from January 1, 2005 to December 31, 2006.

- (3) Recently Acquired Facility Results represents any facility purchased by the Company less than one full calendar year ago, which for the calendar year 2008 would include facilities purchased on or after January 1, 2007.

Results of Operations
Year to Date Periods 2007

| | Six Months Ended | | Nine Months Ended | | Twelve Months Ended | |
|------------------------------------|-------------------------------|-------------|-------------------------------|-------------|-------------------------------|-------------|
| | June 30, | | September 30, | | December 31, | |
| | 2007 | 2006 | 2007 | 2006 | 2007 | 2006 |
| | (Dollars in thousands) | | (Dollars in thousands) | | (Dollars in thousands) | |
| Total Facility Results: | | | | | | |
| Revenue | \$ 198,247 | \$ 168,727 | \$ 302,339 | \$ 261,065 | \$ 411,318 | \$ 358,575 |
| Number of facilities at period end | 60 | 49 | 61 | 54 | 61 | 57 |