



Medicare Advantage Plan Challenges – Media Spotlight

Medicare Advantage (MA) Plan enrollment has surged. It is expected to surpass 50 percent of Medicare beneficiaries enrolled by 2023.¹ This unprecedented growth is associated with beneficiary interest in supplemental benefits that traditional Medicare lacks, in addition to the aggressive marketing practices from private plans.² Media outlets have highlighted the challenges arising from Medicare Advantage enrollment growth and subsequent shifts in attitudes among skilled nursing providers.² Media reports indicate that skilled nursing providers are increasingly pursuing Institutional Special Needs Plans (I-SNP) by joining or creating their own plans.² As Medicare Advantage plans are projected to encompass over half of all Medicare beneficiaries, providers seek out additional methods to relieve regulatory and reimbursement pressures in a shifting health plan landscape.¹

Recent media outlet coverage indicates:

- Nursing home operators are reporting higher interest in I-SNPs, with 29.1% planning to seek out more opportunities for involvement in 2023.³
- LTC provider-led I-SNPs increased from 9 percent of all I-SNPs in 2015 to 37 percent in 2021.⁴
- The number of LTC provider-led I-SNPs increased from 76 plans to 98 plans in 2021, indicating continued growth and interest in managing population health and operating under value-based contracts.⁴

The health care landscape is evolving rapidly as Medicare Advantage plans continue to proliferate.⁵ The focus on I-SNPs is also increasing significantly, in part, due to interest from nursing home operators.² Skilled nursing providers have faced tremendous operational and financial challenges due to the COVID-19 pandemic and health plan growth.² A rising number of providers have expressed interest in I-SNPs to achieve greater financial and operational control, with some facility owners functioning as the provider and insurer.⁴ As skilled nursing facilities move into the Medicare Advantage landscape by offering their own insurance plans to beneficiaries, the I-SNP market undergoes a shift, with LTC provider-led I-SNPs outpacing growth in insurer-led I-SNPs.⁴ The shift to value-based care models by 2030 has sparked widespread interest in varying opportunities to gain control and support as managed care continues to grow.²

What the Media is Saying

McKnight's LTC News
on embracing I-SNPs:²
“63% of responding owners, executives, and administrators said their organization currently participate in or have their own managed care or Medicare Advantage program, such as an I-SNP.”

Kaiser Family Foundation
on I-SNP growth:
“The rise in SNPs for people who require an institutional level of care (I-SNPs) has been particularly notable, nearly doubling from 97 plans in 2018 to 189 plans in 2023”
indicating accelerated growth in ISNPs as nursing home operators look to offset revenue losses.⁶

McKnight's LTC News
on nursing home operators and their involvement in managed care:
“Among all respondents, 64% expect to see ‘explosive’ or more small growth in Medicare managed care plan selection this year,”
proving the need for providers to seek partnership and support as growth continues.⁶

¹ Bailey V. [Traditional Medicare to Medicare Advantage Switching Rates Grew in 2020. Health Payer Intelligence.](#) Published January 2023.

² Marselas K. [As Medicare Advantage threats mount, providers seek better partners: 2023 Outlook Survey. McKnights Long-Term Care News.](#) Published January 2023.

³Marselas K. [Optimism grows, even with spiraling costs threatening: McKnight's 2023 Outlook Survey. McKnights Long-Term Care News.](#) Published January 2023.

⁴ [LTC Provider-Led I-SNPS Increase by 38% in Plan Year 2021. ATI Advisory.](#) Published November 2021

⁵Freed M et al. [Medicare Advantage 2023 Spotlight: First Look. Kaiser Family Foundation.](#) Published November 2022.

⁶ Marselas K. [Demand for I-SNP coverage drives Longevity's growth. McKnights Long-Term Care News.](#) Published January 2022.