FOR SKILLED NURSING OPERATORS

Managed care was never built for the long-stay resident.

One model was.

The case for the I-SNP: a nurse practitioner in your building, capitated risk, care delivered in place. Fourteen slides. Every source named.

THE PROBLEM

The pitch is a gift card. The need is a nurse.

Conventional Medicare Advantage sells itself to seniors on flex cards, food cards, and giveback checks. The Senate Finance Committee documented the tactics in a 2022 report it titled Deceptive Marketing Practices Flourish in Medicare Advantage, and complaints to CMS about misleading marketing more than doubled in a single year.

A monthly card is an enrollment pitch, not a plan of care. It buys nothing at 2 a.m. when a resident spikes a fever and the only option on file is an ambulance.

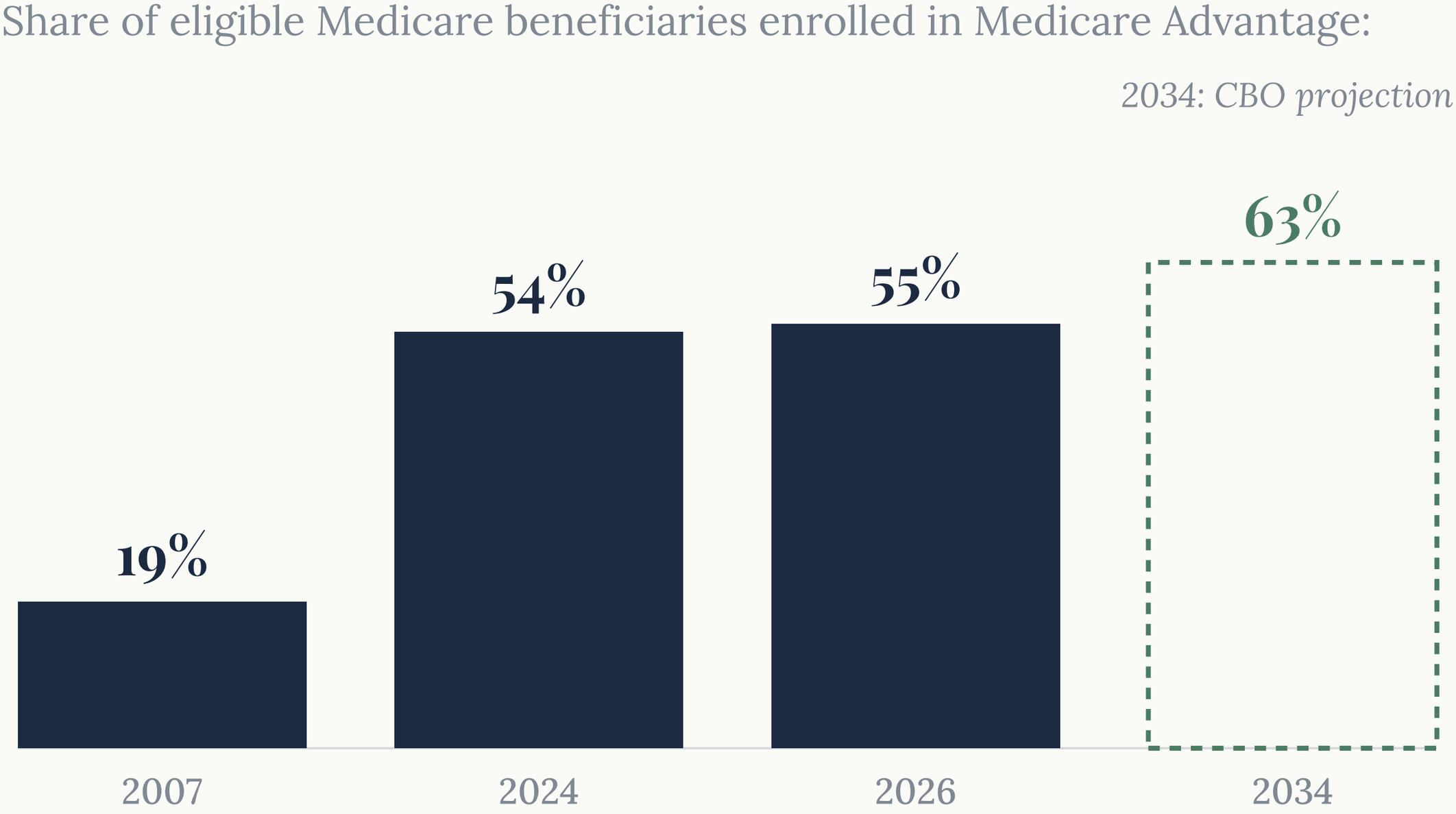
Your long-stay residents deserve managed care designed around their bed, not their mailbox.

Senate Finance Committee, November 2022; CMS marketing complaint data cited by the Committee

THE SHIFT

Traditional Medicare is no longer the default.

Share of eligible Medicare beneficiaries enrolled in Medicare Advantage:



35.2 million of 64.2 million eligible beneficiaries hold Medicare Advantage coverage in 2026. In 26 states, more than half of Medicare enrollment already sits in Medicare Advantage.

KFF Medicare Advantage briefs, 2024 to 2026; CBO via KFF; HealthScape Advisors analysis of CMS files, 2026

STATE BY STATE

Where managed care already leads

Share of eligible beneficiaries in Medicare Advantage, 2024, the latest published full state table:

THE LEADERS		MAJOR MARKETS	
Michigan	63%	Florida	60%
Alabama	63%	Texas	58%
Connecticut	63%	Tennessee	56%
Hawaii	62%	California	56%
Maine	61%	New York	56%

California, Texas, and Tennessee each hold more than half of their eligible beneficiaries in Medicare Advantage. The floor is Alaska at 2 percent.

KFF state figures reported by Becker's Payer Issues, August 2024

STATE BY STATE

Special needs plans are the growth engine

SNP share of Medicare Advantage enrollment, 2026, top states:

Mississippi	46%	Florida	33%
Arkansas	40%	South Carolina	32%
New York	37%	Georgia	30%
Louisiana	36%	Alabama	27%

SNP enrollment nationwide, in millions:



SNPs drove 85 percent of this year's net Medicare Advantage growth.

THE MODEL

What an I-SNP is

An Institutional Special Needs Plan is a Medicare Advantage plan restricted to beneficiaries who have needed, or are expected to need, 90 days or more of care at an institutional level.

ELIGIBILITY	90 days or more at an institutional level of care
SETTINGS	LTC skilled nursing facility or NF, ICF/IDD, inpatient psychiatric facility
PAYMENT	The plan takes capitated risk for each enrollee's Medicare costs
DELIVERY	Nurse practitioners on site, an individualized plan of care, coordination built around your nursing staff

RESIDENT CARE

What your residents gain

Fewer transfers, less transfer trauma. Enrollees were 53 percent less likely to have an inpatient stay and 50 percent less likely to land in an emergency department in a given month. Every avoided ambulance spares a frail resident the disorientation a transfer brings.

Tighter medication oversight. A dedicated nurse practitioner rounds in your building, performing assessments and managing medications. Under Evercare, each carried a caseload near 100 residents across one or two facilities.

Treatment in place. A 2026 review found members received 112 percent more skilled nursing care, delivered inside their own facility rather than after a hospitalization.

Benefits at the bedside. 2026 filings include personal hygiene items, memory support items, and advanced care at home.

ATI Advisory, 2026; ASPE; Healthcare rapid review, 2026; Milliman, 2026

THE EVIDENCE, 2026

Better on seven of nine measures

ATI Advisory compared long-term care residents in I-SNPs with similar Medicare Advantage enrollees outside them, using 2023 data.

53%	less likely to have an inpatient stay in a given month
50%	less likely to visit the emergency department in a given month
27%	less likely to have a 30-day hospital readmission
21%	less likely to die during a nursing facility stay

Against traditional fee-for-service residents: 6 percent lower mortality, with similarly favorable pressure ulcer and infection results.

THE CAUSAL TEST

Hospitalizations fell by a third.

Correlation studies invite one objection: healthier residents enroll. A National Bureau of Economic Research working paper answered it.

The authors used the timing of nursing homes' I-SNP contracting from 2016 to 2022 to isolate the plan's own effect. Their estimate: enrollment cut quarterly hospitalization rates by 3 to 4 percentage points, one third of the sample mean.

> *Effects on other quality indicators were not consistent. Slide 11 weighs this.*

THE TRACK RECORD

Two decades of results point the same way

2002 to 2004	CMS's Evercare demonstration is evaluated: fewer hospitalizations, quality equal to or better than comparison groups, lower mortality.
2019	The American Journal of Managed Care: 51 percent lower emergency department use, 38 percent fewer hospitalizations, 45 percent fewer readmissions than fee-for-service residents.
2016 to 2022	NBER causal estimate, published as a working paper: hospitalizations cut by one third.
2026	ATI Advisory: favorable results on seven of nine measures, including mortality.

ASPE; AHCA/NCAL; NBER Working Paper 34235; ATI Advisory

READ THE CRITICS

Strongest on hospitalizations. Weigh the rest.

The NBER team found no consistent effects on quality indicators beyond hospital use. A 2026 Health Services Research study of provider-led plans measured small increases in antipsychotic and hypnotic prescribing alongside the hospitalization gains. Its authors offer two readings: poorer care, or sicker residents kept in the building rather than sent to a hospital bed.

The 2026 ATI study cut the other way, finding lower pressure ulcers, infections, falls with major injury, and mortality risk.

Read all three. The hospitalization finding survives every study design.

WHY NOW

The runway is long. The timing favors operators.

124,000	beneficiaries are enrolled in I-SNPs in 2026, up about 9,000 in a year.
12%	of eligible nursing home beneficiaries are covered. The other 88 percent are the opportunity.
2%	year-over-year growth in provider-led I-SNPs for 2026, concentrated in the eastern U.S., while national insurers scaled back.
2.48%	average Medicare Advantage payment increase finalized for 2027, over 13 billion dollars.

KFF, 2026; Healthcare, 2026; ATI Advisory; CMS CY 2027 Rate Announcement

THE DECISION

Your residents will be in managed care either way.

Choose the version built for them.

Capitation points the money where your nurses already point: the NP on the floor, the care plan, the capacity to treat in place. Fewer transfers. Less transfer trauma. A plan whose benefits reach the bedside instead of the mailbox.

Every number is on the next slide.

SOURCES

Check every number.

CMS, Institutional Special Needs Plans (I-SNPs), cms.gov

KFF, Medicare Advantage enrollment briefs, 2024 to 2026 (trend, SNP growth, CBO projection)

KFF state penetration figures reported by Becker's Payer Issues, August 2024

HealthScape Advisors analysis of CMS enrollment files, February 2026

Senate Finance Committee, Deceptive Marketing Practices Flourish in Medicare Advantage, November 2022

ATI Advisory, I-SNP outcomes research funded by AHCA/NCAL, May 28, 2026

NBER Working Paper 34235, Is Managed Care Effective in Long-Term Care Settings?

The American Journal of Managed Care, 2019 I-SNP outcomes study, via AHCA/NCAL

ASPE, Hospitalizations of Nursing Home Residents: Background and Options

Chen et al., Nursing Homes as Insurers?, Health Services Research, 2026

The Utilization, Application, and Impact of I-SNPs in Nursing Facilities, Healthcare, 2026

Milliman, Medicare Advantage Institutional Special Needs Plans: 2026 Market Landscape

CMS, CY 2027 Medicare Advantage and Part D Rate Announcement, April 6, 2026