



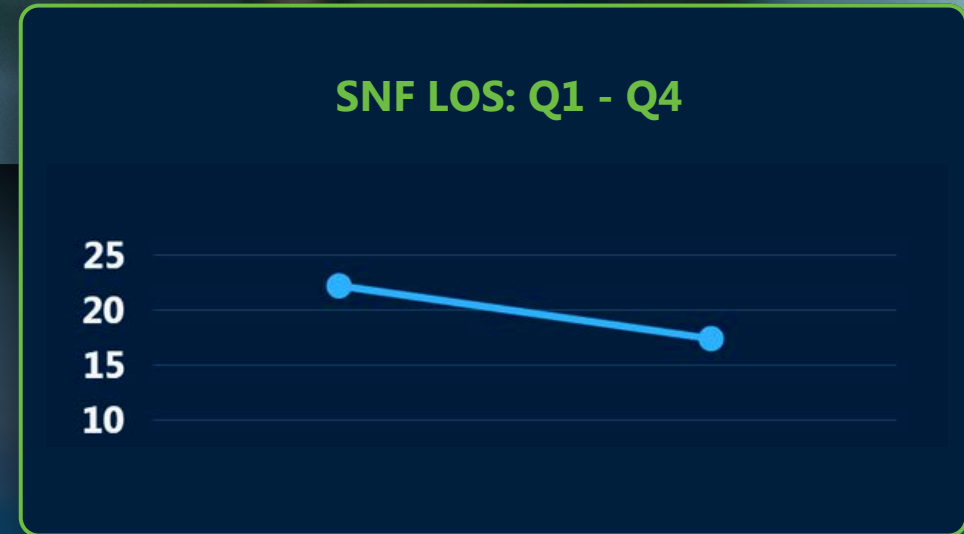
CASE STUDY

Reducing SNF LOS by 21.6%

Without Disrupting the SNF Network

How One Medicare Advantage Plan Transitioned Its SNF Network from One-Off Agreements to a Performance-Based Model

Using Declining Average Daily Rates





At a Glance | The Performance-Based Opportunity

Most MA plans have already achieved SNF network adequacy. However, many networks still operate through hundreds of one-off facility agreements that make it difficult to introduce performance-based reimbursement or improve post-acute utilization at scale.

What Leading MA Plans Are Doing:

- Transitioning SNFs into a network-wide agreement
- Standardizing performance-based reimbursement
- Accelerating VBR adoption
- Avoiding individual renegotiations

Constants:

- Maintained network adequacy
- No provider disruption
- No increase in UM burden
- Readmissions remained stable

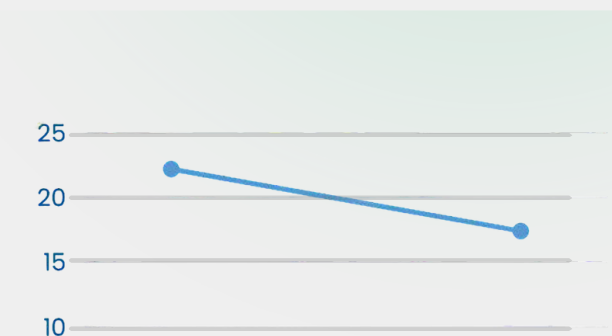
Results Snapshot

↓ **21.6 %**

Reduced SNF LOS

22.2 → 17.4

4.8 Day LOS Decrease



~ **\$2,880+**

Savings / Patient



Existing Network | New Reimbursement Structure

Background: A national MA plan partnered with MNS to pilot a value-based reimbursement model for skilled nursing facilities ahead of a broader rollout. Like many health plans, an adequate SNF network was already in place, but numerous individual agreements made value-based reimbursement difficult to implement efficiently.



Before (Existing Network Structure)

Levels of Care agreements, varied rates, fragmented contract structures, and a limited ability to scale performance-based reimbursement.



Core Operational Challenge

How do you implement performance-based reimbursement across a large SNF network without renegotiating every contract, reintroducing redlines, or disrupting provider participation?

**Result (After):
Incentives Shift Across
The Stay**



Higher reimbursement early in the stay ("front-loaded")



Daily reimbursement declines over time



Rewards efficient care management & discharge planning

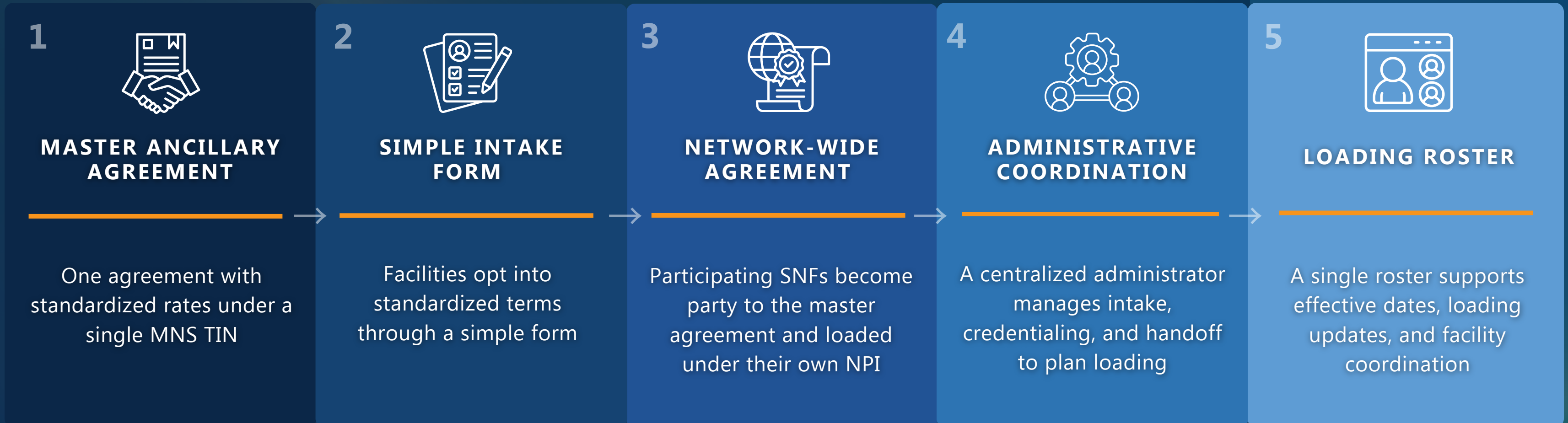


Aligns economics to readmission performance



How the Transition was Executed

The health plan used a messenger-model framework to transition existing SNFs into a standardized, network-wide participation structure while maintaining full network control.



For the Health Plan: one agreement structure, standardized onboarding, and faster operational updates.

For SNFs: simpler participation, faster onboarding, and clearer reimbursement terms.



Transitioning to a Network-Wide Model Without Disruption

- Plan maintained full control
- In-network SNFs adopted value-based reimbursement
- Maintained network adequacy
- MNS enabled rollout via messenger-model framework
- Facility participation remained under existing NPIs + MNS TIN

What Actually Changed

- Standardized reimbursement structure
- Incentives aligned to LOS + performance
- Messenger model enabled network-wide rollout without renegotiation

Operations Brief | No System Rebuild Required

For readers interested in the technical mechanics behind the transition, see the Operations Brief for a deeper look at how the messenger-model framework works in practice.

→ [Access the Operations Brief](#)





Why SNFs Participated in the **Transition**

The transition from traditional LOC contracts to value-based reimbursement was designed to create clear advantages for participating providers. MNS worked directly with facilities to explain the model, highlight participation benefits, and support operational adoption.

01

Faster Authorizations and Increased Referral Flow

Streamlined approvals designed to increase referral volume compared to non-VBR providers.

02

Performance-Based Reimbursement Incentives

- Enhanced reimbursement tied to performance
- Higher early-stay rates support efficient LOS management while meeting readmission benchmarks

03

Operational Infrastructure (Portal + Workflows)

MNS Provider and Payor portal infrastructure enabled care coordination, billing, and payment workflows at scale—making performance-based reimbursement feasible for both the plan and participating SNFs.

04

Annual Rate Growth Opportunity

Participating facilities were included in annual rate updates aligned with CMS adjustments.

Result: Facilities participated without changes to network status or existing plan **relationships.**



Operational Infrastructure That Enables Performance-Based **Reimbursement**

Beyond reimbursement design, MNS provides the operational infrastructure needed to make non-standard SNF reimbursement work at scale. This infrastructure makes performance-based reimbursement feasible without requiring new internal pricing or administrative capabilities.

✓ **The MNS Payor and Provider Portals**

Enables VBR pricing, revenue cycle, and care management workflows

✓ **Built-in Care Coordination Support**

Standardized across all participating SNFs

✓ **Billing and Administrative Assistance**

Reduces operational burden for providers

✓ **Network Performance Monitoring**

Supports stronger performance management across the network

✓ **Reporting and Analytics**

Across cases managed through the Portal

Result: A scalable model that aligns incentives, drives operational efficiency, and improves network **performance.**



21.6% ↓ Reduction in SNF Length Of Stay

Following implementation of the value-based reimbursement model, participating SNFs demonstrated consistent, measurable reductions in length of stay over a twelve-month period.

22.2 days (Baseline LOS) → **17.4 days** (Post-implementation LOS)

4.8-day average decrease | ~\$2,880 savings per SNF episode

Observed Across the Network:

↓ Total SNF days reduced from 4,402 to 2,580

Result: Impact at Scale

- **1,000 SNF episodes**
→ ~\$2.9M reduction in SNF
- **10,000 SNF episodes**
→ ~\$28M reduction in SNF spend
- **~40% reduction in SNF days**
→ Driven by reduced LOS



What This Means for **Health Plans**

| This model optimizes SNF network operations.

- Convert fragmented SNF networks into performance-driven models
- Reduce operational friction and improve efficiency
- Transition in-network SNFs with minimal disruption
- Reduce avoidable SNF days through better incentives
- Lower administrative burden for providers
- Drive savings and better outcomes at scale

See How Your SNF Model **Compares**

Compare your SNF model to leading MA plans and ACOs to identify where reimbursement design, network structure, and operations may be limiting **performance.**

→ [Request the Snapshot](#)