

Skilled Nursing Facility and Post-Acute Care 2025 Trends

Financial Risks, Investment
Priorities, Care Delivery
Opportunities Headline
Strategic Agenda



The new year ushers in a complex blend of threats and opportunities for the post-acute care industry. Skilled nursing facilities (SNF) will need adroit execution of strategies that simultaneously promote financial health, capitalize on exciting developments in care delivery, and invest for the future.

The Skilled Nursing Facility and Post-Acute Care 2025 Trends Report is the second annual offering from Aria Care Partners, the leading provider of onsite ancillary medical services for SNFs. The report's extensive data and analysis uncovers six high-impact, intersecting trends confronting decision-makers (Figure 1). The trends involve a formidable matrix of management concerns: workforce, insurance, technology, value orientation, personalized care, and ancillary care developments in Aria's focal service areas of dental, vision, hearing, and podiatry. A look at the financial context that will inform decisions throughout the year precedes the trends discussion.

FIGURE 1 2025 SNF PLANNING LANDSCAPE



Baseline: Managing Financial Discipline and Growth Investment

Progress was achieved in 2024 on selected SNF financial and operational metrics. Occupancy rates continued to improve from pandemic lows. Through October, hospital discharges per calendar day, a vital source of SNF referrals, were up 4% year over year.¹ The overall nursing home sector saw pricing up 4.5% on an annual basis.²

Cautious optimism characterizes the healthcare outlook for 2025. A majority of executives from health plans and systems have an upbeat perspective (59%) and expect increased operating profitability (71%).³ A survey of 120 leaders that included SNF representation found 60% predicting modest financial improvement over the next two years.⁴

1 Kaufman Hall, *National Hospital Flash Report*, December 9, 2024.
 2 Altarum, "Health Sector Economic Indicators: Price Brief," November 21, 2024.
 3 Deloitte, "2025 U. S. Health Care Outlook," December 12, 2024.
 4 Forvis Mazars, *Mindsets: Executive Leadership Report*, June 2024.

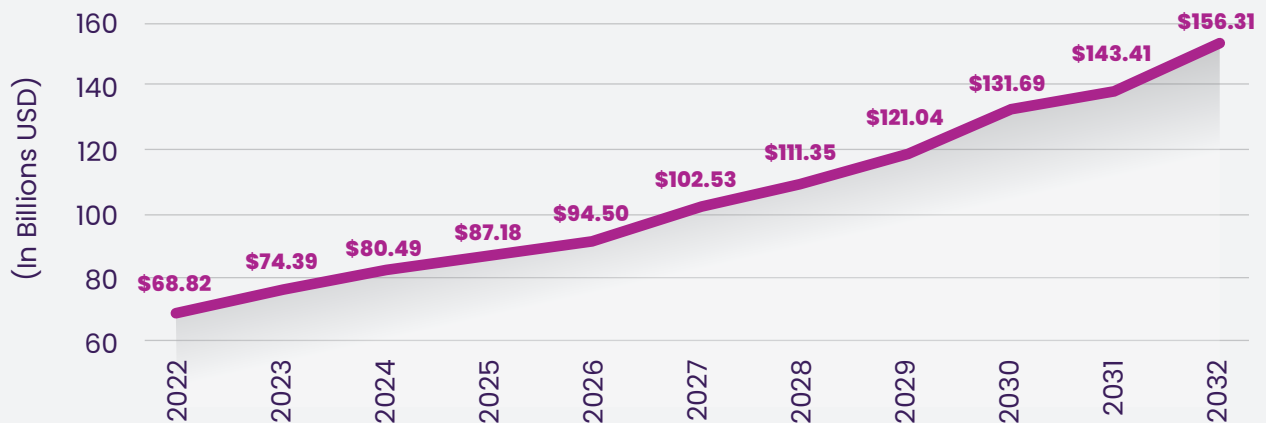
Key Financial Issues

Several market forces emerge from closer examination of the numbers:

- **Wide divergence between more and less healthy organizations.** A worrisome divergence in operating margins has taken hold: for 2023, 36% of SNFs had a margin of -4.0% or worse while 34% came in at 4% or better.⁵ This bifurcation mirrors that in hospitals. One analysis showed margins through mid-2024 of 8% to 32% for hospitals in the 60th to 95th profitability percentile as opposed to 2% to negative 19% for those beneath the 40th percentile.⁶
- **Systemic conditions.** Leading analysts see many of healthcare's financial concerns as embedded and difficult to overcome. Moody's views projected reimbursement increases as insufficient to cover "the steep rise in healthcare wages over the last three years."⁷ Advisory Board says "structural" labor issues will create "slower throughput and reduced capacity."⁸ Fitch Ratings cites a "fundamental disconnect between revenue generation and expense requirements that may be here for the long term."⁹
- **Mixed growth outlook.** The SNF market should see compound annual growth of 8.6% from 2023 to 2032, powered by the aging population (Figure 2).¹⁰ Some prognosticators envision volume declines of 2% between 2024 and 2034.¹¹ Supply is one industry constraint. There are fewer SNF facilities than prior to the pandemic. The rural sector has been particularly hard hit, accounting for 31% percent of nursing home closures since 2020.¹²

FIGURE 2

U.S. SKILLED NURSING FACILITY MARKET SIZE 2022 TO 2032



Source: Precedence Research

5 Clifton Lawson Allen, *39th SNF Cost Comparison and Industry Trends Report*, October 10, 2024.

6 Advisory Board, "The State of the Industry Heading into 2025," October 3, 2024.

7 L. Dyrda, "Hospital Operating Margins to Stay Low in 2025: Moody's," *Becker's Hospital CFO Report*, October 16, 2024.

8 Advisory Board, "The State of the Industry Heading into 2025," October 3, 2024.

9 A. Condon, "Hospital Margins' 'New Normal'," *Becker's Hospital CFO Report*, August 12, 2024.

10 Precedence Research, *Skilled Nursing Facility Market Size, Share, and Trends 2024 to 2034*, October 2023.

11 Sg2, "2024 Impact of Change Forecast Highlights," June 2024.

12 K. Marselas, "Empty Beds, Untenable Staffing Needs Push the Nation's Rural Nursing Homes Closer to the Brink," January 8, 2024.

Where Are SNFs Looking for Growth?

Complementing their bottom-line attention, SNFs are seeking growth from several sources:

- **Diversified revenue streams.** Over a third of surveyed skilled nursing administrators indicated the likelihood to add specialty services such as dialysis, memory care, and ventilator care.¹³
- **Partnering and M&A.** Some operators will pursue non-organic growth through the well-established M&A channel. Potential acquirers include health systems. Nine percent plan to acquire SNF or long-term care facilities over the coming year.¹⁴ Partnerships and joint ventures may be a viable alternative, and 45% of health systems would entertain alliances for outpatient post-acute services.¹⁵ Such affiliations can be a lifeline. Many rural hospitals that have partnered with or sold to systems have seen improved margins.¹⁶

Persistent Workforce Disruption

Stating that “SNFs still face significant workforce challenges,” Fitch Ratings notes that payrolls have dropped 7.3% since 2020 while the national labor market has risen over 5%.¹⁷ The long-term services workforce is projected to grow by 42% between 2021 and 2036, resulting in a need for over 800,000 additional people.¹⁸

Elevated turnover rates are another issue. Over half of nursing homes annually replace 50% or more of staff.¹⁹ Nationwide nursing turnover is 18.4%.²⁰ Job satisfaction levels also suggest heightened risk. Though an improvement, 36.7% of nursing home leaders and 39.5% of nurse leaders considered quitting in the last three months, while fewer than one in three nurse leaders describe themselves as “very satisfied” with their jobs.²¹

Substantial consequences ensue from these statistics:

- **Higher costs and lower margins.** SNF wages have surged over the past several years, especially for nurses. Increases abated in 2024 but were still estimated at 3.3% to 3.5% across a range of roles.²² One study determined that homes that experienced an administrator depart saw a 1.15% operating margin decrease.²³
- **Reduced capacity.** Staffing shortfalls inhibit optimal capacity utilization and thereby constrain SNF growth.
- **Care quality.** Surveys link higher turnover to lower quality and resident satisfaction metrics.²⁴



13 Research and Markets, *The 2024 U.S. Post-Acute Market Report*, June 2024.

14 HealthLeaders, “HealthLeaders Mergers, Acquisitions, & Partnership Survey,” September 2024.

15 VMG Health, *Health System Leader Expectations for 2024*, January 2024.

16 Dobson DaVanzo & Associates, “The Potential for Hospital System Integration to Improve the Financial Outlook of Rural Hospitals in the United States,” November 22, 2024.

17 Fitch Ratings, “Life Plan Communities Labor Tracker: September 2024,” September 17, 2024.

18 National Center for Health Workforce Analysis, “Long-Term Services and Support: Demand Projections, 2021–2036,” October 2023.

19 The National Consumer Voice for Quality Long-Term Care, “High Staff Turnover: A Job Quality Crisis in Nursing Homes,” September 8, 2022.

20 Nursing Solutions, Inc., *2024 NSI National Health Care Retention & RN Staffing Report*, March 2024.

21 McKnight’s Long-Term Care News, “Mood of the Market Survey,” September 2024.

22 Hospital and Healthcare Compensation Service and Leading Age, *Nursing Home Salary and Benefits Report 2024–2025*, July 2024.

23 R. Pradhan, A. Ghiasi, G. Davlyatov, et. al., “Beyond the Balance Sheet: Investigating the Association Between NHA Turnover and Nursing Home Financial Performance.” *Risk Management and Healthcare Policy*, February 2024.

24 The National Consumer Voice for Quality Long-Term Care, “High Staff Turnover: A Job Quality Crisis in Nursing Homes,” September 8, 2022.

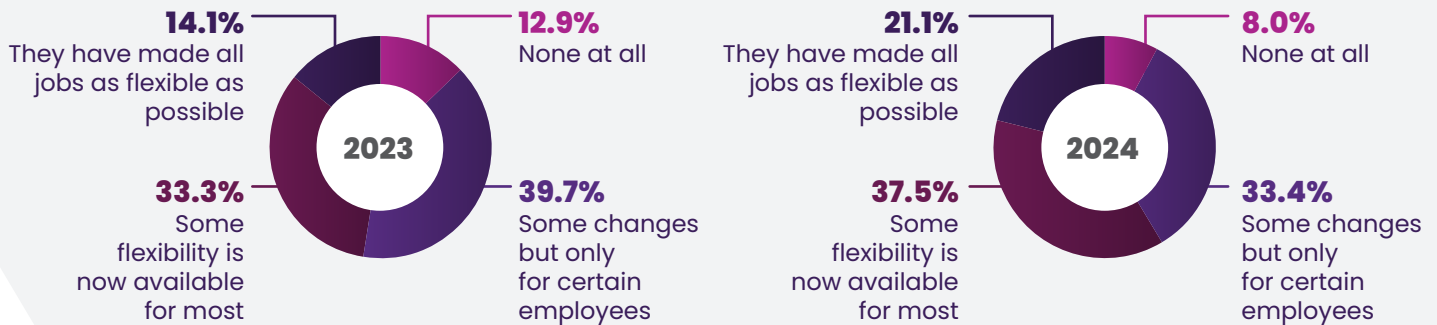
Retention is a central effort in ameliorating the workforce problems. Compensation is a prime tool. Cross-industry analyses show that many employees are financially insecure. Pay hikes can be difficult for SNFs to accommodate. Potential lower cost options such as contributing more to retirement plans score highly with employees.²⁵ Some organizations are also offering Earned Wage Access that permits employees to receive their wages on-demand after completion of work rather than waiting for a regular paycheck.

Work-life balance is another retention booster. More SNFs are responding with flexible staff scheduling for most or all of their workforces (Figure 3).²⁶



FIGURE 3

HOW MUCH OF AN EFFORT HAS YOUR EMPLOYER MADE TO ADOPT MORE FLEXIBLE SCHEDULING FOR STAFF?



Source: McKnight's Mood of the Market Survey

Ongoing Commitment to Broad Range of Technologies to Transform Care and Operations

Healthcare has invested robustly in an array of technologies to improve care delivery, financial performance, and operational efficiency. A survey of providers, payers and employers found that 75% have boosted spending on digital health solutions over the past two years, and a healthy percentage intend to do so again in the next year.²⁷ Nearly 60% of skilled nursing providers will add EHR and other technology to improve profitability.²⁸

Investment Objectives

A recent poll uncovered the leading technology priorities among senior living facilities, many of which are shared by SNFs (Figure 4).²⁹

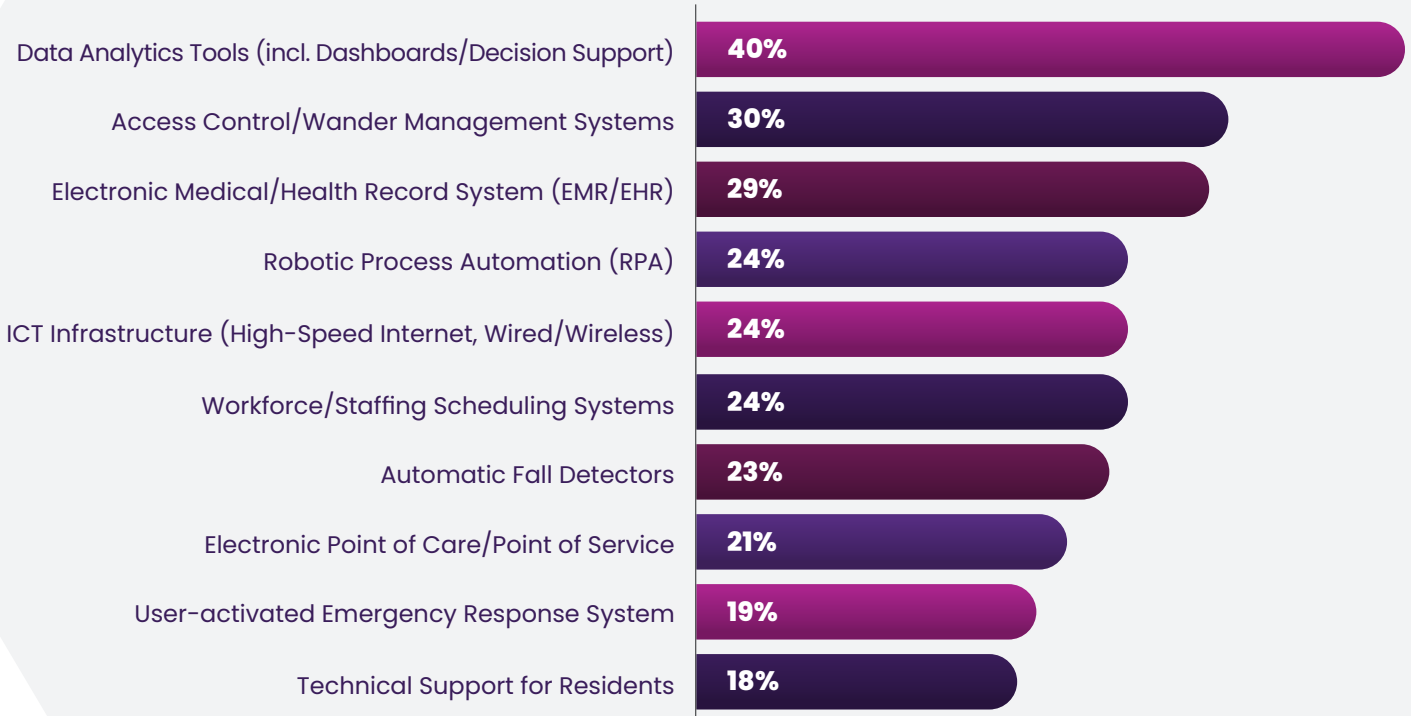
25 Employee Benefit Research Institute, *2024 Workplace Wellness Survey*, November 1, 2024.

26 McKnight's Long-Term Care News, "Mood of the Market Survey," September 2024.

27 Peterson Health Technology Institute, *2024 State of Digital Health Purchasing*, October 10, 2024.

28 K. Gaivin, "Almost 60% of Skilled Nursing Providers Look to Increase Profitability Through New Technology: KLAS," *McKnight's Senior Living*, October 16, 2024.

29 B. C. Ziegler and Company, "Technology Spending: Ziegler CFO Hotline," July 2024.

FIGURE 4**INVESTMENTS IN TECHNOLOGY IN THE NEXT 12 MONTHS**

Source: B.C. Ziegler and Company

Improved care delivery is one takeaway from the list. The SNF medical devices market, which encompasses solutions such as smart beds and remote monitoring, is slated to grow at 6.8% compounded annually between 2024 and 2030 to reach just under \$2 billion.³⁰ Fall detection systems growth is almost 8% per year.³¹

The list's inclusion of Robotic Process Automation and workforce management systems underscores the desire for greater automation. Manual, paper-based operations abound in healthcare (see Figure 5 for examples).³² Analysts estimate that healthcare could save \$16.4 billion by implementing fully electronic processing for a number of high-volume administrative transactions.³³

FIGURE 5

Source: Bank of America

30 Grandview Research, *U.S. Skilled Nursing Facility Devices Market Growth & Trends*, September 2024.

31 Grandview Research, *Fall Detection Systems Market Size & Trends*, August 5, 2024.

32 Bank of America, "What Will it Take for Healthcare to Fully Embrace Digital?"

33 CAQH, *2023 CAQH Index*, January 30, 2024.

Technologies in the Spotlight

Three technologies deserve highlighting for their impact on post-acute facilities. Subsequent sections of this report will describe the application of these and other technologies within specific medical specialties.

- **Artificial intelligence (AI) and Data Analytics.** Increasingly sophisticated tools are extracting meaningful insights from healthcare’s vast stores of data. Better care is an expected outcome (Figure 6).³⁴ Analytics are also guiding administrators in the search for cost savings and productivity gains.

AI represents a force multiplier for clinical and administrative work. Usage ranges from “copilots” that augment human effort to fully autonomous “agents” that can fully replace it. Leaders view Generative AI – a form that is able to create new content – as offering rich and varied benefits (Figure 7).³⁵

FIGURE 6

WHAT HEALTHCARE LEADERS SEE AS THE BIGGEST OPPORTUNITIES FOR DATA-DRIVEN INSIGHTS TO IMPROVE CARE

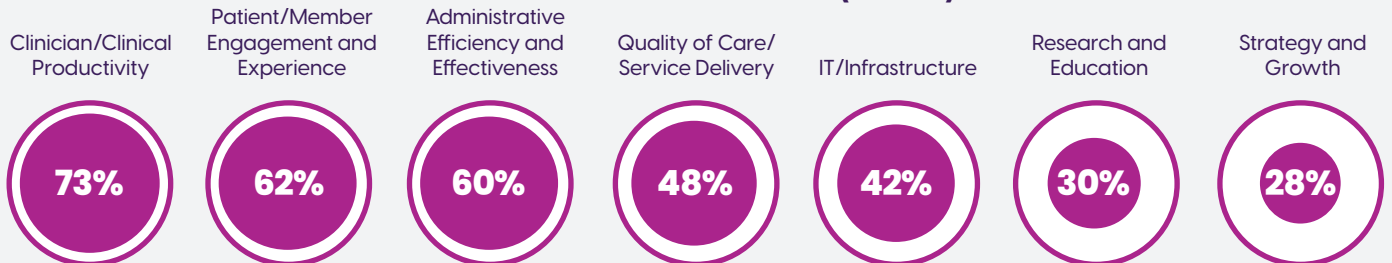


Source: Bank of America

FIGURE 7

AREAS BELIEVED TO BENEFIT MOST FROM FROM GENERATIVE AI (GEN AI)

% OF RESPONDENTS (N = 100)



Source: McKinsey & Company

AI’s labor impact may be dramatic. Fifteen percent of current healthcare workforce hours might be subject to automation by 2030.³⁶ Clinicians productivity is being increased through “ambient clinical documentation” that fuses AI and speech recognition to produce draft encounter notes automatically.

34 Philips, *Future Health Index 2024: Better Care for More People, U.S. Report*, June 18, 2024.

35 McKinsey & Company, “Generative AI in Healthcare: Adoption Trends and What’s Next,” July 2024.

36 E. Muthoni, “AI to Automate 15% of the Current Healthcare Workforce’s Hours by 2030,” *Stocklytics.com*, June 10, 2024.

- **Cybersecurity.** Cyberattacks plague the entire healthcare sector. Consider a few statistics:
 - Attacks averaged 2,434 per week for just the third quarter of 2024, up 81% over the same 2023 period.³⁷
 - Healthcare tops all industries for costliest data breaches, with the average incident incurring \$9.77 million.³⁸
 - SNFs can certainly be targets, and they must also monitor the security of their partners and suppliers. Over 8 in 10 of the largest data breaches in recent years have involved third-party providers or non-hospital health care organizations.³⁹

Preparedness is a concern. Fifty-three percent of surveyed healthcare and life sciences organizations lack sufficient financial resources to manage security threats.⁴⁰

- **Mobile apps.** The ubiquity of smartphones and mobile devices is driving increasing deployment of patient engagement apps. A significant percentage (71%) of adults over age 50 is considered receptive to using health and wellness apps.⁴¹

Barriers to adoption

Technology will be transformative for SNF communities. The strategic and tactical challenges to realizing the benefits are substantial and will require creativity and partnering to overcome them. Heavily cited barriers include budget limitations, legacy systems, workforce readiness for new technologies, and data access/quality issues.⁴²

Health Insurance Changes Bring Financial Uncertainties

Several health insurance trends carry significant implications for SNF finances. Key issues have emerged in Affordable Care Act marketplaces (ACA), Medicare Advantage (MA), and Medicaid.

ACA

A record 23 million people acquired coverage through the Affordable Care Act Marketplace in 2023.⁴³ Most have relied on temporary enhanced subsidies to help fund the premiums. Subsidized enrollment has increased from 9.6 million to 19.7 over the past four years.⁴⁴ The program terminates at the close of 2025, raising the specter of substantial coverage loss. CMS forecasts a drop next year in direct-purchase enrollment of 7.3 million people from subsidy removal.⁴⁵ If lost coverage induces care deferral or avoidance, all healthcare organizations will be financially affected.

The fate of the program permitting Deferred Action for Childhood Arrivals (DACA) recipients to enroll through ACA marketplaces beginning in late 2024 is also uncertain. Some 100,000 new enrollees have been projected.⁴⁶

37 Check Point Solutions, "A Closer Look at Q3 2024: 75% Surge in Cyber Attacks Worldwide," October 18, 2024.

38 IBM, *Cost of a Data Breach Report*, July 2024.

39 American Hospital Association, *2025 Environmental Scan*, December 2024.

40 K. Gaivin, "Providers 'On the Brink of Crisis' as they Navigate Cyber Risks, Report Says," *McKnight's Senior Living*, October 24, 2024.

41 AARP, *Unlocking Health And Wellness Apps: Experiences of Adults Age 50-Plus*, July 2024.

42 McKinsey & Company, "Digital Transformation: Health Systems' Investment Priorities," June 7, 2024.

43 J. Hale, N. Hong, B. Hopkins, et. al., "Health Insurance Coverage Projections for the U.S. Population and Sources of Coverage, by Age, 2024-34," *Health Affairs*, July 2024.

44 KFF, "Inflation Reduction Act Health Insurance Subsidies: What is Their Impact and What Would Happen if They Expire?" July 26, 2024.

45 Centers for Medicare and Medicaid Services, "National Health Expenditure Projections 2023-2032 Forecast Summary," June 2024.

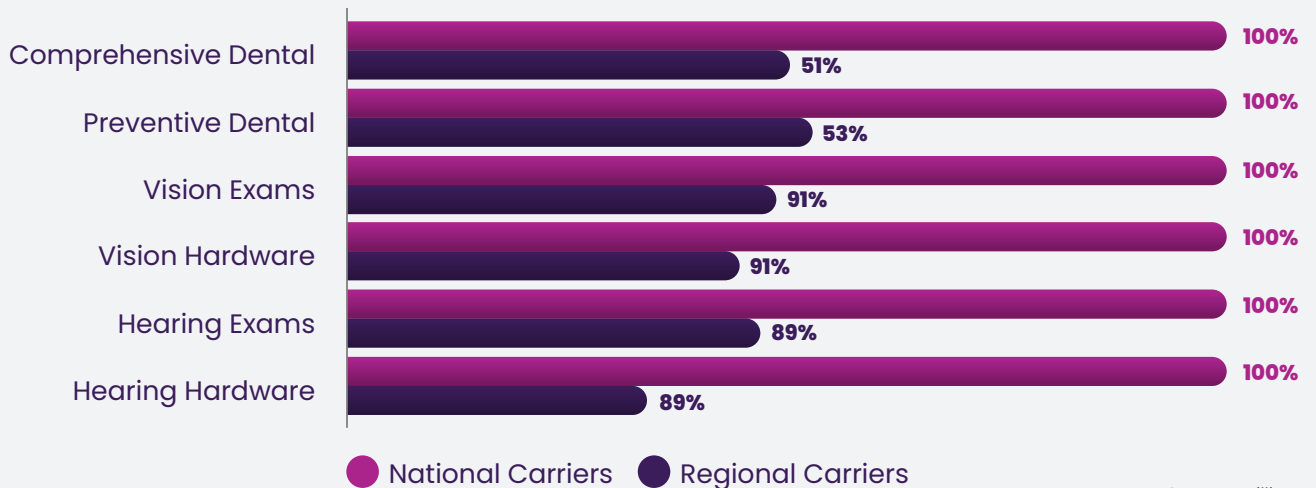
46 Centers for Medicare and Medicaid Services, "HHS Final Rule Clarifying the Eligibility of Deferred Action for Childhood Arrivals (DACA) Recipients and Certain Other Noncitizens," May 3, 2024.

Medicare Advantage

MA remains an important income source for post-acute facilities. In 2024, nearly 33 million people were enrolled. Special Needs Plans (SNPs) are a fast-growing category within MA. I-SNPs are designed for beneficiaries needing long-term and SNF care, and the 177 plans in 2024 included strong ancillary services coverage (Figure 8).⁴⁷

FIGURE 8

2024 DENTAL, VISION, AND HEARING BENEFIT COVERAGE BY NATIONAL AND REGIONAL I-SNPs



Source: Milliman

Another variant is D-SNPs serving individuals enrolled in both Medicare and Medicaid. This program's enrollment has doubled over the past four years.

SNFs are contending with several problems associated with MA. First, studies have documented reduced use of post-acute services and lower revenue and margins relative to traditional Medicare.^{48,49} Second, MA has been burdensome. Navigating prior authorization processes and addressing coverage denials are major factors. An assessment of claims involving hospital discharge to post-acute care revealed that more than 20% were denied by private insurers.⁵⁰ MA plans had the highest denial rate. In 2022, the major insurers denied prior authorization requests for post-acute care at rates exceeding their overall denial levels by anywhere from three to sixteen times.⁵¹

Medicaid

Medicaid reached 91.2 million beneficiaries in 2023 propelled by the COVID-era continuous enrollment requirement. This program has expired and is projected to reduce Medicaid enrollment to 79.4 million in 2025.⁵² Many analysts foresee further reductions. Cutbacks in federal funding would jeopardize benefits

47 Milliman, "Institutional Special Needs Plans: 2024 Market Landscape and Future Considerations," February 8, 2024.

48 E. Achola, D. Stevenson, and L. Keohane, "Post Acute Care Services Use and Outcomes Among Traditional Medicare and Medicare Advantage Beneficiaries," *JAMA Health Forum*, August 18, 2023.

49 J. Marr and K. Shen, "Medicare Advantage Growth and Skilled Nursing Facility Finances," *Health Services Research*, March 7, 2024.

50 Premier Inc., "Trend Alert: Private Payers Retain Profits by Refusing or Delaying Legitimate Medical Claims," March 21, 2024.

51 U.S. Senate Permanent Subcommittee on Investigations, *Refusal of Recovery: How Medicare Advantage Insurers Have Denied Patients Access to Post-Acute Care*, October 17, 2024.

52 CMS, "National Health Expenditures Projections 2023-2032 Forecast Summary," June 2024.

for over three million adults in nine states that have laws triggering rapid termination of their Medicaid expansions in such scenarios.⁵³

Another growing program that could incur funding cuts is State-Directed Medicaid Payments (SDP). These incentives promote provider engagement in Medicaid managed care arrangements. Over 75% of states now participate across 302 approved plans in the 2023–2024 time frame.⁵⁴

More Progress Needed in Migration to Value-Oriented Models

Notwithstanding a myriad of initiatives promulgated over many years, success in replacing fee-for-service reimbursement with a value-based care (VBC) paradigm has proven elusive. A 2023 analysis placed the total share of healthcare payments tied to the VBC “gold standard” of assuming downside provider risk at 28.5% (43% for MA).⁵⁵ Under 30% of organizations see alignment between their VBC aspirations and their organizational capabilities, according to a survey.⁵⁶

SNFs are increasingly value-oriented, and the SNF Value Based Purchasing Program (VBP) remains important. The financial impact can be substantial. Recent administrative changes are projected to reduce total SNF payments by \$188 million for FY 2025.⁵⁷

Future changes

This year’s solo metric for determining VBP incentives is the SNF 30-Day All-Cause Readmission measure. The program years 2026 through 2028 will see several new quality measures (Figure 9).⁵⁸

FIGURE 9

MEASURES BY PROGRAM YEARS

Measure Name	Short Name	Data Source	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
SNF 30-Day All-Cause Readmission	SNFRM	Medicare Fee-For-Service Claims	✓	✓	✓	✓	
SNF Healthcare-Associated Infections Requiring Hospitalization	● SNF HAI	Medicare Fee-For-Service Claims			✓	✓	✓
Total Nurse Staffing Hours Per Resident Day	● Total Nurse Staffing	Payroll Based Journal (PBJ) System			✓	✓	✓
Total Nursing Staff Turnover	● Nursing Staff Turnover	Payroll Based Journal (PBJ) System			✓	✓	✓
Discharge To Community-Post-Acute Care Measure For SNFs	● DTC PAC SNF	Medicare Fee-For-Service Claims				✓	✓
Percent Of Residents Experiencing One Or More Falls With Major Injury (Long Stay)	● Falls With Major Injury (Long Stay)	Minimum Data Set (MDS)				✓	✓
Discharge Function Score For SNFs	● DC Function	Minimum Data Set (MDS)				✓	✓
Number Of Hospitalizations Per 1,000 Long Stay Resident Days	● Long Stay Hospitalization	Medicare Fee-For-Service Claims				✓	✓
SNF Within-Stay Potentially Preventable Readmissions	● SNF WS PPR	Medicare Fee-For-Service Claims					✓

● National Carriers ● Regional Carriers

Source: Quality Reporting Center

53 P. Galewitz, “Nine States Poised to End Coverage for Millions if Trump Cuts Medicaid Funding,” *KFF Health News*, December 4, 2024.

54 Kaufman Hall, “More States and Hospitals Utilizing State-Directed Payments,” November 22, 2024.

55 Health Care Payment Learning and Action Network, “Infographic: Percentage of U.S. Health Care Payments in Categories 3B–4 by LOB,” November 2024.

56 Forvis Mazars, *Mindsets: Executive Leadership Report*, June 2024.

57 CLA, “Skilled Nursing Homes Facing Higher Penalties, Payment Changes,” August 28, 2024.

58 Quality Reporting Center, “Skilled Nursing Facility Value-Based Purchasing (SNF VBP) Program Quick Reference Guide,” October 2023.

Improving care transitions

One acknowledged avenue to value realization is integrated care. Transitions between hospitals and post-acute facilities have long been sub-optimal. Better communications are vital to improve these transitions. SNF providers report frequent mismatched transfer forms and discharge summaries as well as missing or inconsistent medication lists, instructions for care, and patient histories. Communication also suffers from understanding gaps: “Several hospital providers shared that they had never been to a SNF and only had a vague sense of the services available there.”⁵⁹

One study of common transition strategies found the best outcomes were achieved through a combination of promoting trust among patients while at the hospital, communicating to them in plain language, and employing coordination activities.⁶⁰

Rising Demand for Personalized, Age-Appropriate Care

Aria Care Partners’ experience corroborates the major value from providing care that is tailored to the singular needs of older people and is personalized to each resident. Demand for such care is accelerating, stemming from multiple powerful sources. Patients and residents increasingly bring a “retail consumer” mindset to healthcare that favors strong responsiveness to individual requirements. At the same time, new technologies, pharmaceuticals, and treatments are pointing the way to highly customizable care.

What older patients and residents seek

The literature continues to refine the picture of what today’s older adults want in their healthcare. They possess a “three-dimensional view of safety” that encompasses preventing physical harm, preventing emotional harm, and providing a safe environment.⁶¹ They strongly believe that “providers should be trained on the unique health issues of older adults,” a distinct shortcoming as fewer than one percent of physicians are geriatric specialists and just 10% of medical schools require geriatric rotations.⁶² Two-thirds of surveyed individuals placed top importance to having a provider who “listens to and respects me.”⁶³

Age-Friendly care

Several initiatives offer counsel on how to fulfill these requirements. The 4Ms of Age-Friendly Care framework, developed by several foundations and associations, delineates key actions that promote reduced readmissions, decreased length of stay, and improved outcomes (Figure 10).⁶⁴ Some 4,000 care sites, including post-acute, have been designated age-friendly to date.



59 M. Britton, G. Ouellet, K. Minges, et. al., “Care Transitions Between Hospitals and Skilled Nursing Facilities: Perspectives of Sending and Receiving Provider,” *The Joint Commission Journal on Quality and Patient Safety*, November 2017.

60 J. Li, J. Miller Clouser, J. Brock, et. al., “Effects of Different Transitional Care Strategies on Outcomes after Hospital Discharges—Trust Matters, Too,” *The Joint Commission Journal on Quality and Patient Safety*, January 2022.

61 NRC Health, *2024 Experience Perspective*, February 2024.

62 Age Wave, The John A. Hartford Foundation, and Harris Poll, *Meeting the Growing Demand for Age-Friendly Care*, September 17, 2024.

63 Ibid.

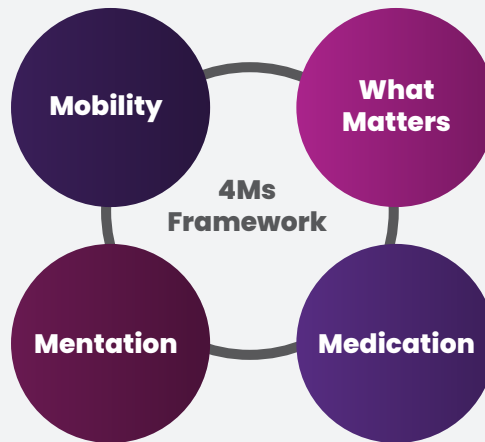
64 The John A. Hartford Foundation, “Age-Friendly Health Systems Initiative.”

FIGURE 10

AGE-FRIENDLY HEALTH SYSTEMS

Ensure that older adults move safely every day in order to maintain function and do what matters.

Prevent, identify, treat, and manage dementia, depression, and delirium across settings of care.



Know and align with each older adult's specific health outcome goals and care preferences including, but not limited to end-of-life care, and across settings of care.

If medication is necessary, use age-friendly medication that does not interfere with what matters to the older adult, mobility, or mentation across settings of care.

Source: Institute for Healthcare Improvement

Growing Demand and Dynamic Developments in Leading Ancillary Care Specialties Spell Opportunities

Ancillary care offers SNFs opportunities for growth and delivery of care that is comprehensive, value-oriented, and personalized. Aria Care Partners participates in four vibrant service areas: dental, hearing, vision, and podiatry. This section examines important trends and issues as well as emerging technology developments in each area.

Dental

Care Issues and Trends

Oral health is an important concern for SNFs. Thirteen percent of those over 65 have untreated tooth decay.⁶⁵ Almost two-thirds have moderate to severe periodontal disease.⁶⁶ Many have missing teeth.

Dental care is even more crucial given the correlation between oral problems and chronic conditions ranging from autoimmune diseases to obesity to cardiovascular disease. Three connections call for particular surveillance by SNFs:

- **Diabetes.** People with diabetes have a 2–3-fold greater risk for periodontitis and a higher risk of tooth decay due to dry mouth (xerostomia) caused by high blood sugar levels.⁶⁷
- **Chronic kidney disease (CKD).** Periodontal disease heightens systemic inflammation that is known to contribute to CKD progression.⁶⁸
- **Mental health.** The nexus between oral and mental health is increasingly clear. About 1 in 5 adults say oral health issues caused them to become anxious, lose sleep, or feel embarrassed about their appearance, while 15% indicated sadness and mood drop.⁶⁹

65 Centers for Disease Control and Prevention, *Oral Health Surveillance Report*, 2024.

66 American Academy of Periodontology, "Gum Disease and Older Adults."

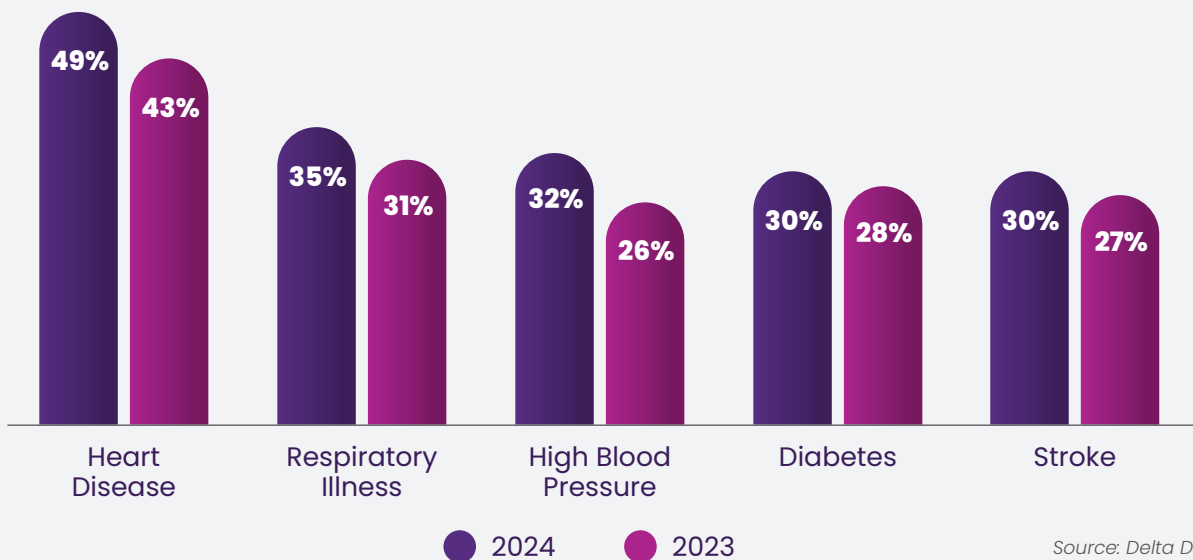
67 E. Davis, C. Luterbach, A. Reddy, J. Brewer, et. al, "Linking Dental Services to Treatment Outcomes for Diabetes: A Rapid Response Review," *Agency for Healthcare Research and Quality Evidence Reports*, November 1, 2024.

68 E. Davis, C. Luterbach, J. Brewer, E. Digga, et. al, "Linking Dental Services to Treatment Outcomes for Chronic Kidney Disease: A Rapid Response Review," *Agency for Healthcare Research and Quality Evidence Reports*, November 1, 2024.

69 Delta Dental, *The 2024 State of America's Oral Health and Wellness Report*, May 2, 2024.

FIGURE 11

PERCENTAGE OF ADULTS WHO UNDERSTAND THE CONNECTION BETWEEN ORAL HEALTH AND SPECIFIC HEALTH CONDITIONS



Recognition of these correlations is increasing, fostering receptivity to dental care in the SNF (Figure 11).

Gaps in care pose risks for many residents. The elapsed time from the last dental visit can be considerable: two years for 36% of respondents in a recent study.⁷⁰ Affordability is a barrier. Twenty percent of American seniors did not visit a dentist in the past twelve months due to cost.⁷¹ Insurance coverage is far from universal. Nearly two-thirds of adults currently carry dental insurance.⁷² Medicaid dental benefits vary across the states. Dentist participation is generally low since Medicaid Fee-for-Service reimbursement for 2024 is 30% of average dentist charges for adults.⁷³

Dental Technology Trends

- **MRI Imaging.** The University of Minnesota recently installed the first American MRI unit dedicated to dental imaging. Ability to view soft tissue as well as bones and teeth enables better identification of inflammatory changes, lesions, and other problems.⁷⁴
- **AI.** One analysis summarized a range of dental applications that will benefit from AI enhancements⁷⁵:
 - **Diagnostic imaging.** AI can greatly enhance image interpretation.
 - **Operative dentistry.** AI’s detection of tooth decay, root fractures, and gum disease is more precise than with X-rays and is capable of spotting early-stage problems.
 - **Orthodontics.** High-precision measurements, data-driven treatment strategies and ability to predict results promise real advancement in this area.

70 American Dental Association, “Communications Trend Report 2024,” August 2024.

71 Commonwealth Fund, “Health Care Affordability for Older Adults: How the U.S. Compares to Other Countries,” December 2024.

72 Delta Dental, *The 2024 State of America’s Oral Health and Wellness Report*, May 2, 2024.

73 ADA Health Policy Institute, “Medicaid Reimbursement for Dental Care Services – 2024 Data Update,” October 2024.

74 A. Portalatin, “The Next Technology that Could Revolutionize Dentistry,” *Becker’s Dental and DSO Review*, October 10, 2024.

75 B. Mesko, “9 Technologies that Will Shape the Future of Dentistry,” *The Medical Futurist*, May 16, 2024.

- **3D Printing.** An intraoral scanner, computer-aided design software, and a “printer” that builds objects by additively layering material combine to create dentures, crowns and bridges. The 3-D output can be highly customized to each individual. One manufacturer notes that “accurate anatomical replicas of a patient’s mouth and jaws can be made” as can precise surgical guides to make oral drilling and cutting easier.⁷⁶
- **Smart toothbrushes.** Sensors in a toothbrush feed data to an app that guides users to perform more thorough and proper oral hygiene. The smart toothbrush market is growing at a 10% compound annual rate through 2036.⁷⁷

Hearing

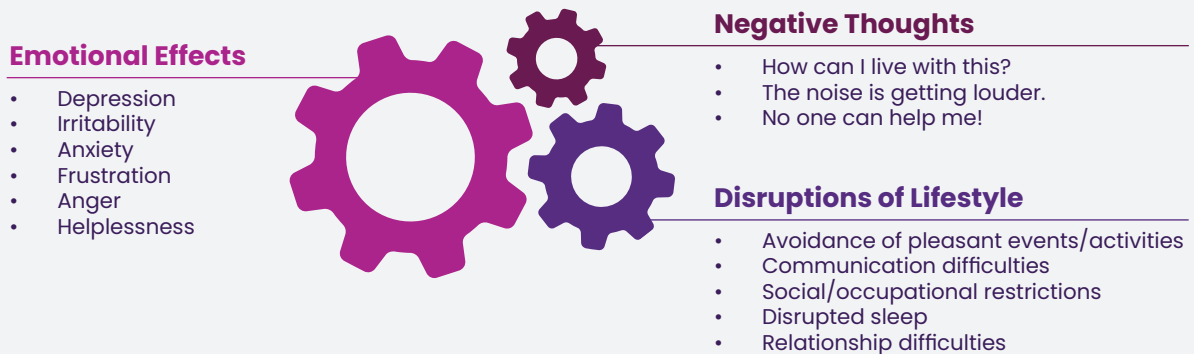
Care Issues and Trends

Thirty percent of adults between 65 and 74 exhibit hearing loss, jumping to half of those over 75.⁷⁸ A study of individuals age 71 and up determined that 28% had moderate to severe impairment.⁷⁹ Sixteen million people seek medical attention for tinnitus annually.⁸⁰

Diabetes can cause ear damage. Hearing loss is double the level in those with diabetes versus non-diabetics of the same age, and people with prediabetes exhibit a 30% higher rate of hearing loss than those with normal blood sugar levels.⁸¹ Studies likewise connect hearing and emotional health. Respondents to one survey said hearing loss makes them feel stressed (54%), depressed (52%), anxious (48%), worried (45%), sad (40%) and lonely (32%).⁸² A model crafted to display the reinforcing emotional effects of tinnitus is relevant to all sources of serious hearing impairment (Figure 12).⁸³

FIGURE 12

INTERPLAY OF FACTORS IN TINNITUS DISTRESS



Source: Audiology Today

76 Xometry, “All About 3D Printing in Dentistry,” November 6, 2024.

77 Research Nester, *Smart Electric Toothbrush Market Size and Share*, November 2023.

78 Audiological Resource Association, *The Future of Audiology: Trends and Predictions*.

79 N. Reed, E. Garcia-Morales, C. Myers, et. al, “Prevalence of Hearing Loss and Hearing Aid Use Among U.S. Medicare Beneficiaries Aged 71 Years and Older,” *JAMA Network Open*, July 28, 2023.

80 Hearing Health Foundation, “Hearing Loss & Tinnitus Statistics.”

81 Centers for Disease Control, “Hearing Loss,” May 15, 2024.

82 M. Alcido, “Forbes Health Survey: Nearly Half of People with Hearing Loss Believe There is a Hearing Aid Stigma,” *Forbes.com*, April 16, 2024.

83 J. Woods and S. Theodoroff, “Cognitive Behavioral Therapy for Tinnitus,” *Audiology Today*, October 28, 2019

Audiology professionals confront significant complications in care delivery. Two often seen in the SNF environment:

- **Hearing aid stigma.** Only 29% of people with hearing loss use hearing aids. The figures are higher for those with moderate (45%) or severe (68%) loss, but still far from universal.⁸⁴ Polls reveal that nearly half of respondents believe that a stigma still attaches to hearing aids, with 66% registering greater willingness to wear them if not visible.⁸⁵
- **Communication gaps.** Some individuals fail to tell caregivers about their hearing impairments. For others, hearing problems create difficulty communicating with medical professionals. Medicare beneficiaries who reported such trouble had 32% greater odds of hospital readmission on average.⁸⁶ An interesting analysis of encounters showed the importance of strong communication skills. In half the appointments regarding hearing aid recommendations, patients expressed negative feelings. However, audiologists “missed opportunities to build relationships” by failing to address the concerns or impeded adoption of hearing aids by responding with complex language.⁸⁷

Hearing Technology Trends

- **Digital hearing aids.** Greater functionality and quality are resulting from wireless connectivity to smartphones and other devices, noise cancellation, user customization, and reduced size. Perhaps the most interesting recent development is introduction of Apple’s latest AirPods devices (Figure 13). The company states that this product is designed to deliver “active Hearing Protection, a scientifically validated Hearing Test, and a clinical-grade Hearing Aid feature.” Given the wide user acceptance of ear buds, solutions such as this may overcome much of the resistance to hearing aids.
- **Device compatibility mandates.** In October, the Federal Communications Commission issued rules requiring that all mobile handsets, such as smartphones, be compatible with hearing aids, including better Bluetooth connectivity and new volume control benchmarks.⁸⁸
- **AI and Machine Learning.** Algorithms will analyze individual hearing parameters and preferences as well as the listener’s environment to produce highly personalized settings for hearing devices. AI will also enable automatic real-time adjustments to optimize hearing in a given situation as well as enhance diagnostic and clinical support for audiologists.



84 N. Reed, E. Garcia-Morales, C. Myers, et. al, “Prevalence of Hearing Loss and Hearing Aid Use Among U.S. Medicare Beneficiaries Aged 71 Years and Older,” *JAMA Network Open*, July 28, 2023.

85 M. Alcido, “Forbes Health Survey: Nearly Half of People with Hearing Loss Believe There is a Hearing Aid Stigma,” *Forbes.com*, April 16, 2024.

86 J. Chang, B. Weinstein, J. Chodosh, and J. Blustein, “Hospital Readmission Risk for Patients with Self-Reported Hearing Loss and Communication Trouble,” *Journal of the American Geriatric Society*, November 2018.

87 V. Manchaiah, M. Bellon-Harn, A. Dockens, et. al., “Communication between Audiologist, Patient, and Patient’s Family Members during Initial Audiology Consultation and Rehabilitation Planning Sessions: A Descriptive Review,” *Journal of the American Academy of Audiology*, October 30, 2019.

88 Federal Communications Commission, “FCC Requires All Mobile Phones to be Hearing Aid Compatible,” October 17, 2024.

Vision

Care Issues and Trends

Vision loss is defined as full blindness or trouble seeing even with glasses. It afflicts over 13 million older Americans.⁸⁹ SNF residents are likely to present with some vision issues. One small study found that vision impairment and blindness affected 63.8% of nursing home residents.⁹⁰ Prominent issues among the elderly are age-related macular degeneration (196 million people globally) and glaucoma (76 million).⁹¹

Diabetes is once again a principal concern. Diabetic retinopathy affects blood vessels in the retina and can lead to vision loss and blindness. More than half of diabetics will develop it.⁹² Fall risk is likewise top of mind. Vision impairment has been linked to elevated incidence of falls as well as greater fear of falling.⁹³

Vision problems can engender anxiety, a feeling of lost independence, and isolation from others. Underscoring the mental health connection, the Lancet Commission in 2024 cited “new compelling evidence” in adding untreated vision loss to its list of risk factors for dementia.⁹⁴

As with dental and hearing care, many people avoid eye exams. One analysis showed that 10% had not had one in over three years.⁹⁵ Echoing a consistent theme of this report, affordability is an issue. For example, an estimated 6.5 million Medicaid enrollees live in states that lack routine eye exam coverage and 14.6 million in states that do not pay for glasses.⁹⁶

Vision Technology Trends

- **Assistive technology (AT).** This category encompasses screen readers, navigational canes, and other devices helping the vision impaired perform essential functions. AT is increasingly being integrated into smartphones. Further AT expansion is needed, with a “pressing issue being websites that are not compatible with screen readers” and items such as price tags, and clothing labels.⁹⁷
- **Smart glasses and digital lenses.** “Computerized eyewear” continues to see enhancements such as real-time navigation guidance, interactive communications features bolstered by fast 5G wireless and augmented reality, and gesture recognition. Advances in digital lenses are allowing precise user personalization. New materials are creating lighter weight and more eco-friendly frames. The global smart glasses market is said to be growing at a substantial 29.4% compound annual rate through 2030 to reach over \$4 billion.⁹⁸

89 American Foundation for the Blind, “Facts and Figures on Adults with Vision Loss from the National Health Interview Survey (NHIS),” February 2024.

90 W. Monaco, J. Crews, A. Nguyen, and A. Arif, “Prevalence of Vision Loss and Associations with Age-Related Eye Diseases Among Nursing Home Residents Aged ≥65 Years,” *Journal of the American Medical Directors Association*, June 2021.

91 World Health Organization, *World Report on Vision*, 2019.

92 National Eye Institute, “Diabetic Retinopathy.”

93 H. Jin, Y. Zhou, B. Stagg, and J. Ehrlich, “Association Between Vision Impairment and Increased Prevalence of Falls in Older U.S. Adults,” *Journal of the American Geriatrics Society*, March 21, 2024.

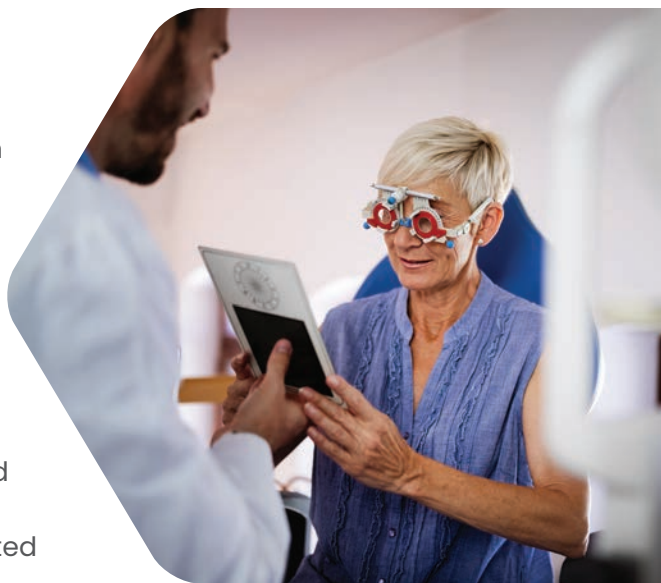
94 G. Livingston, J. Huntley, K. Liu, et. al., “Dementia Prevention, Intervention, and Care: 2024 Report of the Lancet Standing Commission,” *The Lancet Commissions*, August 10, 2024.

95 University of Michigan Institute for Healthcare Policy and Innovation, *Vision and Eye Care in Older Adults*, August 2018.

96 B. Lipton, J. Garcia, M. Boudreaux, et. al., “Most State Medicaid Programs Cover Routine Eye Exams For Adults, But Coverage Of Other Routine Vision Services Varies,” *Health Affairs*, August 2024.

97 E. Remillard, L. Koon, T. Mitzner, and W. Rogers, “Everyday Challenges for Individuals Aging with Vision Impairment: Technology Implications,” *The Gerontologist*, June 2024.

98 Markets and Markets, *Smart Glasses Market Size, Share, and Growth*, September 2024.



- **AI.** As one example, Google has created the Automated Retinal Disease Assessment tool based on an AI model trained on over 100,000 retinal scans. This program has demonstrated high accuracy in detecting diabetic retinopathy. AI offers hope of spotting chronic problems at much earlier stages than presently.
- **LASIK.** Advancements in LASIK surgery include “ultrafast lasers” to improve precision and safety, smart systems to enhance surgical precision, and AI-based LASIK capable of predicting post-operative outcomes.⁹⁹

Podiatry

Care Issues and Trends

Figure 14 captures several lower extremity medical problems seen frequently in SNF residents. A few statistics convey the extent:

- One-third of older adults have foot pain, stiffness, or aching feet.¹⁰⁰
- As many as 87% of older adults experience foot problems, often attributable to vision or dexterity deficits.¹⁰¹
- Footwear is a problem. One study calculated that between 63% and 72% of participants wear improperly fitting shoes, and also found association between this footwear and foot pain and disorders.¹⁰²

FIGURE 14

COMMON PROBLEMS INCLUDE



FOOT ULCERS
(i.e., open wounds/sores on the feet sometimes caused by diabetes)



LOSS OF SENSATION IN THE FEET
(e.g., numbness, tingling, cold)



INGROWN NAILS
(i.e., nails protruding into the soft tissue of the toes on the sides of the nail)



FALLEN/COLLAPSED ARCHES
(Your arches can collapse due to changes in your foot from aging)



FUNGAL NAILS, AND FUNGAL INFECTIONS ON THE FOOT



ARTHRITIS OR OTHER JOINT PAIN IN THE TOES, FOOT, OR ANKLE

Less common conditions include hammertoes, clawtoe, bone spurs, bursitis, and gout.

99 Washington University School of Medicine, “The Evolution of LASIK Technology: What’s New in 2024?” March 7, 2024.

100 HealthinAging.org, “Basic Facts about Foot Problems,” February 2023.

101 L. Swoboda, “Foot Assessment and Care,” *American Nurse*, September 3, 2024.

102 A. Buldt and H. Menz, “Incorrectly Fitted Footwear, Foot Pain and Foot Disorders: A Systematic Search and Narrative Review of the Literature,” *Journal of Foot and Ankle Research*, July 28, 2018.

Foot problems heighten several risks to which SNFs must be attentive:

- **Wounds.** Aging feet are prone to developing open wounds. Peripheral Arterial Disease (PAD) constricts blood flow to the legs and can lead to non-healing ulcers on the feet and lower legs that rapidly develop complications. Over 20% of those age 80 and up are diagnosed with PAD.¹⁰³
- **Falls.** Between 30% and 40% of adults over 65 will fall, rising to 50% for those over 80.¹⁰⁴ From pain to various deformities, a host of foot and ankle problems can induce debilitating falls.
- **Mental health.** Studies have linked mental health with various leg and foot problems that restrict activities and impact self-esteem.^{105,106}

An effective SNF foot care program includes wound identification and treatment protocols, analysis of gait and motion clues, and other regular checkups. It also involves advice on proper footwear, an issue often overlooked (Figure 15).¹⁰⁷

Podiatry Technology Trends

- **3D Scanning and Printing.** Additive manufacturing using advanced digital scanning continues to produce customized orthotics. AI promises to add new levels of precision and capability. The market for custom foot orthotics is large and growing steadily at almost 8% yearly through 2031.¹⁰⁸ The 3D Printing process is also being applied to devices such as ankle plates to create anatomic contours unachievable by conventional milling.¹⁰⁹
- **Smart Insoles and Socks.** Podiatrists can guide residents on the latest smart insoles, socks, and other wearables (Figure 16). Embedded sensors permit remote monitoring of gait, temperature and other variables to aid in diagnosis of a variety of foot problems. For example, gauging temperature changes in the feet of diabetics aids in preventing ulcers. Smart insoles also help deter falls by tracking mobility. The global smart insole market is rising at almost 10% compounded annually to \$461 million in 2033.¹¹⁰

103 Centers for Disease Control and Prevention, "Peripheral Arterial Disease (PAD)," December 19, 2022.

104 American Podiatric Medical Association, "Podiatry's Role in Reducing Fall Risks," *APMA News*, September-October 2024.

105 P. Butterworth, D. Urquhart, F. Cicuttini, H. Menz, et. al., "Relationship Between Mental Health and Foot Pain," *Arthritis Care Research*, August 2014.

106 The Legs Matter Coalition, "Wellbeing and Mental Health," June 2023.

107 CDC STEADI Program, "Feet and Footwear for Older Adults," 2024.

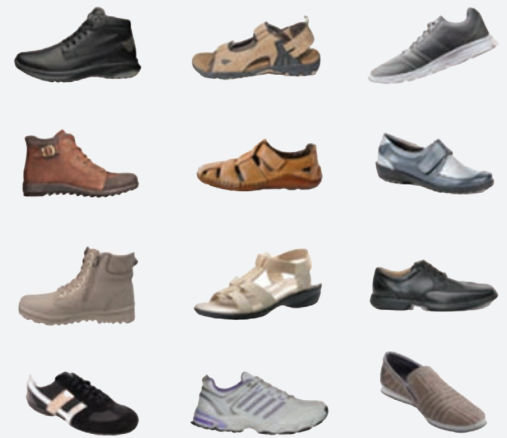
108 Fairfield Research, *Custom Foot Orthotics Market*, November 2024.

109 B. McCurdy, "The Top 10 Innovations in Podiatry," *Podiatry Today*, July 2024.

110 Future Market Insights, *Smart Insole Market*, February 2023.

FIGURE 15

EXAMPLES OF APPROPRIATE SHOES TO REDUCE RISK OF FALLS



Source: CDC STEADI Program

FIGURE 16

SMART INSOLES AND SOCKS



Source: Forward Motion

- **Laser and minimally invasive treatments.** Laser therapy has shown efficacy as a drug-free alternative to accelerate wound healing.¹¹¹ Lasers are also being safely used to remove stubborn warts, ingrown toenails at the root, and other conditions. Developments in this area include portable lasers and higher-accuracy imaging. Podiatry lasers are already a \$1.5 billion market.¹¹² Minimally invasive surgery is also growing in areas such as bunion removal, while microwave therapy supplants the often-painful traditional methods of wart destruction.

111 H. Liu, X. Ya-Qing, H. Jia-Li, T. Xian-Yu, "Diabetic Foot Wound Ulcer Management by Laser Therapy: A Meta-Analysis," *International Wound Journal*, August 18, 2023.

112 Market Research Future, *Podiatry Lasers Market Research Report*, December 2024.

Conclusion

The new year brings a full menu of priorities for SNF leadership and stakeholders. Close monitoring of the trends discussed in this report is essential. Financial discipline remains paramount, but it will be influenced by the many risks and rewards evident in workforce management, technology investment, adapting to insurance market changes, and value-based and age-friendly care. Strong ancillary care is an important platform given the growing need, interaction with chronic care demands, and exciting developments in the various specialties. Aria Care Partners will continue to partner with communities to help them understand these directions and deliver comprehensive care. Success awaits SNFs willing to harness industry change through steady commitment and flexible action.



Aria Care Partners is the leading provider of onsite ancillary medical services for skilled nursing facilities. With more than 20 years of partnership with over 3,000 skilled nursing facilities, Aria Care Partners remains on the leading edge of innovative care delivery and understanding the connection between dental, vision, hearing, and podiatry services to resident health and well-being. With a unique combination of turnkey insurance solutions and innovative service delivery, Aria Care Partners is passionate about enriching every resident's quality of life and ensuring that every family knows their loved ones are well cared for and safe.