Medically Tailored Meals - Funding Options: Defining attributes of a medically tailored meals (MTM) program are that: it focuses on treatment of specific conditions that have been clinically demonstrated to respond to dietary changes; provides a sufficient "dose" of tailored food to change a patient's overall diet; and, produces clinical improvements on a relatively short time frame (~6 months). For funding considerations an important distinction is that MTMs are treatment focused.

Components of MTM Program Funding

There are different MTM program components that may have different funding sources. For the purposes of this overview, we will focus on sustainable funding for meals delivered as a part of treatment plans in a fully mature MTM program, however there is overlap between components.

- ☐ Start-up funding to establish an MTM Program - food production and delivery.
- ☐ Start-up funding to establish an MTM Program - clinical systems and administration.
- ☐ Research and development to support MTMs as effective health care interventions.
- ☐ Nutritional counseling and other supporting health care services.
- ☐ Complementary programs - eg job training as part of meal production, support for local farms.
- ☐ Payment for meals delivered as part of treatment plans in a mature MTM program.

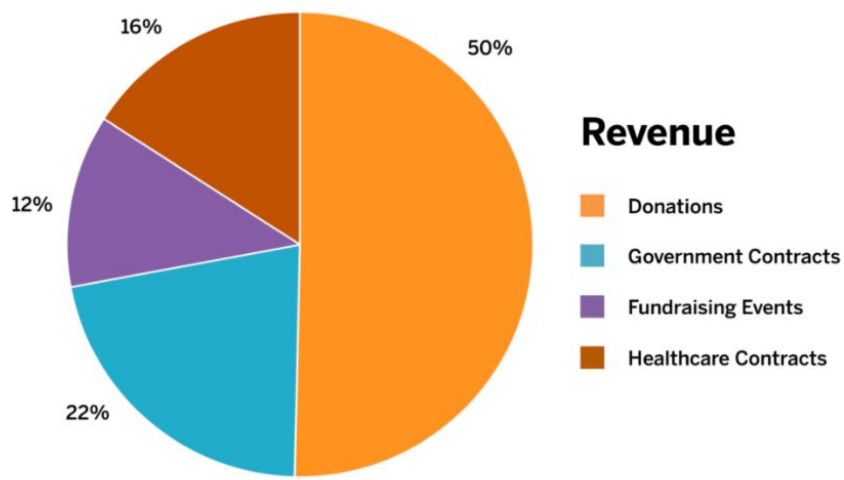
When we look at the revenues for the largest MTM organizations, the mix of sources reflects the fact that they are non-profit organizations with multiple programs and special initiatives, their scope is further reaching than that of traditional food service contractors.

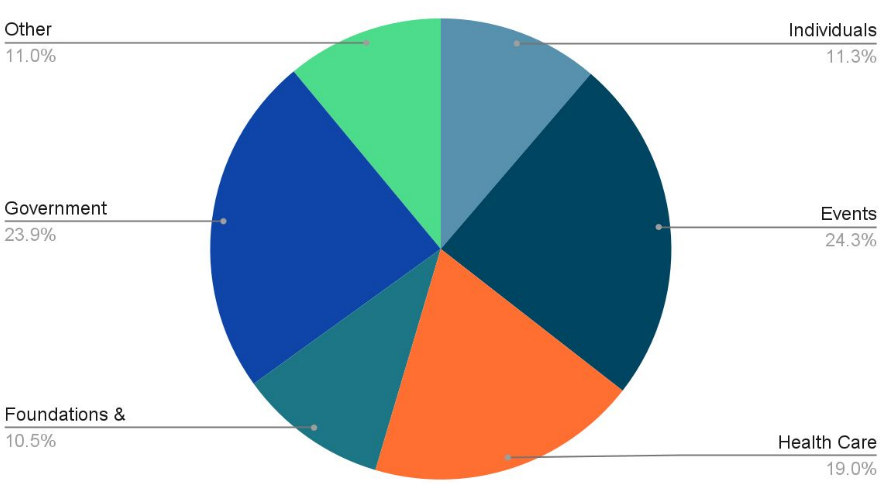
Community Servings

2020 Revenues
(Accessed July, 2021)

Donations: $4.2 million
Government Contracts: $1.8 million
Fundraising Events: $1 million
Healthcare Contracts: $1.3 million
<u>Total: $8.4 million</u>

(Note: Health care contracts remained the same % of revenue as in 2019)





God's Love We Deliver

2019 Revenues
(Accessed July, 2021)

Individuals: $2.12 million
Events: $4.56 million
Health Care: $3.58 million
Foundations & Corporations: $1.97 million
Government: $4.5 million
Other: $2.07 million
<u>Total: $18.8 million</u>

Integration Into Health Care:
The Food Is Medicine Coalition summarizes sources of health care payments this way (2020):

FIMC Integration in Healthcare

Through concerted advocacy, many FIMC agencies have successful partnerships with healthcare across the United States.

Medicaid

- 1915 (c) Waivers
- 1115 Waivers
- Traumatic Brain Injury (TBI) & Aged and Disabled (AD) Waivers
- Delivery System Reform Incentive Payment Models
- Community First Choice Option (CFCO)
- In Lieu of Services Option
- Money Follows the Person (MFB)

Medicare

- Medicare Part B- Nutrition Counseling/ Medical Nutrition Therapy (select populations)
- Medicare Part C - Medically Tailored Home Delivered Meals (at plan's discretion)

Other

- Dual Eligible Demonstration Projects (Medicaid/Medicare)
- Private Insurance

FIMCoalition.org @FIMCoalition

The following information highlights some of the sources most relevant to Vermont.

1115 Waivers & In Lieu of Services

The briefest of 1115 waiver definitions: Medicaid coverage is a combination of state and federal dollars, if a state wants to be creative in how they spend those combined dollars, they need their partners in the federal government to agree. That is done through an 1115 waiver.

An 1115 waiver can allow even more flexibility through an In Lieu of Services (ILS) arrangement with Managed Care Organizations (MCOs). States contract with MCOs to provide Medicaid services for set per member per month payments (PMPM). With an ILS option, the MCOs are able to provide different services "in lieu of" the ones specified in the underlying Medicaid service contract. So, for example, if Medicaid pays for groceries and personal care attendants who can prepare food, an MCO might pay for Medically Tailored Meals *in lieu of* that arrangement.

This link shows how New York uses ILS to pay for MTMs. This link shows how California plans to use the same mechanism.

Vermont does not have MCOs and therefore does not have an ILS option for MTM payments.

1115 Waivers & Fee Schedules for MTM

North Carolina approached Medicaid flexibility for covering food access differently than most other states. Although their ultimate plan is to transition to value-based payments that allow maximum flexibility for health-related care, their current approach uses a fee schedule to reimburse for food-related services in their Healthy Opportunities pilot program.

The North Carolina reimbursement schedule is found here. It includes detailed definitions for each service, including MTMs.

This payment model is happening at the same time that North Carolina is transitioning to an MCO state, but the lead entities for implementing these non-medical services are non-profit organizations that contracted directly with the state through a competitive bid process. The Lead Pilot Entities (or LPEs) will then work with local community organizations to provide the services. Their role includes lending capacity to navigate Medicaid billing and regulatory systems. The North Carolina LPEs are a form of "Integrator Organization".

Learn more about the North Carolina pilot here.

Accountable Care Organizations (ACO)

One of the reasons why MCOs are used for Medicaid flexibility is that they are assuming financial risk for innovations, while also meeting the quality and performance requirements of the government. Another structure that supports some amount of financial risk in return for innovations to improve health is an ACO. Vermont's ACO includes three payer types - Medicaid, Medicare, and Commercial plans. A health care provider chooses whether to participate and our ACO is a provider-governed entity. In general, ACOs have a strong emphasis on "care coordination", which includes coordinating between health care practices and other health-focused support systems like MTM programs.

The Massachusetts Food Is Medicine Coalition focuses on ACOs as a key partner in integrating food access in health care, as outlined in their 2019 Food Is Medicine State Plan.

Medicare Advantage:

Medicare Advantage plans (MA Plans) are offered by private companies to people who are eligible for Medicare. These plans cover all that Medicare Part A & B covers (except hospice care), but may offer additional benefits. They are different from Medigap or supplemental coverage plans, which cover only what *isn't* covered by original Medicare. MA plans usually also offer prescriptions drug coverage (Part D).

In 2020, an estimated 46% of MA plans offered meal benefits, including nutrition education, cooking classes, and/or meal delivery.

U.S. Department of Agriculture (USDA) and the Farm Bill:

Many nutrition programs receive grant funding through the Farm Bill, including produce prescription programs. The national Food is Medicine Coalition has proposed that the Farm Bill include MTM funding, as well. Sen. Sanders introduced a pilot MTM program amendment to the 2018 Farm Bill (unsuccessfully).

The next Farm Bill renewal is due in 2023. One stumbling block in using USDA as a funder for MTMs has been that they support purchasing and distributing domestically-produced food, but their role does not include funding the health care work that goes into tailoring food to meet clinical needs. Viable federal grant programs may require collaboration between USDA and the Department of Health and Human Services.

Home & Community Based Services:

Medicaid's Home and Community Based Services (HCBS) provide care to people in their homes. This program includes seniors. The services include assistance with self-care, such as preparing meals. An MTM option can become important in instances when patients have complicated or specific dietary needs that make it difficult for a home care worker to manage the full care plan while also navigating the meal component. 1915(c) waivers offer HCBS flexibility. Vermont lacks a 1915(c) waiver, but addresses HCBS in its 1115 waiver. In 2017 VT Medicaid determined there was not space in the waiver budget to expand meal delivery in HCBS.

Older Americans Act Funded Meals:

The Older Americans Act (OAA) provides grants to states to support nutrition programs for people over age 60. These are not MTMs, but they are healthy meals that include a home delivery option, generally with food insecurity screening and care coordination elements as well.

In 2019 the National Resource Center on Nutrition & Aging held a listening session to explore the possibility of integrating MTMs into OAA-based programs, the results are here.

Vermont is reviewing options to do more medical tailoring with OAA funded meals. It is important for these programs to serve as many community members as possible, so the final solution is unlikely to be a highly-targeted MTM but instead a model that applies MTM insights into food & health more broadly in meal plan design.