COMMONWEALTH of VIRGINIA
DEPARTMENT OF SOCIAL SERVICES
Office of the Commissioner

S. Duke Storen
Commissioner

January 3, 2022

MEMORANDUM

TO: The Honorable Ralph S. Northam
Governor of Virginia

The Honorable Janet D. Howell, Chair
Senate Finance and Appropriations Committee

The Honorable Luke E. Torian, Chair
House Appropriations Committee

FROM: S. Duke Storen

SUBJECT: Plan to Develop Three-Year Produce Rx Program

The attached report is pursuant to Chapter 212 of the 2021 Acts of Assembly (Special Session I). Please contact me if you have any questions.

SDS:kc
Attachments

Mainstreaming a Produce Rx Plan in Virginia

HB2065 (2021)

VIRGINIA DEPARTMENT OF SOCIAL SERVICES

Virginia Produce Rx Workgroup Report
Mainstreaming a Produce Rx Plan in Virginia

Executive Summary

In 2021, the General Assembly passed House Bill 2065 directing the Department of Social Services, in cooperation with the Department of Medical Assistance Services, to convene a work group "that shall include representatives of the Virginia Academy of Nutrition and Dietetics, the American Heart Association, the Virginia Farmers Market Association, the Virginia Chapter of the American Academy of Pediatrics, the Virginia Association of Free and Charitable Clinics, Medicaid managed care plans, the Virginia Association of Health Plans, and the Medical Society of Virginia to develop a plan for a three-year pilot Produce Rx Program (the Program) to incentivize consumption of qualifying fruits and vegetables by eligible individuals for whom increased consumption of fruits and vegetables is recommended by a qualified care provider.

Such plan shall include:

(i) eligibility criteria for participation in the Program, including criteria for eligible individuals and qualified care providers;

(ii) a process for enrolling eligible individuals in the Program;

(iii) a process for the issuance by qualified care providers to eligible individuals of Program vouchers that may be redeemed for the purchase of qualifying fruits and vegetables;

(iv) reporting requirements for qualified care providers who issue Program vouchers; and

(v) a description of the role of the Department of Social Services and the Department of Medical Assistance Services and local government agencies in administering and overseeing the implementation of the Program.

In developing such plan, the work group shall develop a detailed estimate of the cost of implementing the Program as a three-year pilot program, including state and local administrative costs, and identify sources of funding for such Program.

The Department of Social Services shall report its activities and the elements of the plan to the Governor and the Chairmen of the House Committee on Appropriations and the Senate Committee on Finance and Appropriations by October 1, 2021."

Background

Produce prescription programs are a promising strategy to improve health outcomes, reduce food insecurity, and decrease long-term health care costs. The term "produce prescription" is typically used to describe benefits distributed by health care providers (i.e., physicians, nurses, dietitians) to address a recipient's diet-related health condition such as diabetes, prediabetes, or hypertension.

Such "prescriptions" are redeemed for produce at food retailers such as grocers, community stores, farmers markets, or community-supported programs. Many times, non-profit, community-based organizations or local health departments act as facilitators for these programs by ensuring adequate funding; managing administrative duties; overseeing technological infrastructure; and coordinating health care provider, retail partner, and patient/member/participant relationships. Produce prescription programs are often paired with other nutrition incentives such as USDA's Supplemental Nutrition Assistance Program (SNAP) match that double the value of federal benefits for the purchase of locally grown vegetables and fruit.

Originally started as a Farmers Market program, the definition of a Produce Prescription Program has varied over time. The National Produce Prescription Collaborative, a coalition of produce prescription practitioners, researchers, and advocates, currently defines a Produce Prescription Program as: "a medical treatment or preventative service for patients who are eligible due to a diet-related health risk or condition, food insecurity or other documented challenges in access to nutritious foods, and are referred by a healthcare provider or health insurance plan. These prescriptions are fulfilled through food retail and enable patients to access healthy produce with no added fats, sugars, or salt, at low or no cost to the patient. When appropriately dosed, Produce Prescription Programs are designed to improve healthcare outcomes, optimize medical spending, and increase patient engagement and satisfaction."

Recommendations:

1. The General Assembly should consider directing DMAS to pursue a 1115 demonstration waiver to test and measure the outcomes of a produce prescription program.
2. As an alternative to developing a Medicaid-funded benefit, the General Assembly should consider directing and providing necessary funding to either the Virginia Department of Social Services or the Virginia Department of Health to administer the program, including developing and implementing an electronic system and process for enrolling eligible individuals.
3. The General Assembly should consider creating a Produce Rx benefit in Virginia designed to address and prevent diet-related conditions and combat food insecurity.
4. The following individuals should be considered eligible: 1)individuals for whom a licensed doctor of medicine, osteopathy and podiatry, a licensed nurse practitioner, licensed physician assistant, or registered dietitian nutritionist has determined a diagnosis that would benefit from a produce prescription and has written such a prescription; and 2)individuals who are eligible for a Medicaid, SNAP, Temporary Assistance for Needy Families (TANF), or Low-Income Household Energy Assistance Program (LIHEAP) benefit in Virginia. However, the benefit covering the cost of the produce prescription should not count towards income criteria for these other benefit programs.
5. The following practitioners should be qualified care providers for produce prescriptions: licensed doctors of medicine, osteopathy and podiatry, licensed nurse practitioners, licensed physician's assistants, and registered dietitian nutritionists.
6. The governing board of the agency deemed responsible for administering the program would develop regulations governing the processing for verifying providers in the program (for VDSS, this would be the Board of Social Services and for VDH the Board of Health).
7. The benefit should be administered through a voucher and the program should function like the VDH-administered WIC program, which dictates the amount and frequency of the benefit.
8. A variety of venues should be eligible vendors for redemption, especially venues that provide fresh, locally grown produce as opposed to those that may be limited to packaged, standard grocery produce.
9. Funding should support dedicated Produce Prescription technical assistance consultants, alongside the services available for members/recipients, in order to guide emerging programs and advance or

scale up program operations, support healthcare-based program staff who need guidance in implementing community-based programs or building relationships with local food vendors, and assist programs' compliance with patient privacy laws (e.g. HIPAA) and integrating Electronic Medical Record referral technology.

10. All vendors should be required to show they have the ability to provide approved food items and/or other covered services, accept vouchers, and report items purchased in order for program compliance.
11. The program should be funded by combining funding streams from multiple local, state and federal partners.
12. Funding should support robust data collection and evaluation.

Pilot Framework and Strategies:

According to DMAS, there is currently no Medicaid benefit for covering the cost of the produce prescription or eligible food under current program rules. We would recommend the General Assembly consider directing DMAS to pursue a 1115 demonstration waiver to test and measure the outcomes of a produce prescription program.

As an alternative to developing a Medicaid-funded benefit, we recommend the General Assembly consider directing and providing necessary funding to either the Virginia Department of Social Services or the Virginia Department of Health to administer the program, including developing and implementing an electronic system and process for enrolling eligible individuals. Both agencies currently administer nutrition programs (VDSS administers SNAP and VDH administers WIC). The agency determined to be responsible would need resources to develop a system for enrollment, reimbursement, and reporting for the purposes of compliance.

Eligible Individuals

We recommend the General Assembly consider creating a Produce Rx benefit in Virginia designed to address and prevent diet-related conditions and combat food insecurity. While the research suggests prescription produce plans drive positive health outcomes for individuals with a diet-related condition diagnosis, there are also positive outcomes for populations experiencing food insecurity due to poverty, residing in a food desert, lack of access to transportation, etc. We recommend the following groups of individuals to be eligible:

- Individuals for whom a licensed doctor of medicine, osteopathy and podiatry, a licensed nurse practitioner, licensed physician assistant, or registered dietitian nutritionist has determined a diagnosis that would benefit from a produce prescription and has written such a prescription.
- Individuals who are eligible for a Medicaid, SNAP, Temporary Assistance for Needy Families (TANF), or Low-Income Household Energy Assistance Program (LIHEAP) benefit in Virginia. However, we do not recommend that the benefit covering the cost of the produce prescription count towards income criteria for these other benefit programs.

Process for enrollment via care providers

We recommend that the following practitioners be qualified care providers for produce prescriptions: licensed doctors of medicine, osteopathy and podiatry, licensed nurse practitioners, licensed physician's assistants, and registered dietitian nutritionists. The agency responsible for administering the program

should also support the formation of an open, inclusive Produce Prescription Community of Practice or Learning Community for program operators focused on information exchange, field coordination, and mutual support among existing and emerging programs.

The governing board of the agency deemed responsible for administering the program would develop regulations governing the processing for verifying providers in the program (for VDSS, this would be the Board of Social Services and for VDH the Board of Health).

Process for enrolling eligible individuals in the program

The agency deemed responsible for administering the program would need to provide an electronic enrollment system. VDSS currently oversees the Virginia Case Management System (VACMS) which performs eligibility and enrollment for Medicaid, SNAP, TANF, LIHEAP, and the Child Care Subsidy programs. VDH oversees eligibility and enrollment in the WIC program. The agency determined to be responsible for administering the program would need to set up the process and determine a system to perform eligibility and enrollment. This is the most simplified solution, so providers do not have to determine eligibility and enroll patients.

Process and methods for issuance of vouchers

We recommend the program function like the VDH-administered WIC program, which dictates the amount and frequency of the benefit. As for prescription redemption method, 67% of programs used a voucher, coupon, or token as their mode of transaction. Another 33% of programs distributed a physical produce box or bag on-site, skipping over the process of using a voucher. Currently, only 7% of programs reported utilizing multiple methods for participants to redeem their prescription.

The workgroup discussed the possibility of building the benefit on to the SNAP EBT card, which would ensure that venues like grocery stores and farmers markets who accept EBT would be able to process this voucher. It also might help that these vendors are already subject to reporting on SNAP purchases. However, there are limitations to the administration of benefits on EBT cards and VDSS has had challenges with the state vendor who administers the EBT card.

Prescription Redemption Venues

We recommend a variety of venues to be eligible vendors for redemption. Farmers' markets were by far the most popular venue for prescription redemption with 48% of programs utilizing farmers' markets while grocery retail locations served as a venue for 29% of programs. Other programs also allowed redemption at their healthcare provider office or on-premises of the lead organization, with 20% of programs reporting this practice. We also recommend including redemption venues like food pantries and farm stands.

The workgroup discussed the importance of redemption venues that provide fresh, locally grown produce as opposed to those that may be limited to packaged, standard grocery produce because the nutritional value of food is greatly decreased during the packaging and transport process.

We recommend that all approved vendors meet the following criteria:

- Ability to provide approved food items and/or other covered services
- Ability to accept transaction redemption method
- Ability to report items purchased in order for program compliance

In addition, we recommend the following additional criteria for specific types of vendors:

CSA and Farmers Markets

- Centralized, direct payments must be accepted (for example with SNAP + Virginia Fresh Match, where the market pays the farmers for tokens redeemed)
- Direct payments will also be an option to farmers markets (like Senior and WIC Farmers Market Nutrition program)

Standard commercial grocery outlets

- Loyalty cards, or similar grocery chain customer cards must be able to be loaded with the benefit.

Reporting requirements for qualified care providers who issue Program vouchers:

Above, we recommend an electronically-based voucher system because it is the easiest way to administer the benefit and for vendors and providers to report for compliance purposes. Providers and vendors will be required to report monthly to the agency responsible for administering the program.

Description of the role of the Department of Social Services and the Department of Medical Assistance Services and local government agencies

We recommend that either VDSS or VDH administer the produce prescription benefit program in lieu of a Medicaid benefit being in place.

We recommend that DMAS pursue an 1115 demonstration waiver to create a produce prescription benefit in Virginia's Medicaid program.

Cost Estimates

Most prescription programs (46%) were developed with private funding (including foundation, trust, enterprise, or large-scale grant support). Federal nutrition incentive funding was the primary source for 16% of all programs and overall, 31% of all programs were primarily funded through government sources. Of those supported by government funding, 27% were GusNIP grantees, 21% were FINI grantees, 12% had another source of federal funding, and 40% were funded through state, county, or city mechanisms. When comparing this to program longevity, the longest lasting programs were self-supported programs (average duration 4.5 years); however, at 4% these programs make up the smallest funding category of programs in the field scan. Following self-supported programs, private healthcare funded programs were the next longest-lasting category (4.1 years), but also represent a small percentage of programs, 7%. The next longest lasting funding category was privately-funded programs (3.6 years), followed by government-funded programs (2.8 years), and programs supported by crowdfunding mechanisms or a mass of individual donors (2.1 years, 7% of all programs). Data includes program years prior to the field scan's timeline, when adjusted for program years limited to 2010 - 2020, self-supported programs had an average duration of 4.5 years.[15] In federally funded nutrition programs, 16% of reviewed produce prescription programs were primarily funded through federal nutrition grant awards.

We recommend funding the Produce Rx Program with combined funding streams from multiple local, state and federal partners. The Gus Schumacher Nutrition Incentive Program (GusNIP) is a grant opportunity through the US Department of Agriculture (USDA). GusNIP provides funding opportunities to bring together stakeholders to focus on how to improve the health and nutrition status of participating households through increased fruit and vegetable and nutrition education. This grant opportunity will be offered in FY 2022. VDSS will request approval to submit an application for this funding. If grant funding is secured, DMAS will seek additional federal funds through CMS through the 1115 demonstration waiver, state general funds, and from private sector partners.

Cost Estimates for 3-Year Pilot

[Note: These estimates were provided by VDSS staff with the assumption that VDSS would administer the pilot.]

HB2065, Produce Rx Program Budget Cost Estimate

Contracted VDSS Positions	Year 1 Salary	Year 2 Salary	Year 3 Salary
Program Manager	85,000	86,700	88,434
Consultant	60,000	61,200	62,424
Consultant	60,000	61,200	62,424
Total	**205,000**	**209,100**	**213,282**

Benefit Calculation			
Program Participants	Year 1	Year 2	Year 3
	1000	1000	1000
Monthly Benefit Amount	$250	$250	$250
Total	**$250,000.00**	**$250,000.00**	**$250,000.00**

Administrative Cost (Supplies, Materials)	Year 1	Year 2	Year 3
	$25,000.00	$10,000.00	$10,000.00
Total	**$25,000.00**	**$10,000.00**	**$10,000.00**

Benefit Delivery System Cost Estimate	Year 1	Year 2	Year 3

Integration into existing EBT system or standalone voucher-based issuance & tracking system	$25,000.00	$25,000.00	$25,000.00
Total	**$25,000.00**	**$25,000.00**	**$25,000.00**

	Year 1	Year 2	Year 3
Marketing and Outreach Cost	$50,000.00	$50,000.00	$50,000.00
Total	**$50,000.00**	**$50,000.00**	**$50,000.00**

	Year 1	Year 2	Year 3
Nutrition Education Support Cost	$50,000.00	$50,000.00	$50,000.00
Total	**$50,000.00**	**$50,000.00**	**$50,000.00**

	Year 1	Year 2	Year 3
Local Produce & Farmer's Market Support	$100,000.00	$100,000.00	$100,000.00
Total	**$100,000.00**	**$100,000.00**	**$100,000.00**

	Year 1	Year 2	Year 3
Access Assistance and Delivery Cost	$50,000.00	$50,000.00	$50,000.00
Total	**$50,000.00**	**$50,000.00**	**$50,000.00**

	Year 1	Year 2	Year 3
Peer Supports Cost	$50,000.00	$50,000.00	$50,000.00
Total	**$50,000.00**	**$50,000.00**	**$50,000.00**

	Year 1	Year 2	Year 3
Exercise Support	$50,000.00	$50,000.00	$50,000.00
Total	**$50,000.00**	**$50,000.00**	**$50,000.00**

	Year 1 Total	Year 2 Total	Year 3 Total	
	$855,000.00	$844,100.00	$848,282.00	
3-Year Program Total				**$2,547,382.00**

Workgroup Participants

Irma Blackwell Taineisha Crute Kyle Olden Melissa Terrell Jesslyn Watkins	VA Dept of Social Services
Jessica Annecchini Will Frank Andrew Mitchell Daniel Plain Hope Richardson Cheryl Roberts Mariam Siddiqui Bryan Talbert	VA Dept of Medical Assistance Services
Christina Chisler Sarah Collins Andrew T. Lamar Lesley McPhatter	VA Academy of Nutrition and Dietetics
Robin Gahan	American Heart Association
Dr. Kim Hutchinson	VA Farmers Market Association
Dr. Wendy Schofer	VA Chapter of the American Academy of Pediatrics
Michelle Taylor Rufus Phillips	VA Association of Free and Charitable Clinics
Doug Gray Josh Humphries	VA Association of Health Plans
Valentina Vega	Medical Society of VA
Dana DeLucia Laurie Mauthe Thomas Rayner	Medicaid Managed Care Plan, Anthem
Mara Florio Angela Taylor	Medicaid Managed Care Plan, Molina Healthcare
Traci Massie	Medicaid Managed Care Plan, Optima
Chantel Neece Carol Wilson	Medicaid Managed Care Plan, Virginia Premier
Shane Ashby John Muraca	Medicaid Managed Care Plan, United Healthcare
Kimberly Butterfield Becky Gartner	VA Cooperative Extension

Clare Lillard	
Erin Lingo	Shalom Farms (VA)
Portia Boggs Laura Brown	Charlottesville Local Food Hub (VA)
Jeyna Diallo Nosheen Hayat Takyera Robinson	DC Greens.Org (DC)
Neal Curran	RP RX- Reinvestment Partners (NC)
Melissa Akers	Vouchers for Veggies (San Francisco, CA)
Alyssa Auvinen	Washington's Fruit and Vegetable Incentives Program (WA)
Kristina Hill	Intern

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Recommendations:

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Description of the role of the Department of Social Services and the Department of Medical Assistance Services and local government agencies

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Cost Estimates

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Cost Estimates for 3-Year Pilot

[Note: These estimates were provided by VDSS staff with the assumption that VDSS would administer the pilot.]

HB2065, Produce Rx Program Budget Cost Estimate

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Total	**$25,000.00**	**$10,000.00**	**$10,000.00**

Benefit Delivery System Cost Estimate	Year 1	Year 2	Year 3

Integration into existing EBT system or standalone voucher-based issuance & tracking system	$25,000.00	$25,000.00	$25,000.00
Total	**$25,000.00**	**$25,000.00**	**$25,000.00**

	Year 1	Year 2	Year 3
Marketing and Outreach Cost	$50,000.00	$50,000.00	$50,000.00
Total	**$50,000.00**	**$50,000.00**	**$50,000.00**

	Year 1	Year 2	Year 3
Nutrition Education Support Cost	$50,000.00	$50,000.00	$50,000.00
Total	**$50,000.00**	**$50,000.00**	**$50,000.00**

	Year 1	Year 2	Year 3
Local Produce & Farmer's Market Support	$100,000.00	$100,000.00	$100,000.00
Total	**$100,000.00**	**$100,000.00**	**$100,000.00**

	Year 1	Year 2	Year 3
Access Assistance and Delivery Cost	$50,000.00	$50,000.00	$50,000.00
Total	**$50,000.00**	**$50,000.00**	**$50,000.00**

	Year 1	Year 2	Year 3
Peer Supports Cost	$50,000.00	$50,000.00	$50,000.00
Total	**$50,000.00**	**$50,000.00**	**$50,000.00**

	Year 1	Year 2	Year 3
Exercise Support	$50,000.00	$50,000.00	$50,000.00
Total	**$50,000.00**	**$50,000.00**	**$50,000.00**

	Year 1 Total	Year 2 Total	Year 3 Total	
	$855,000.00	$844,100.00	$848,282.00	
3-Year Program Total				**$2,547,382.00**

Workgroup Participants

Irma Blackwell Taineisha Crute Kyle Olden Melissa Terrell Jesslyn Watkins	VA Dept of Social Services
Jessica Annecchini Will Frank Andrew Mitchell Daniel Plain Hope Richardson Cheryl Roberts Mariam Siddiqui Bryan Talbert	VA Dept of Medical Assistance Services
Christina Chisler Sarah Collins Andrew T. Lamar Lesley McPhatter	VA Academy of Nutrition and Dietetics
Robin Gahan	American Heart Association
Dr. Kim Hutchinson	VA Farmers Market Association
Dr. Wendy Schofer	VA Chapter of the American Academy of Pediatrics
Michelle Taylor Rufus Phillips	VA Association of Free and Charitable Clinics
Doug Gray Josh Humphries	VA Association of Health Plans
Valentina Vega	Medical Society of VA
Dana DeLucia Laurie Mauthe Thomas Rayner	Medicaid Managed Care Plan, Anthem
Mara Florio Angela Taylor	Medicaid Managed Care Plan, Molina Healthcare
Traci Massie	Medicaid Managed Care Plan, Optima
Chantel Neece Carol Wilson	Medicaid Managed Care Plan, Virginia Premier
Shane Ashby John Muraca	Medicaid Managed Care Plan, United Healthcare
Kimberly Butterfield Becky Gartner	VA Cooperative Extension

Clare Lillard	
Erin Lingo	Shalom Farms (VA)
Portia Boggs Laura Brown	Charlottesville Local Food Hub (VA)
Jeyna Diallo Nosheen Hayat Takyera Robinson	DC Greens.Org (DC)
Neal Curran	RP RX- Reinvestment Partners (NC)
Melissa Akers	Vouchers for Veggies (San Francisco, CA)
Alyssa Auvinen	Washington's Fruit and Vegetable Incentives Program (WA)
Kristina Hill	Intern