

Food As Medicine:

The Case for Insurance Coverage for Medically-Tailored Food Under the Affordable Care Act

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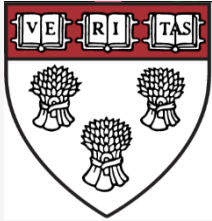
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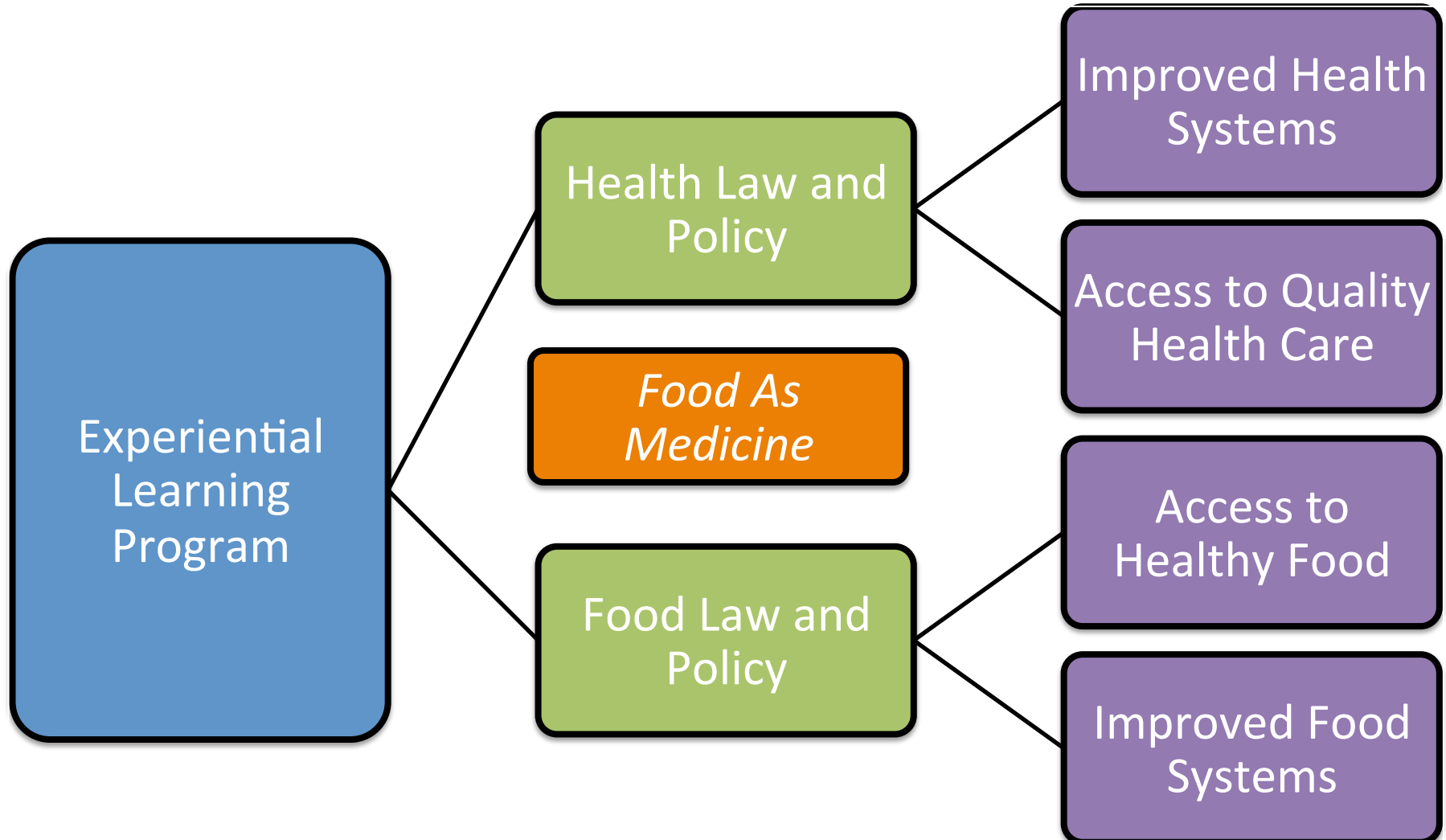
Harvard Law School

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Center for Health Law & Policy Innovation of Harvard Law School



Our Initial Collaborators:
The Medically-Tailored Home Delivered Meals
Community



Project Open Hand
meals with love



PROJECT ANGEL FOOD



What Is Food As Medicine?

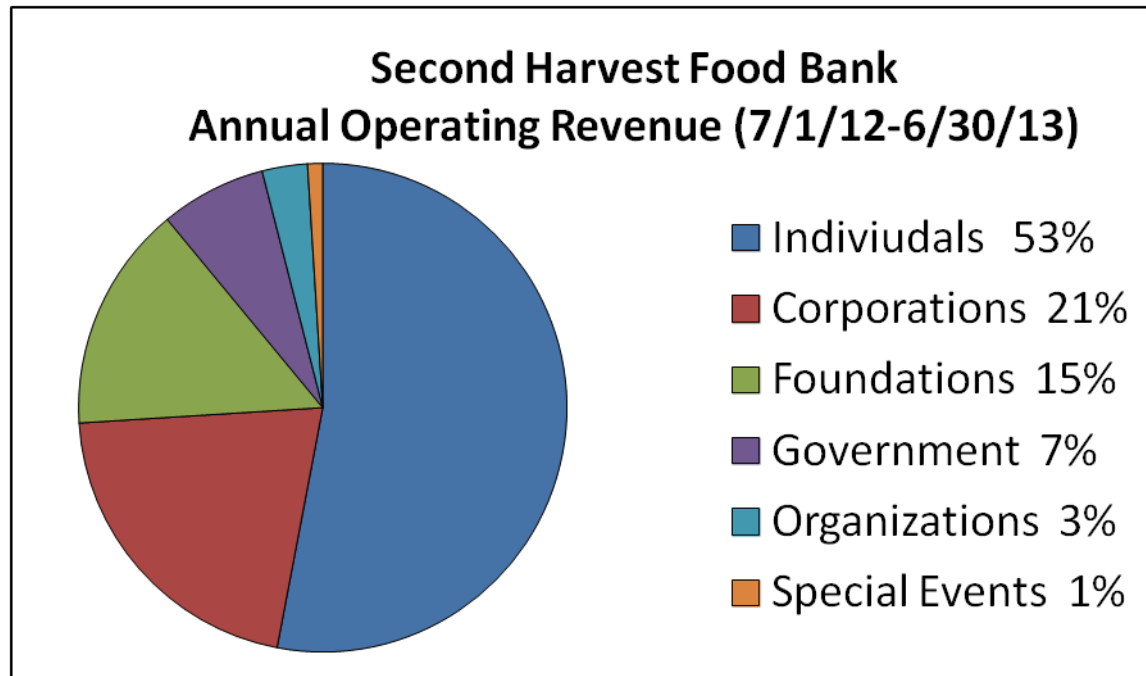
- *Food As Medicine* is about seeking public and private health insurance reimbursement for those who provide medically tailored food that is prescribed to individuals to prevent and/or address specific and defined health care conditions
- It does not include seeking insurance reimbursement for broader-based food efforts that address food insecurity and hunger
- SNAP, Meals on Wheels, and other non-targeted food procurement and/or distribution programs are by necessity distinguishable from *Food As Medicine*

Medically Tailored Food Meets Insurance Goals of Improved Health Outcomes and Reduced Costs

- Food is an effective component of ameliorative health care for the acute and chronically ill
 - Medically tailored food improves health and reduces costs for high-risk, high need patients
 - Reduces hospital admissions and stays
 - Increases discharge to home over acute care facilities and decreases hospital readmissions
- Food is an effective component of preventive health care for those who are undernourished or at risk for diet-related health conditions
 - Prescribing healthy food to undernourished patients is a cost-effective health care intervention
 - Tailored food boxes for pre-diabetics improve health outcomes

To Scale Up We Need To Diversify Funding and Tap Into Public and Private Insurance

- Food programs have traditionally been funded through private individual and corporate donations, foundations and to a small extent discretionary government funding
- To scale up *Food as Medicine* we need to diversify funding and access public and/or private health insurance



The ACA Provides New Opportunities for Coverage of Medically Tailored Food Through Public and Private Health Insurance

- As a result of the ACA many more of the people we serve now have health insurance
- The ACA's emphasis on improving outcomes and lowering costs creates incentives for insurers to pay for non-traditional health care services such as food as medicine
- The ACA presents new opportunities for broader coverage of medically-tailored food for those who are acutely or chronically ill as well as for food as prevention through both public and private health insurance

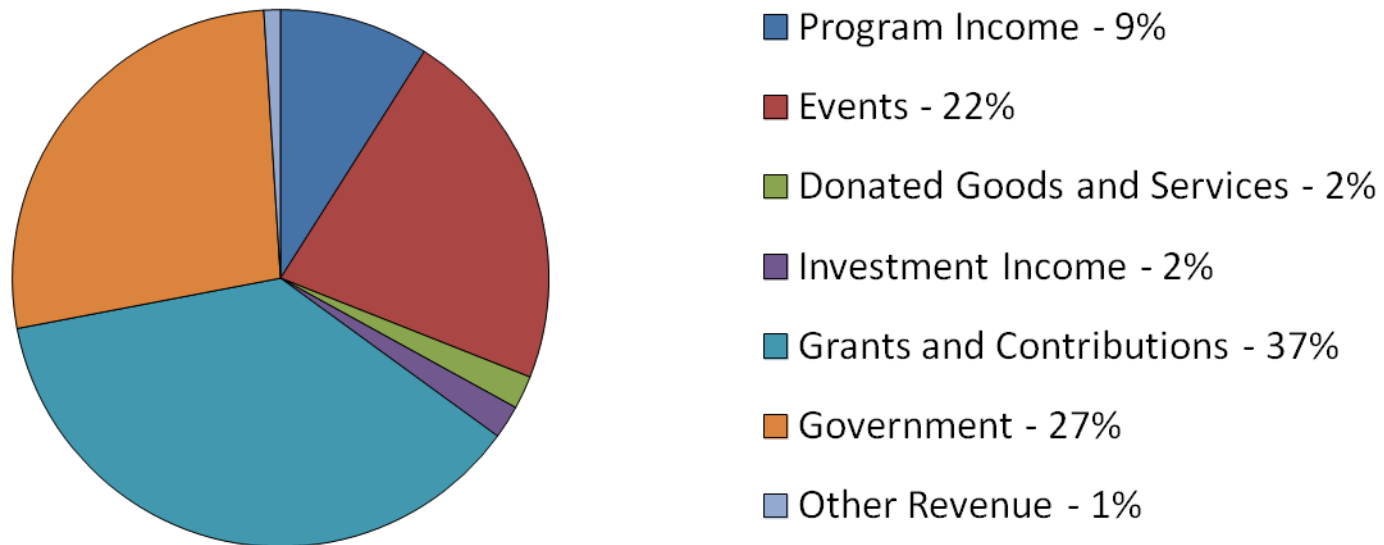
Coverage of Medically Tailored Food Through Public Health Insurance (Medicaid and Medicare)

- In MA, a newly established joint Medicare/Medicaid Dual Demonstration Project awarded insurance contracts to agencies providing medically tailored meals to all eligible beneficiaries
- Medicaid long term care and managed care programs in MA, NY, PA, MD and GA are paying for tailored food to the chronically ill
- The Medicaid Incentives for Prevention of Chronic Diseases program is reimbursing MN and TX providers of food-based preventive interventions

Diversification of Funding is Working

- Public insurance contracts are an increasing source of revenue for the provision of medically tailored food
- Diversification of funding has reduced reliance on grants, contributions and events

Community Servings Annual Revenue (FY13)



Coverage of Medically Tailored Food Through Private Health Insurance

- Insurers have new incentives to cover innovative and cost-effective services, but insurance practices don't necessarily reflect this yet as they remain afraid of adverse selection
- New organizational structures (ACOs), bundled payments (with shared savings and/or costs), and increased accountability should support inclusion of Food As Medicine
- We need stronger regulations from the Administration to promote effective insurance coverage, reduce discriminatory practices, and ensure that vulnerable populations are served

Next Steps In the Food As Medicine Movement

- Ongoing research to further demonstrate the cost-effectiveness of *Food As Medicine* across a continuum of prevention and ameliorative health services
- Health policy reforms to include food as an essential health benefit within mainstream Medicaid and Medicare insurance programs
- Advocacy for food to be covered as a free preventive service under the ACA (with a grade A or B rating from the USPSTF)

Assessing Your Place in the Food As Medicine Movement

Define how the services you provide fit into a *Food As Medicine* framework and determine if you are truly interested in what it takes to diversify funding

- Decide whether you are interested in research and data collection to drive reimbursement
- Decide whether you are committed to building your knowledge base of state-specific public and private health insurance systems and in developing relationships with insurers
- Assess your capacity to navigate and meet the administrative burden of 3rd-party reimbursement systems
- Assess whether you have the capacity to scale up and meet statewideness, comparability and other insurance driven requirements