Vermont Benefit Coverage Framework:
A Toolkit for Food is Medicine Reimbursement Implementation
Executive Summary

Introduction

The Vermont Food Is Medicine (FIM) Benefit Coverage Framework provides a roadmap for integrating clinically appropriate nutrition interventions into Vermont's health care system through standardized eligibility criteria and sustainable reimbursement pathways. Developed by the Vermont FIM Task Force, this Framework is intended to guide policymakers, payors, health care providers, community organizations, and other partners in improving health outcomes, reducing health care costs, and strengthening Vermont's local food system.

Food Is Medicine is a set of targeted nutrition interventions designed to improve health by meeting people's medical and nutritional needs at the same time. The strongest evidence comes from three types of interventions: Medically Tailored Meals (MTMs), Medically Tailored Groceries (MTGs), and Produce Prescriptions (PRx) delivered independently or in combination with educational and behavioral strategies, like culinary medicine and medical nutrition therapy.

Across dozens of studies, including randomized trials, quasi-experimental evaluations, and large Medicaid demonstrations, FIM programs consistently improve food and nutrition security and diet quality. In people with diet-sensitive chronic disease, many programs also show promise in improving clinical outcomes and reducing health care use and spending. MTMs have the strongest and most extensive evidence among FIM interventions, demonstrating improvements in health outcomes and reductions in hospitalizations and overall health care costs.

Vermont has already established a strong foundation for FIM through partnerships among health centers, hospitals, farms, food hubs, community organizations, and statewide networks. Existing programs have demonstrated improvements in clinical outcomes, including blood pressure and cholesterol, while simultaneously supporting local agriculture and rural economies. However, most programs remain dependent on time-limited grant funding, creating inconsistent access for patients and uncertainty for providers and programs. For FIM programs to sustain and scale statewide, organizations *need* reliable, sustainable reimbursement for eligible services. FIM providers cannot expand staffing, infrastructure, or geographic reach without predictable and ongoing sources of funding. The Benefit Coverage Framework addresses that challenge by proposing standardized recommendations for patient eligibility, covered conditions, qualifying interventions, service duration, reimbursement, and referral pathways.

Medicaid payment pathways such as an 1115 demonstration waiver and/or home and community-based services authorities could be leveraged to cover evidence-based FIM interventions for eligible members. Vermont's current Section 1115 Medicaid waiver demonstration is set to expire at the end of 2027. From now through the first half of 2027, the Vermont Agency of Human Services (AHS) will work with stakeholders to develop an application to renew the 1115 waiver, known in the state as the Global Commitment to Health. Bi-State and our partners have engaged with AHS on the potential to include FIM in the Vermont Medicaid program.

National economic evidence for Medically Tailored Meals

MTMs have been shown to be clinically effective as well as cost-saving. A national economic evaluation by Hager et al. used nationally representative Medical Expenditure Panel Survey data to estimate the potential effects of expanding MTM coverage among U.S. adults with a diet-sensitive condition, food insecurity, and limitations in instrumental activities of daily living. The findings provided in Table 1 show that, when targeted to individuals with diet-sensitive disease and significant functional limitations, MTMs have benefits on clinical outcomes and can reduce potentially avoidable health care utilization and spending.

Table 1: Key MTM findings

Outcome	National modeled impact
Eligible adults	6.31 million
Hospitalizations averted, Year 1	1.59 million
Hospitalizations averted, 10 years	18.26 million
Annual program cost	$24.8 billion
Annual health care expenditures avoided	$38.7 billion
Net annual health care savings	$13.6 billion
Net 10-year savings	$185.1 billion

Source: Hager et al. (2022).

The modeled findings in this simulation study are supported by real-world evidence from Medicaid-funded MTM programs. The Tufts FIM Institute's recent analysis of the first three years of MTMs in Massachusetts demonstrated 31% fewer hospitalization while on the program, and health care savings offset 98% of the programmatic costs in the first year. Net cost savings were seen in patients with chronic kidney disease, cardiovascular disease (including heart failure), depression, and diabetes. Another group demonstrating cost savings included those living in neighborhoods with higher social needs.

National economic evidence for Produce Prescription (PRx) Programs

The economic case for PRx programs has also been evaluated using nationally representative data. Wang et al. modeled the potential health and economic effects of providing PRx to U.S. adults with both diabetes and food insecurity. The findings of this study are presented in Table 2 and are relevant to Vermont because they demonstrate that the value of PRx extends beyond direct medical expenditures. Improvements in health can reduce future health care costs while also reducing productivity losses associated with chronic disease. The study also found that the intervention remained cost-effective when shorter time horizons were considered, although the full health and economic benefits were greater when modeled over the lifetime.

Table 2: Key PRx findings

Outcome	National modeled impact
Adults with diabetes and food insecurity	~6.5 million
Cardiovascular events prevented	292,000 over modeled lifetimes
Quality Adjusted Life Years[1] gained	260,000

[1] A quality-adjusted life year (QALY) is a measure that combines the length of life and quality of health experienced, with one QALY representing one year of life in perfect health. QALYs gained reflect

Program costs	$44.3 billion
Health care savings	$39.6 billion
Productivity savings	$4.8 billion
Health Care Incremental Cost-Effectiveness Ratio	$18,100/QALY
Societal perspective	Cost-saving

Source: Wang et al., (2023).

State-Specific Economic Impact of Produce Prescription (PRx) Programs

A 2025 microsimulation study by Wang et al. examined the potential health and economic impact of expanding PRx programs to adults ages 40–79 with both diabetes and food insecurity in all 50 states. Vermont had the lowest proportion of adults estimated to be eligible for PRx in the nation, with approximately 2.0% of adults ages 40–79—or about 7,000 Vermonters—estimated to have both diabetes and food insecurity. Despite this comparatively small eligible population, the state-specific modeling found that PRx provided net cost-saving in Vermont in both 5-year ($4.9 million) and 10-year ($9.1 million) increments. This modeling provides state-specific support for considering PRx as a reimbursable health care intervention, particularly when eligibility criteria prioritize individuals with significant clinical and nutritional need. Importantly, the model's findings remained favorable under a range of assumptions, including analyses using a shorter five-year time horizon and more conservative enrollment and retention assumptions.

Vermont's ROI analysis

As part of the creation of the Benefit Coverage Framework, several analyses were conducted to estimate the potential health care and broader economic value of Vermont's existing PRx programs. The analysis examined both health care savings associated with improved health outcomes and health care utilization, and the economic benefits generated when PRx programs purchase food from local farms and food hubs.

PRx Scenario Analysis Conclusions

PRx programs in Vermont, currently reaches 926 Vermonters with food insecurity and various diet-related chronic conditions. This analysis found that serving this population improves health outcomes and reduces health care spending over five years. When the eligibility is narrowed to patients who have both FI and diabetes, the program becomes net cost saving within the first year. When the analysis was expanded statewide to include all Vermonters with both diabetes and food insecurity, estimated at approximately 9,000 people statewide, the program was projected to become net cost saving within 2-5 years, with the first year reflecting the higher start-up costs. These findings suggest that scaling PRx statewide could improve health while generating savings for Vermont's health care system.

Proposed FIM Eligibility Framework for Vermont

improvements in health and survival attributable to an intervention and provide a standardized way to compare health benefits with the costs of achieving them; when considered from a societal perspective, these health gains may also contribute to improved productivity, workforce participation, and reduced caregiver burden.

Based on the national evidence of clinical and cost effectiveness, the following FIM eligibility framework is proposed in Table 3. For ease of comprehension, a flowchart of eligibility determination is provided the flow chart below. Reimbursement amounts are inclusive of any expenses related to conducting a FIM program in VT, including administrative costs and higher food prices.

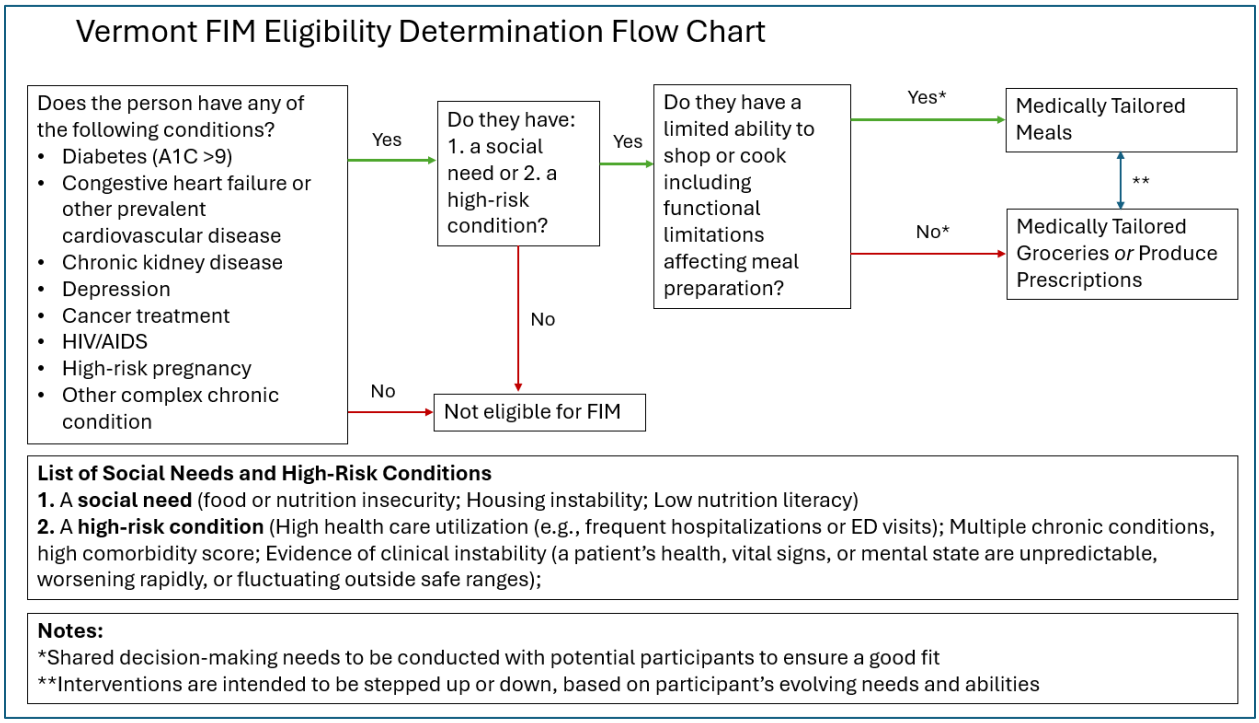


Table 3: Proposed FIM Eligibility Criteria and Benefits

	FIM Intervention		
	Medically Tailored Meals (CC+IADL+(SN or HRC))	**Medically Tailored Groceries** (CC+(SN or HRC))	**Produce Prescriptions** (CC+(SN or HRC))
Clinical Condition (CC)	• Type 2 Diabetes (A1C >9) • Congestive heart failure or other prevalent cardiovascular disease • Chronic kidney disease • Depression • Cancer • HIV/AIDS • High-risk pregnancy • Other complex chronic conditions (comorbidities; or individuals in need of transplant services) • Eligibility for MNT, as defined by the patient's insurance	• Type 2 Diabetes (A1C >9) • Congestive heart failure or other prevalent cardiovascular disease • Chronic kidney disease • Depression • Cancer • HIV/AIDS • High-risk pregnancy • Other complex chronic conditions	• Pre-diabetes • Individuals at risk for cardiovascular disease • Type 2 Diabetes (A1C >9) • Congestive heart failure or other prevalent cardiovascular disease • Chronic kidney disease • Depression • Cancer • HIV/AIDS • High-risk pregnancy • Other complex chronic conditions • Nutritional deficiencies such as malnutrition

Instrumental Activities of Daily Living (IADLs)	Limited ability to shop or cook, including functional limitations affecting meal preparation (ADLs or lack of cooking equipment) and/or physical inability to prepare meals.	N/A	N/A
Social Needs (SN)	• Food or nutrition insecurity • Housing instability • Low nutrition literacy	• Food or nutrition insecurity • Low nutrition literacy	• Food or nutrition insecurity • Low nutrition literacy
High Risk Condition (HRC)	• High health care utilization (e.g., frequent hospitalizations or ED visits) • Multiple chronic conditions, high comorbidity score • Evidence of clinical instability (defined as "a patient's health, vital signs, or mental state are unpredictable, worsening rapidly, or fluctuating outside safe ranges" - NIH)	• High health care utilization (e.g., frequent hospitalizations or ED visits) • Multiple chronic conditions, high comorbidity score • Evidence of clinical instability (defined as "a patient's health, vital signs, or mental state are unpredictable, worsening rapidly, or fluctuating outside safe ranges" - NIH)	• High health care utilization (e.g., frequent hospitalizations or ED visits) • Multiple chronic conditions, high comorbidity score • Evidence of clinical instability (defined as "a patient's health, vital signs, or mental state are unpredictable, worsening rapidly, or fluctuating outside safe ranges" - NIH)
Dose	10 meals per week (minimum). $15-20 per meal.	$150 - $250 per month (for 4 bags/boxes); $150 per month for vouchers.	$100 - $250 per month (for 4 shares); $100 per month for vouchers.
Duration	Minimum of 6 months, with reassessment of eligibility for reenrollment.	6 – 12 months, with reassessment of eligibility for reenrollment.	Minimum of 6 months, with reassessment of eligibility for reenrollment.
Delivery	$25 additional is provided when goods are delivered to the patient.	$25 additional is provided when goods are delivered to the patient.	$25 additional is provided when goods are delivered to the patient.
Optional add-ons, according to patient need	• Medical Nutrition Therapy (reimbursed at current MNT rates) • Culinary medicine (for those likely to regain shopping/meal preparation ability; Reimbursement dependent upon class type) • Cooking supplies (for those likely to regain	• Medical Nutrition Therapy (reimbursed at current MNT rates) • Culinary medicine (reimbursement dependent upon class type) • Cooking supplies (up to $750 of supplies per calendar year)	• Medical Nutrition Therapy (reimbursed at current MNT rates) • Culinary medicine (reimbursement dependent upon class type) • Cooking supplies (up to $750 of supplies per calendar year)

	shopping/meal preparation ability; up to $750 of supplies per calendar year)		