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JOINT COMMITTEE ON FINANCE

MEMORANDUM

To: Members
Joint Committee on Finance

From: Senator Alberta Darling
Representative John Nygren

Date: March 1, 2019

Re: DHS Report to JFC

Attached is a report on the FoodShare Healthy Eating Incentive Pilot from the Department of Health Services, pursuant to s. 20.940(3)(b)1, Stats.

This report is being provided for your information only. No action by the Committee is required. Please feel free to contact us if you have any questions.

Attachments

AD:JN:jm



State of Wisconsin
Department of Health Services

Tony Evers, Governor
Andrea Palm, Secretary

March 1, 2019

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St. Finance

The Honorable Alberta Darling, Senate Co-Chair
Joint Committee on Finance
Room 317 East
State Capitol
P.O. Box 7882
Madison, WI 53707

The Honorable John Nygren, Assembly Co-Chair
Joint Committee on Finance
Room 309 East
State Capitol
P.O. Box 8953
Madison, WI 53708

Dear Senator Darling and Representative Nygren:

Per s. 20.940(3)(b)1., created by 2017 Act 370, I am submitting a progress report for the FoodShare Healthy Eating Incentive Pilot, for which a waiver was submitted to U.S. Department of Agriculture Food and Nutrition Service on May 1, 2018.

The progress report is attached. Please contact me if you have any questions about this report.

Sincerely,

A handwritten signature in black ink, appearing to read "Andrea Palm", with a long horizontal flourish extending to the right.

Andrea Palm
Secretary

**DHS Monthly Progress Report on
Negotiations between the Department of Health Services (DHS) and the
United States Department of Agriculture Food and Nutrition Service (FNS)
Toward Federal Approval of the Healthy Eating Incentive Pilot Program Waiver**

Per s. 20.940(3)(b)2., this document provides a report of the Wisconsin Department of Health Services' (DHS) progress toward negotiating approval of a federal waiver for the Healthy Eating Incentive Pilot Program as of March 1, 2019.

1. Summary of Proposed Healthy Eating Incentive Pilot Program

2017 Wisconsin Act 266 required DHS to implement a healthy eating incentive pilot program under s. 49.79(7r), and created an appropriation under s. 20.435(4)(bt) for a "Healthy eating incentive pilot program." Under the legislation, the healthy eating incentive pilot program should last for 10 months and serve 2,000 FoodShare-eligible households in both urban and rural areas by providing discounts on fresh produce and other healthy foods at the point-of-sale at participating retailers. The act directs DHS to solicit proposals and enter into a contract with an applicant to administer a healthy savings program, including managing all financial transactions between participants, retailers, food manufacturers, and DHS, and establishing an adequate network of participating retailers. DHS is also directed to contract with an independent research entity to study the efficacy of the pilot in impacting food purchases and the health of participating families.

2. Status Update on Waiver Negotiations

FNS has indicated that the State of Wisconsin will need an equal treatment waiver of federal regulations at 7 CFR 274.7(e) and 278.2(b) to implement the proposal. The State submitted a request for this waiver to FNS on May 1, 2018. The State has engaged in periodic email exchanges with FNS regarding the waiver, on July 25, 2018, December 12, 2018, December 18, 2018, and December 21, 2018. DHS has also engaged in calls with FNS on September 11, 2018 and December 18, 2018. Communications in 2019 were limited during the federal government shutdown.

FNS has indicated that it will need certain details regarding program administration to approve the waiver. In the most recent conversation, DHS indicated to FNS that it could determine these details only by selecting a vendor through a Request for Proposal (RFP) process. DHS has provided FNS with a draft of the RFP language and is waiting for further feedback before releasing the request.

3. Portions of the Waiver Approved

At this time, FNS has made no definitive statements regarding areas of the waiver that could be approved. However, it has raised concerns regarding the types of food that would be offered under the pilot.