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JOINT COMMITTEE ON FINANCE

MEMORANDUM

To: Members
Joint Committee on Finance

From: Senator Alberta Darling
Representative John Nygren

Date: April 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)2, 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 29, 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)2., created by 2017 Act 370, I am submitting a monthly 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' progress toward negotiating approval of a federal waiver for the Healthy Eating Incentive Pilot Program.

Reporting Period: March 1, 2019 – March 30, 2019

1. Summary of Proposed Healthy Eating Incentive Pilot Program

Per s. 49.79(7r), DHS is required to implement a 10-month Healthy Eating Incentive Pilot program. This program will serve 2,000 FoodShare-eligible households by providing discounts on fresh produce and other healthy foods at participating retailers. DHS must release a competitive request for proposals (RFP) and select a vendor to establish a network of participating retailers. The vendor would also manage financial transactions associated with the program. In addition, DHS will contract with an independent research entity to conduct a study of the program.

DHS had determined that the program cannot be implemented without a waiver of federal law. Specifically, FNS has notified DHS that the State of Wisconsin will need an equal treatment waiver of provisions at §7 CFR 274.7(e) and 278.2(b) to implement this program. DHS submitted a waiver request to FNS on 5/1/2018, which is currently under review.

FNS has indicated that certain details regarding program administration are necessary to move forward with consideration of waiver approval. DHS has informed FNS that the requested information may be unavailable until a vendor is selected through the RFP process. DHS has developed an RFP and has been conferring with FNS on whether the RFP will be sufficient to meet the requirements for waiver approval.

2. Status Update on Waiver Negotiations Since Last Reporting Period

- FoodShare program staff members provided FNS with responses to questions about the RFP on 3/14/19 that were received on 3/7/19.
- FoodShare program staff members participated in a phone meeting with FNS on 3/19/2019. During this call, FNS indicated that they would not approve the waiver without additional details regarding program administration that would be obtained during the RFP process. FoodShare program staff requested that FNS grant conditional approval of the waiver contingent on results of the RFP process and contract negotiations. FNS has indicated that it will respond to this request within two weeks.
- Per s. 20.940(3)(b)1, DHS has made contact on at least a biweekly basis to continue negotiations in furtherance of the approval of the request.

3. Federal Notification of Waiver Approval/Disapproval

The waiver is not approved and a formal request for response regarding a conditional approval was made to FNS on 3/19/19. FNS indicated a response should be received in the next two weeks. FNS has not outlined specific areas that would not be approved. Concerns have been raised by FNS around the types of food that would be offered under the pilot.