NOURISHING FOOD AT SCALE: ALIGNING ELIGIBILITY CRITERIA ACROSS PROGRAMS

Announcer 00:02

Thank you for joining us. Please welcome the panel to the stage.

Holly Freishtat 00:21

Welcome, everyone. I'm Holly Freishtat. I'm the senior director for Feeding Change at the Milken Institute. I lead the food system portfolio. Thank you so much for being here today for Nourishing Food at Scale: Aligning Eligibility Criteria Across Programs. We're at a moment where nourishing food is at the center of national attention. Food and nutrition are becoming more deeply embedded within health care than ever before. In a nation where three in four live with chronic disease and the cost of care keeps climbing, coming out of the midterms, this moment of change and transition offers an opportunity to try new solutions to our most pressing challenges. There are several things that are moving at once right now. States are testing new eligibility rules through SNAP waiver, Supplemental Nutrition Assistance Program. Medicare Advantage plans are designing grocery allowances under new CMS guidelines. Technology is making criteria enforceable, from the benefit card to the checkout. And families are feeling the rising cost of care simultaneously to the rising cost of food. Turning that attention into results starts with clear criteria for what counts as nourishing, and then we ask, what does it take to make that criteria work for the people who are being served by these programs? So, today is about what makes this moment different, what's standing in the way, and what solutions we need to make nourishing food for all. So, I'm really excited for our panel, and it's an evolving panel. You will see we will grow over time. We love change and flexibility, and so here we are. So, I want to start with Michael Carson, executive vice president and group president of Medicare and specialty business at Centene, and president and CEO of Wellcare. Welcome.

Michael Carson 02:22

Thank you.

Holly Freishtat 02:23

Stacy Dean, Carbonell Family executive director, Global Food Institute at the George Washington University.

Stacy Dean 02:31

Good to be here.

Holly Freishtat 02:32

Daryl Risinger, president and cofounder of evermore. Bill Shinton, you can see down there, vice president of health and wellness operations at Kroger. And Calley Means will be arriving shortly. Flights have been in great chaos. And he's the former senior advisor of US Department of Health and Human Services, and he'll be joining us momentarily. So, we're going to kick it off. What we really want to talk about right now is setting the scene, SNAP benefits. Last year, states had waivers for restrictions, saying no non-nutritious foods. Right? And sodas and so forth. But there was no definition of what candy and soda was, so every state has decided it themselves. Right? Every retailer is trying to figure it out. At the same time, Medicare Advantage says no non-healthy foods, and each plan is trying to figure out what does that mean. So, this guiding question is, where is nourishing food criteria breaking down between the rule and the register? And who is feeling it the most? So, Daryl, I want to start with you. I really loved your Power of Ideas, and if you haven't read it, please do. And you talk about an experience of one box of cereal. What happens when three people go to buy that box of cereal? Tell us the story.

Daryl Risinger 03:56

It's a story of unintended consequences. Imagine, if you will, being at the end of the grocery aisle where you have cereals and you have granola bars. Imagine there being three people standing in front of the granola bars, and you're thinking, "Wow, is there some big sale going on?" One person is there, and they are thinking about the facts that, "Hey, I'm on a limited budget. How am I going to feed my teenage boys? I see that this thing says healthy. And so I'm committed to that." Someone else, let's say it's a school teacher who hears from her doctor for the 15th year in a row that, "You are going to require metformin. You are that close to a diabetes diagnosis." And so she's thinking, "Okay, I'm going to make it happen this time." She's standing in front of the same box of granolas, and she sees one star. So, is that healthy? And then think of the third person. Let's say, younger computer engineer. He's looking for healthy. He's got his app open, and he's seeing that it's ultra-processed food. So, there you have three people who have three different perceptions of what healthy is, and you have to ask yourself the question, which one is right? And the reality is that eight out of 10 Americans now don't trust the definition of healthy because there are too many of them.

Holly Freishtat 05:25

Great. Thank you, Daryl. So, the story of the experience of a box of cereal. Now let's translate it over to that, as in the grocery store. But Bill, I want to talk to you about this definition gets written by policymakers, right? But they get tested in the aisle of the grocery store. So, build off of what Daryl has shared about the grocery store experience. What are you seeing right now with the SNAP changes, with everyone going in and the SNAP waivers, and I know Kroger, you're in multiple states with multiple definitions of SNAP waivers, and I really want to hear from your perspective as a retailer, the retailer perspective, but also what are you seeing by your consumers?

Bill Shinton 06:06

Yeah. Just to start, because I don't know who's in the audience or who all is listening, just if we have some decision-makers out, the first thing I want to start with is, I think it's incredible what we're starting to do by encouraging people to choose healthier food with these benefits. So, we don't want to see these benefits go away. We actually want to see them expand. We want to continue to see the ability to make sure that people that are either undernourished or maybe have food insecurity, that they have options to get the food, but then that we're also encouraging healthier food. So, as you get into the aisle, you could look at Kroger, you could look at a lot of our other peers out there in the industry, a lot of us are putting into market our own definitions, as Daryl talked about, with what we feel are healthier food. So, whether it's something that's built from academia, we partner with universities, we have a dietitian team, and so we've launched something we call OptUp that does have a scoring system, and it's red, yellow, green. But to Daryl's point, if somebody's looking truly for something that's not ultra-processed, and maybe they're not necessarily focused on what carbohydrate is in there, the carbohydrate content, it can be confusing. And so, for me, as I look, and I've been in health care for 25 years, so as I think about where we're headed from a prevention space, my main thing is I want to make sure that we see these benefits remain in place and that we continue to encourage people. It's tough right now getting the education out there, making sure that all the states are on the same page, but we can't afford to take a step back. We're just now getting on the right path, so it's really important that we continue to stay down this path.

Holly Freishtat 07:34

Great. So, I want to push a little further here. So, Kroger's in multiple states, and do you see with the SNAP waiver restrictions right now, a consumer—tell us a little bit about that experience, where is soda allowed? Where is candy allowed in your states? And does it change from one state to the next for you when you look at the customer experience?

Bill Shinton 07:54

Yeah. And especially when you look at health care in general, a lot of different—the state flavor across health care is wide and varied, and the application of the SNAP benefits is no different. So, we see some states where we've seen just massive pullback both on Medicaid and SNAP. So, I think of two states, I can't think, talk about that, think about Arizona and Texas, both we've seen large pullbacks in some of the who's eligible, what products are eligible. Other states are also approaching that. But, for me as a retailer, I want to be able to deliver really easy to understand, non-confusing type of information. So, whether that's digital, online, or in-store, and if every state is approaching it differently, it makes it really challenging for people that move, people that change location, people that live on border states. The definition of healthy is always going to be somewhat subjective, but we can do better than we're doing today.

Daryl Risinger 08:46

I want to jump in here on behalf of Bill and the retailers in the room. What has made SNAP scalable in terms of operational rollout is that it's been a static single list. When you now have 23 different various definitions of what is and is not included in SNAP, a point-of-sale system is not built, constructed, to have that level of precision. So, the administrative burden on the retail sector is incredible.

Holly Freishtat 09:22

Thank you, and now bringing it over to the Medicare Advantage side, right, Michael, I want to hear from your side. Every plan is deciding what is not nutritious in your own way. So, talk to me a little bit about where are you seeing this breaking down for plans similar to yourself and this no non-nutritious food with Medicare Advantage.

Michael Carson 09:47

For sure. Again, great to be here with this distinguished panel. Within the Medicare field, we obviously target investing in supplemental benefits, food benefits, and it tends to address a broad swath of members that we have. But in particular, we focus heavily on dual eligibles. When you think through the statistics in terms of what a dual eligible represents, you have to think about how do you bring food access to that population? And in particular, everybody's familiar with spendables cards, and it's a big sort of competitive race to the top in terms of who can offer the biggest spendables card that may have a food benefit tied to it. And in many cases, that's used as a sales incentive sort of component, but not necessarily focused on what you're saying in terms of the type of food that is purchased and what happens after the food purchase is completed. So, for us in Medicare, what we like to think about is it goes, which is great, sort of the definition criteria in terms of what people can buy, but then what happens after it's purchased and what surrounds that patient or what surrounds that member to actually buy the right things and then utilize it correctly and have that continuity that follows the purchase and to actually affect their health status. In particular, from a criteria perspective, there's a wide range of how much Medicare companies tend to apply as a food benefit. It can range from as low as $40 to $240 or more. When you get into those smaller ranges, naturally, the population that we're serving, sometimes it's not used. People will try to push the boundaries in terms of what to purchase with that food. So, the criteria is really important, and I think to me, the only way to really best address that is to have a follow-up plan, a care plan, something that surrounds the purchase of that food.

Holly Freishtat 11:44

Great. Thank you. Calley, your timing was impeccable.

Calley Means 11:49

I made a dramatic entrance.

Holly Freishtat 11:50

I had my question for you, and then you came onto stage at the perfect time. So, we are talking about from policy to purchase, where criteria breaks down. All right? And so I'm just throwing you right into this conversation—

Calley Means 12:05

Let's do it.

Holly Freishtat 12:05

—because here you are. Ready? So, my question to you is what are the biggest challenges you've seen in aligning federal policymakers and state administrators around SNAP waiver restrictions and Medicare

Advantage plans around their food benefit criteria restrictions? So, I would love to hear your thoughts there, because we're talking about what the challenges are, and then after this, we're going to talk about how we're going to solve them.

Calley Means 12:29

I've been trying to unpack this in the last week with some comments. But what's astounding is there's no academic disagreement that we should be sending billions of dollars of Medicare and SNAP payments to sugary drinks and candy. We have the science on that. It's corruption. And with those two issues, in the past month, it's direct meetings with the OMB and with the food industry saying, "We cannot do this because it's going to hurt sales." And we have a unique bipartisan moment right now as I was trying to unpack on a recent Joe Rogan appearance, which is there is internal pressure led by money and there's public shame. We have to continue a bipartisan momentum, publicly shaming on specific issues, particularly, I think, the most important issues of what the government is procuring with tax dollars for food. We have to continue the shame of the system because the Medicare decisions are still in flux right now, actually. And it honestly should upset all of our moral conscience, the type of conversations that happen in there. There are still many sectors of the US, of the federal government, that are pushing for soda to be allowed with the supplemental funding. And there's a real problem with the federal government with donations. I always talk about how more than 30 states have done SNAP waivers to take the no-brainer action of taking soda off SNAP. There's a bill in Congress with two cosponsors. So, you've had 30 states do it, red and blue, but no action in the federal government, and we really had to jam that through the USDA. So, we've got to pick our battles, those are two great ones, and keep up this pressure. And what I'd really urge in this toxic political environment, in a toxic partisan environment, we need to find these specific issues where the academic community, where industry when they want to do the right thing, where left and right, we can chip away at this. And I do think we have that opportunity. The left is running, when it comes to food, on the same talking points that the Bobby Kennedy ran on. That's a big passion for me in the next year, and I think we can do it.

Holly Freishtat 14:37

Great. Thank you, Calley. And I think bringing this to you, Stacy, building off of this, when we look about the, it's over 23 states at this point on SNAP, what are we learning so far? As we started this conversation about unintended consequences, and it's maybe not even unintended consequences, it's that the whole point of waivers is to learn. They're a waiver for a reason, and we have a lot to learn so we can figure out how it continues to evolve. So, I would love to hear your viewpoint on what have we learned and where should we be going?

Stacy Dean 15:08

Sure. So, it is very early days. I think there are a couple of early studies out, or early evidence out that all still needs to be vetted, so take it with a grain of salt, that SNAP participants in the states with sugar-sweetened beverage restrictions are purchasing less, and that is both with SNAP and their own dollars, in the 12 to 13 percent. In the states where, I guess, the restrictions are less universal, about maybe 40 percent of those funds are substituting over to other beverages, sugar-sweetened beverages and energy drinks would be an example. So, that's the early, I think, nugget that we have. There are bigger questions, and so that would, for example, respond to the issue of a policymaker deciding we don't want government funds to purchase these issues. I think the bigger and longer-term question is how does this drive health?

And do the participants there, the clients themselves, understand the restriction and tie it to the bigger information that they need to help inform a healthier diet? And then what are the broader consequences for the program and participants? There's confusion in the store. A lot of checkout clerks are responsible for explaining the rules, and there's normally, when you roll out something big and significant, there are, of course, disruptions. But I think what we don't know longer term is, is the juice worth the squeeze in terms of health, which I think is a separate question from a decision about how to use federal dollars.

Holly Freishtat 16:53

Great. Calley, I know you have a lot you tell.

Calley Means 16:54

Yeah, that's crazy. Guys, this is not complicated. It's not nuanced. We don't need to do studies. There is a foundational question, should government supplemental nutrition money be going to soda and candy? I don't know what you're talking about, honestly. We don't need studies. This isn't nuanced. We don't need to analyze the long-term impact. We have a foundational question in front of us: should government money for nutrition be going to soda for diabetic children when 38 percent of teens have prediabetes in America? This is not a complicated question. There's really not studies that need to be done. And as far as the impact, there is a massive cultural impact happening. Pepsi, when the SNAP waivers came into effect, they cited on their earnings call that their demand has plummeted and they had to lower prices. You actually had a really interesting dynamic in the past two years with both the signal toward government procurement changing and the cultural momentum that's being unleashed in this country. The ultra-processed food companies, the 13 major companies, have under-paced the S&P 70 percent in the last two years. The day I left, they went up 8 percent, but generally, I think that was a miscalculation given what I think you're going to see happen in the next couple of weeks. But 70 percent, so there is obviously dramatic, and I will tell you, and I know this isn't your intention, but talk about studies, talk about whether cutting a $15 billion taxpayer-funded subsidy to sugary drinks for kids. Any talk about nuance there is an industry, either unwitting or witting, industry psyop. This is not complicated. If we are not going to join hands and say that we are not going to government subsidize soda for children and on Medicare supplemental benefits and cut the nuance on that and just say that, I don't know what we're doing here.

Holly Freishtat 18:35

So, Calley, I'm going to jump. Thank you. I like that we all are getting to the edge of the seat, and it's Friday afternoon, and I'm calling it Food Friday, just so you all know. And I want you all moving to the edge of your seat because that's the point. It's the end of the day, afternoon. Right? And no one's going to fall asleep. So, I think that what we're not learning, but what we know is that saying the policy, right, of let's get rid of soda or whatever it is, and then how it translates to the POS systems, how it translates to the retailers, how it translates to Medicare Advantage is not as simple as we always think. So, what I want to share, and I'm excited to share, and I'm going to show a little purple card. You notice it's purple, not blue, not red, purple, right? Is the criteria that we've released a report talking about all these issues of a common criteria because there is no reason why we can't all be doing something the same, right? And this report is really looking at soda, and it's looking at candy. May each state be doing the same thing, may each plan be doing the same thing. So, I think, Calley, your point taken, and Stacy, your point taken as well, is that we need to be seeing alignment on understanding, yes, we know where we need to go, but how to get there and the devil in the details is what we really need to be moving forward. So, the hopes and dreams is that

we start to move together as one. And as we think about this, we know that establishing the criteria alone is not enough. Is that going to make the health outcome we want? Maybe, maybe not. But when you start to stack all the other pieces that are really important, if we start to stack incentives, if you start to stack education, technology, AI, and look at what is that full package of how do we make this criteria work so it is about health. And so now I want to turn to—oh, look at that. Sorry. Stacy.

Stacy Dean 20:36

Yeah.

Holly Freishtat 20:36

You get to go again. So, what I would really love to hear is, digging a little deeper, and then Daryl, I'm going to turn it over to you afterwards, and I do want to hear about the evidence. I do want to hear about the evidence of what is working as it relates to incentives about education, going beyond just the criteria themselves of what's not allowed or what is allowed, but thinking back to where do we need to go so that people truly can be nourished.

Stacy Dean 21:07

Well, oh, where to begin there? I think, one, we do know that SNAP works to support health, to address food insecurity. There's an overwhelming body of evidence that households with SNAP, relative to those who don't, just fare better with respect to both how they are today, but how they are over the long term. So, that is, along with other government supports, a great foundation. But I think we all agree we are not where we need to be with respect to where the dietary guidelines are, what households are eating, and there's just an enormous gap, and that has tremendous consequences across the board. I do think you talk about incentives, and I think there is positive evidence there, but it is important maybe to step back and think through. When you think about that gap of where we are and where we want to be, some of the issues there are far beyond restrictions or incentive. It is the food environment. So, we know marketing works. There's extraordinary evidence that marketing works, and marketing targeted at children. We know there are tremendous subsidies to companies to, in fact, pull off that marketing and who they target and how. So, I guess I would say that the—and there are multiple examples across the board of where we've built a food environment that is resulting in households eating foods that aren't supporting a healthy or a diet that supports optimal health. And so tinkering around the edge—and I think that what we want to do is be thinking bolder rather—and I'm all for incentives. I think that's a great idea. But what are some of the bigger changes that would result in what children experience in those early days of life all the way up through their teens? What are they seeing and being exposed to support good health?

Holly Freishtat 23:01

Thank you. And Daryl, going back to the solutions that you're seeing, you're looking at the smart cards and the technology, the actual cards that people are shopping with, and now we have guardrails, so that now we have SNAP waivers and changes on Medicare Advantage. You're able to be able to put that technology into play. But I also know, and I want to hear more about this, of where you're seeing these incentives, the story of you and Hy-Vee and Nebraska Total Care and where we saw the incentives as well, and talk to us a little bit about how they can all stack together.

Daryl Risinger 23:34

Yeah. Hmm. So—

Holly Freishtat 23:41

I didn't say it was going to be easy.

Daryl Risinger 23:43

No, I'm thinking about just the complexity of not having alignment at an agency level on what healthy is. When CMS has one, FDA has one, USDA has one, as a technology layer that administers the benefits, we are asked to provide customized approved products lists. And so, if Michael is wanting a healthy foods benefit for someone with SSBCI benefits, chronically ill, he says, "What does that list look like?" And I have to say, "Okay, do you want the USDA guidelines, the nutrition guidelines? Do you want the FDA definition? Do you want what Dr. Mozaffarian and Tufts wants? Do you want the American Heart Association? Do you want the American Diabetes Association?" Because we, in essence, have to create an infrastructure that permits almost an infinite number of healthy foods. So, that, for us, should be a problem. And when I say us, all of us in the room. And so I think to your point, we've got to fight. You don't agree?

Calley Means 25:07

No, of course not.

Daryl Risinger 25:09

Oh. I'm ready.

Calley Means 25:12

No. We have Dr. Mozaffarian, the American Heart Association, the American Medical Association, every leading academic that I could find in the country fully aligned on an ultra-processed food definition. It's been held up by grocers and relentless, honestly shocking, lobbying tactics where it's just direct, "We don't want this. It's going to hurt our sales." The great challenge standing in front of American health and us getting healthier is not the bureaucratic definition of what a healthy food is. A four-year-old knows what a healthy food is. We have SNAP dollars and billions of dollars of government subsidies going through grocers to soda, to candy. I can't believe, you must not be honestly suggesting that's what's holding us up. What's holding us up is corporate lobbying that don't want that, that want to say that there's confusion about what healthy is. We know what's healthy. Seventy percent of a child's diet in the United States is ultra-processed food. That's 10 percent in Europe. That's the problem. And I can tell you with full authority and certainty, it's very, very easy to chip away at that, and it's not the academic disagreements that's blocking that. It's corporate lobbying. And to the bold ideas, what can we do? We can put dietary guidelines out that say, "Don't eat ultra-processed food. Eat real food." There's going to be some academic quibbling. There's always going to be some academic quibbling on the margins, but we can say, "Eat real food," and we need to shift the American diet to real food. We can take a sledgehammer to government procurement on hospitals, military bases, schools, SNAP, which we've been trying to do. We can look at supplemental benefits, things like that. We can define ultra-processed food, and I'm sure—

Holly Freishtat 26:53

Okay, I'm going to jump in because you are ruining my final lines here. So, we're talking about the solutions, and I want to talk about each one of these, Calley, as you're talking about hospitals and some of the—

Calley Means 27:04

But this isn't complicated. This isn't complicated.

Holly Freishtat 27:07

No, it's not complicated.

Calley Means 27:07

It's not. You're just wrong. It's not complicated. Corruption is the problem.

Holly Freishtat 27:12

So, I hear you, and what I want to make sure, and the purpose of today is I want to hear all the different voices of where we can see solution. I think that the vision, we all want to be able to see nourishing, healthy foods for all of us to thrive. And so—

Calley Means 27:28

I don't know whether everyone wants that.

Holly Freishtat 27:30

All right, I want to see this happen, and we're having this conversation today.

Calley Means 27:33

I know a lot of people that don't want that.

Holly Freishtat 27:35

So, moving, I'm going to keep here. No, not right now. So, I always tell this story. I was the fifth child. I was quiet for a very long time. I'm not anymore. So, I want to hear about some of these solutions, all right? And Calley, I want to go down this road with you. And I want to hear first, Bill, from the grocery store, right?

Bill Shinton 27:55

Yep.

Holly Freishtat 27:55

You did share about OptUp, and you did share about how we are seeing some of the consumers changing their behaviors. I would love to hear a little bit of how you're seeing the role of employees and how we're

trying to create a culture of health and nutrition, not just from the shoppers themselves, but in the cultures of health through the employer. So, I would love to hear some of your thoughts there as well.

Bill Shinton 28:21

Yeah, it's a great question. So, Holly's mentioned a couple of times, so with Kroger, we operate in about 37 states. And my team, we're responsible for the pharmacists, the nurse practitioners, the physician assistants, and our dietitians, and the nutrition program. So, we really try to take a look at how do we bring all of that together, and being in a grocery store where food is at, where there's great nutritious options in the grocery store, how do we make sure that our patients that we're treating, whether we're treating somebody for diabetes, whether we're treating somebody for some sort of heart condition, or somebody maybe that just wants to lose weight, how do we bring all of that together to help educate them, and really motivate them towards their goals? That's really, really hard to do, first of all. I think we wouldn't be sitting up here, we wouldn't be having this conversation if it was easy to do. But, we have started to blend together what our pharmacists do and what our dietitians do together. So, our pharmacists have the opportunity to talk to patients that have these variety of disease states almost every single month, sometimes multiple times a month. And we can see, okay, Mrs. Jones, you really are trying to do something different. You've been diagnosed with this. You're on these medications. Would you like to talk to one of our dietitians? Or just simply, they can also have a conversation like, "Hey, I'm noticing some of the stuff in your basket. Maybe this doesn't make sense. Are you also wanting to try to change some behaviors so you can maybe get off of insulin, or so you don't have to transition to insulin?" So, we are trying to blend all that together, and the way we've started, really, as a foundation, is the OptUp nutrition scoring system. It is a red, yellow, green. Green, good. Yellow, maybe moderate. Red, minimal type of thing, to really help people understand where to move to. It's going to score you. It's going to help you understand, am I improving my overall score? It's not a perfect solution without ongoing nudging, incentives, education. So, I think a lot of this conversation up here at the front has been talk about economics, what we fund, where we fund, and what that funding goes towards. The one thing we haven't talked about as much is the education that needs to come along with it. Because funding, that's table stakes. Having the funding go to some of the things Calley's talking about, to the right types of food, incredibly important, but the education along the way. We can block something off of SNAP, and something else is on SNAP. So, if all of a sudden my SNAP card lets me buy this product, does that make it healthy? Not necessarily. So, the education along the way is incredibly important.

Holly Freishtat 30:42

Great. Daryl.

Michael Carson 30:44

Somebody told me this was going to be a great, fun panel, so thank you.

Holly Freishtat 30:47

Yes. I said that.

Michael Carson 30:48

Thank you for inviting me. I would like to make a couple comments on maybe the last 10 or 15 minutes or so.

Holly Freishtat 30:58

The floor is yours.

Michael Carson 30:58

Thank you. I actually agree, and I assume most would, that there are corporate priorities that are impacting this issue, and the things that you're pointing out, Calley, in terms of corporate interest, and that's keeping us perhaps from the government being able to go as far as it needs to be super prescriptive on the definition of healthy food. But all the other things remain true. There are some table stakes components. You mentioned incentive programs, technology, app consolidation. There are lots of things that are being deployed to hopefully make things easier, but they still depend on that one thing, right? That member, that patient, actually making a decision and then carrying that decision forward. So, the way I look at all this is like, yes, I would love the government to do A, B, C and make this better tomorrow. This may not be realistic. So, what do we really need from the government in terms of benefit consolidation, right? How do we connect the dots between all these various programs? The government should establish pathways for us to do that together instead of having these multiple silos going on that are disjointed. Secondly, make the dollars available in such a way that actually put perhaps even the payer accountable for administering it in the appropriate way. To us, we've conducted a two-year study, about 300,000 dual-eligible members. And again, just so we're grounded in who they are, it's people with an average of 3.7 comorbidities, 45 percent or so have a mental health condition, 70 percent or so have food insecurity, 50 percent or so are people of color. So, you have large African American and a large Hispanic population within that. Those dynamics present a challenge of just giving them a card or giving them an access to an app. It's not going to automatically resolve the issue. In our study, what we've seen over the two years in the 300,000 people is that by the administration of a food benefit as part of the spendables card, but not just that benefit, then actually having registered dietitians, care managers executing a care plan, and being engaged with those members and that follow-up, we've seen tremendous results of it. We've seen an average cost per member per month of about $200 less for people that were following and utilizing this food benefit, 70 percent lower ER utilization, 51, 52 percent lower admission rates. And there are many other things going on. It's never just the food, of course. So, we've considered all of that. But it's really the engagement. We can't just rely on some magic wand and making everything great. We actually have to lean in and take the accountability to partner with patients, to partner with members, and to partner with communities to make this happen.

Holly Freishtat 33:54

Stacy, I would love for you to build off of this thought of how do we look at engagement, how do we look at the whole person and their families? I would love for you to kind of build from this piece.

Stacy Dean 34:03

Yeah, thanks. I think you talked about food security being a critical driver of health, and I think one of the things we saw when we were pulling plans together early on when I was at USDA, I was stunned, honestly, even despite the fact that I've worked in this space for so long, that each of the plans came forward and said the number one issue that their members were raising that was getting in the way of optimal health

was food security. And so they were, at that time, really turning to working with households on nutrition education, enrollment in benefits like WIC and SNAP, making sure they were aware of school meals, because they saw how fundamentally those two issues were linked. And, I'm disappointed that we saw the elimination of nutrition education, and SNAP was $500 million a year available to engage millions of households on how to connect their benefits to healthy, nutritious food. So, I think we need to do more there. And obviously, we need to move in the other direction with respect to making sure that SNAP is available to the households that need it to secure a basic diet.

Holly Freishtat 35:13

So, I think it's a really interesting place, and actually, now I feel old. But one of my very first jobs actually was in Washington State, and I actually worked for SNAP-Ed. And now, 30 years later, I think that we're seeing technology and tools that we have not seen before. And I was trained in nutrition education, and I have to say, I am experienced in the field, and my kid eats five foods. And I know everything, right? Like, come on. So, even with that, it doesn't always work. The principal called me one day and asked me if I was food insecure. And I said, "No. Why do you ask?" And they said, "Because your son was trying to bring home this salad into his lunchbox." And I said, "It's because I'm trying to teach him to eat salad. All he realizes is that I like salad."

Stacy Dean 36:04

Stick with it, Holly. Stick with it. It'll pay off.

Holly Freishtat 36:07

It didn't. He's 13.

Stacy Dean 36:09

It'll pay off. Just stick with it.

Holly Freishtat 36:11

But the point being, Daryl, bringing you in here, and then Calley, you're next, so just so you know. I was giving everyone a deep breath before we keep going. Right. All right. So, Daryl, the technology, right? And looking at how can we create education through technology and other tools that we did not have available to us, and help us think through what are these tools that we can be thinking through from a tech side and other ways to support looking at how do we encourage healthier choices through education?

Daryl Risinger 36:44

I think to start, Michael's point was a very important one, and have to give a lot of credit to Hy-Vee and Kroger, Ahold Delhaize, and the importance that they understand of the registered dietitian in providing that assistance in the aisle. Our organization actually work with Michael's in a pilot in a state and they had a 31 percent higher engagement rate in that program than any clinical program that they had seen, and it was because of the incentive and reward component of stopping by the pharmacy counter, getting your HbA1c taken, and completing an appointment with a registered dietitian who was going through the aisle with those individuals. Understanding that that's not scalable for everyone, you can use technology, in

essence, to scan a UPC. You can scan the front of a label, and, in essence, can provide feedback to the shopper of, is this healthy? Is it not healthy? Is it somewhere in the middle? If you have a chronic condition, is it good for you? At the same time, you can also give them an alternative, a product swap to say, "You know what? If you'll just look three slots down, there's a healthier choice for you." And I think it's understanding that for so many Americans, they leave the doctor's office with some really good intentions, but then when they walk into the store, they are lost again. And so, I actually didn't have a problem with the SNAP-Ed dollars being cut only because I don't think they were being effective. My problem with them being cut was that we didn't replace it with anything. There's no investment to close that gap.

Holly Freishtat 38:38

All right. So, two things, Calley. Ready? So, I know you want to respond on this, so you can do that. And, but what I really wanted to kind of move, and this is more onto the personal place of hospitals. I grew up with my mother chronically ill, and she wouldn't eat hospital food. And I would have to bring the food because she wouldn't eat. And the administration has really put forward this pledge, and there's so much we can do and that we've been talking about in the grocery aisles and in Medicare Advantage. What I want to hear, and I really do give kudos on thinking about hospitals. And we need to meet people where they are, and sometimes it is when they are at the hospital, and that might be their turning point for them. For others, we want them to never be in the hospital. But I really would love to hear more on, go for, what do we need to be seeing in hospital food? How can we look at inpatient food as part of health care, not just feeding people, and then the doctors come in on the side? I would love to hear your vision on where do we need to see hospitals and the work that has been done that you've been leading. Share with us some other solutions besides the aisle that we've been talking about so far.

Calley Means 39:48

Yeah, hospitals are a really interesting issue. You really got to be specific because this is so broad, and I think evil hides in vagueness and lack of specificity. I think hospitals are a great study on what's happening. So, hospitals are a huge part of the economy. They're the centerpiece, basically, for where 25 percent of the US economy flows through. They're arguably the largest employer, depending on how you calculate it, in the country, so you have tens of millions of Americans actually going there every day to work. And the food they serve the patients and the food they serve to staff is a national disgrace. It is an absolute joke, to the point that hospital food is a euphemism for terrible, unhealthy food. So, we engaged on that, and we talked off the record with a lot of hospital CEOs, and they said that if they don't serve unhealthy, metabolically destroying, unambiguously toxic food to their staff, their staff will rebel because hospital workers are less healthy than the average American. They're a very unhealthy population. And any hospital that's tried to serve healthy food to staff, they face a staff rebellion. That's why 90 percent of pediatric wards in the country have a soda machine, full sugar soda machine to this day. So, that's the situation they're facing with staff, and they also make a similar argument with patients. They say, "If we don't have that diabetic patient who just had a leg amputation, if we don't give them their Coca-Cola, they're going to get upset." That's what they directly say, and they do give the Coca-Cola to the diabetic patient right after the leg amputation. So, that brings up some interesting philosophical questions and legal questions and policy questions. Hospitals make 90 percent of their revenue from chronic disease. Right? So, we have twice the diabetes and obesity rate than any other developed country, and the comorbidities that are tied to that is really fueling and the lifeblood of why the hospital industry is such a large industry and thriving in the United States. Right? The beds are full in hospitals because of metabolic dysfunction, preventable metabolic conditions that are largely tied to food, period. Nobody disagrees with that. And then hospitals,

right, serving junk food systematically to patients who are being treated for chronic disease is like giving cigarettes to people in a lung cancer ward, period. That's what they're doing. So, you've got to ask, even if the patient does rebel a little bit, is that a learning moment for a patient, when they have their leg amputated, to actually say, "No, we are not morally going to serve you unhealthy food"? We think it is, so there was some CMS rules, what did we do? What should, I think, be bipartisan cooperation to do? There is now a condition of participation that you can't serve unhealthy food to people, and I hope that's enforced. The CMS deep state has tried to kind of weaken that a little bit. They actually pushed back on me for pushing that. I think it's very simple. Hospitals should not be receiving billions of dollars, actually trillions of dollars, from government money to treat chronic disease and then feed people and patients who are suffering from chronic disease the food that's causing that. I don't think that's right, and we should enforce that, and I think that's a no-brainer we can all get behind. Additionally, to the food they serve in hospitals, it would actually be a dramatic, absolutely dramatic public health intervention if we improve the food in hospitals for staff because it's the largest employer in the country.

Holly Freishtat 43:11

So, I think this brings up several pieces. One is the role employers have in food as health benefits for our employees. Right? And two is the levers of change. Right? And so hospitals, I think that we're sitting at this moment, and I do really think that we saw 250 hospitals sign the pledge. I know it's voluntary, but to me, it is a moment to move forward. And at Milken, at Feeding Change, we are launching this year, starting today, a hospital food initiative, really looking at what is that roadmap, how do we look at the procurement, how do we look at the financing, how do we build off of these pledges. Some of them have been going on for years with Health Care Without Harm, and some hospitals have been doing amazing things. Other hospitals have great growth opportunity. Right? So, that's one area that we are seeing. Now, I have this orange beeper coming up at me over and over again, and this is the reason why. Not a single one of you has asked us a question. All right? I know you're all wondering and having a whole bunch of questions you want to ask. There is a QR code, and it will be flashing up in a second. So, if you have questions for us, please put them into the QR code, and I will be fielding those questions in a little bit. So, get ready, and put them into the QR code. So, with that, on hospitals, we are now moving to GLP-1s. I'm trying to touch different subjects along the way. All right. So, GLP-1s. So, Kroger, I want to hear a little bit. So, much has changed in how people shop. Right? It's 11 percent population, give or take, on GLP-1s, but you guys are really seeing a difference in what people are shopping and buying. So, I would love to hear a little bit about how this GLP-1 environment is looking at the grocery store, and where do you see the future going as you're thinking about the aisles and the shopping experience now that people's cravings and desires may be changing?

Bill Shinton 45:00

Yeah, it's a great question, and I'll start with saying that I think that the future's still a little fuzzy on where everything is going when it comes to GLP-1s. There's still a lot of research being done. Second generation, third generation are being developed. So, where this all lands two, three, four, five years from now, I think people have ideas, but some of it's still definitely being researched. What I will say is we are seeing definitely increased demand in protein and electrolytes. The things that you would think about, people are choosing higher fiber products. So, we are absolutely changing the way we put stuff in the aisles. We're changing where we put stuff, how we merchandise, but also, especially in the pharmacy area, making sure we're bringing that stuff closer by. We want our pharmacists to be able to have those conversations. There's a lot of people that started GLP-1, failed the therapy because of side effects, because they're not

changing their diet, and they're going right back off of it. That's not a good thing, the yo-yo part on a GLP-1. So, I was talking in the back room with Michael, is anyone in this room that wanted a GLP-1 could probably get on their phone today and have one at your house by Tuesday or Wednesday with very few questions asked. You could get a GLP-1 very easily. That's how easy it is to get it today. Now, obviously, there's economic barriers for certain people, so I'm not saying the entire population has access to it, but what we don't do is provide the wraparound services. So, the dietitians, the nutrition coaching, talking about side effects. Is this the right one for you? Are we taking your dose up too fast just because you have a target weight you want to hit, but that might be detrimental? So, from a health-care provider perspective, we have a long ways to go besides just putting a drug out in the market by making sure that we've put the right wraparound services around it so people can either, A, maintain their weight loss, or B, wind down off of the GLP-1 at some point if that's what they want to do. To your initial question, though, grocery stores are going to evolve. Shopping habits are going to change. GLP-1s are not going anywhere anytime soon. So, it's really up to us to make sure that we have the right products out there, and I feel like I'm being a little bit of a dead horse, but the right education, that people know what to do differently because they got to a place, either through diabetes or through being overweight, to be on a GLP-1. Without changing something besides just the drug, at some point, too many people are going to relapse is the problem.

Holly Freishtat 47:18

Thank you. I just realized I was listening to you partially, but it looked like my iPad wasn't working because I have 100 questions now. I just got swapped out, and it turned out that it was just the iPad. You guys are doing a great job. So, as we're starting to think about solutions, all right, and I'm going to hold you to solutions. All right? I want to hear, Michael, as you're thinking about what a solution needs to be from the health plan perspective. Waving that wand, what do you see needs to be happening now?

Michael Carson 47:52

So, especially in the Medicare space, we've talked a lot about the supplemental benefits, and with food not being considered a primarily health-related benefit means that supplemental benefit dollars have to be used for it. And that brings restriction because there are many other factors that drive the dollars that are available for supplemental benefit expense, and we should not be sacrificing being able to offer Food as Medicine benefits because of that. So, I think CMS obviously could take more immediate near-term action in terms of making it a primarily health-related benefit that's available. Second to that, more longer term, the comment I made earlier, and others did as well, the connectivity of all the different food programs that are available. How do we tie that together? Those are sort of big things that we need help with changing and creating the pathway. I still go back to it's our accountability, and we have to deploy different interventions. As I listen to the hospital comment, maybe that's not the moment that somebody's going to have an epiphany and completely change their ways, but it should be the start of a relationship and an understanding of what the future can be and the start of a care journey that maybe takes them to a different place. So, I go back to, yes, I need those things from CMS and from the government, but there's still things that we can deploy ourselves.

Calley Means 49:10

Just to, in the spirit of solutions, there's an open rule on the supplemental benefits. I haven't seen you guys weigh in on saying that we should be pushing Medicare dollars to soda and against ultra-processed food. It's still open. It'd be great if you could chime in on that.

Michael Carson 49:24

Will do.

Calley Means 49:25

I'd love to see that.

Michael Carson 49:26

We've definitely pushed for making it a primary benefit.

Calley Means 49:28

There's a lot of insurance company pushing for all food to be covered and no restrictions, so it'd be great to see you chime in on that.

Michael Carson 49:34

Absolutely.

Holly Freishtat 49:36

So, looking at solutions, Stacy, where do you see the next solution coming?

Stacy Dean 49:41

Well, first, I think we all agree we want healthy, affordable, safe food for everyone. I guess the list is too long, Holly, so I'll just give you a few.

Holly Freishtat 49:53

Yeah, no, I'm not asking for all. I'm asking for the one for the room.

Stacy Dean 49:55

Right. I think we got to have a functioning safety net and ensure that folks do have the resources so that they can access food. But I guess I would say in terms of new spaces, I'd like to see us tackling marketing to children and incentives in the tax code for companies to be heavily marketing, for example, to kids.

Holly Freishtat 50:17

Great. That was a question, so looking at my hundred questions, there was a question, actually, Calley, you have like 99 of them. But one of them was, "Why are we not taxing soda nationally?" That was a question that just came out.

Calley Means 50:29

Taxing?

Holly Freishtat 50:30

Yeah. Why is there not a national soda tax?

Calley Means 50:33

Why aren't you guys, when you give solutions, saying that you're going to support the efforts to shift hundreds of billions of dollars of procurement to hospitals, schools, SNAP? That's the start. There's hundreds of billions of dollars going to the thing. Soda taxes, there's actually been some that passed in the past couple of months. But I think looking at the $300 billion a year that the government's spending on food to begin with is a good place to start, and that's where we started, and it'd be nice to hear that in your solutions.

Holly Freishtat 51:02

So, looking at procurement, thank you. And by the way, I am now looking at questions, so these are the questions that are coming at me. But I am using discretion here. So, I think this next, and I'm going to be peppering in questions and peppering in solutions together. So, Daryl, I would love to hear a solution, and then I'm going to pepper in a question.

Daryl Risinger 51:21

In the spirit of transparency, ingredient and nutrition information needs to be democratized. It can't be hidden behind a curtain or a veil as a trade secret. Consumers need to see what it is that they are eating.

Holly Freishtat 51:40

Thank you. Bill, what's your solution?

Bill Shinton 51:43

Solution? We spend lots and lots of money on this problem overall, but teaching people how to eat better is what dietitians are for, and when you launch these programs, we do not put dietitians into the mix. If we're going to launch a program to help lose weight or around diabetes, dietitian services should be a part of it. So, whether that is a key to unlock an incentive or just to maintain the incentive, I think it should be a part of it.

Holly Freishtat 52:09

I know, it's an interesting piece with where the reimbursements are going and who's getting that, right? With dietitians, it's not just are there enough dietitians? Which there are not. Right? Now we're seeing more, and I love this as a sort of a comment of a digital dietitian in your pocket, right? Now we have AI with dietitians, and we have registered dietitians, but the issue still so much is are they getting reimbursed for enough of the conditions? And same with pharmacies, right? Pharmacists have a really active role in this health-care journey, and they too, unlike Medicare Advantage, are not part of a health-care provider.

So, I think there is who is able to be reimbursed and part of the health-care systems and how that may be changing over time.

Stacy Dean 52:52

Well, and integrating nutrition into medical education. GW has long had a culinary medicine program as a part of its medical school. I know the administration has really pushed hard to get medical schools to step up on that front, and I think just expanding the knowledge base of nutrition across a much wider scale of folks who are engaging with people who need that information.

Bill Shinton 53:16

And the one last thing, I realize if you talk about, okay, we're going to add maybe more dietitian nutrition coaching services, that costs money. We have to get to the point where we look beyond a 12-month, 18-month, 24-month ROI if we're actually going to do something different.

Holly Freishtat 53:31

Great. All right, Calley, I want to hear your solution.

Calley Means 53:34

Well, let's first define the problem. So, the problem I think we're talking about is that the American food environment and diet and standard American diet is totally off track, where 70 percent of a child's diet is ultra-processed in the United States, and it's 10 percent in other countries. There's a lot of complexity here, but I think we can all agree that the ultra-processed food consumption in the United States is a huge problem, and the definition for that is not complicated. Everyone here can differentiate between real food and ultra-processed food. That's a huge problem. And that's where we need to strike. I think we all agree on that. How do we do that? I think we've actually got a lot of policies that are in flight or potentially in flight that you have Bobby Kennedy and El-Sayed and AOC and Bernie Sanders saying the exact same thing, so I do think there's opportunity, but just going down the list. We need to ram the hammer through on procurement. We have the school lunch rule stalled, and I'm very open to discussions on education, but it is a joke. It is a joke to talk about that we need education for kids when 45 million meals a day are serving them donuts and sugary pastries. The USDA guidelines right now say that sugary desserts are an acceptable breakfast, and there's no protein requirement. The US government, every single day, is serving government-funded sugary pastries and donuts to children across the country. That is absolutely unforgivable. And talking about, "Oh, we need more education." No, we just need to stop serving kids sugary pastries every day for breakfast, period. And let's do that before we talk about education. So, let's follow through—

Holly Freishtat 55:13

So, Calley, bringing in here. So, procurement, what I'm hearing you say is procurement—

Calley Means 55:17

Yeah, and I'm surprised that's not—

Holly Freishtat 55:18

—is education, right? And I think that, no, my—

Calley Means 55:21

We just need to not serve kids donuts as a start.

Holly Freishtat 55:23

I hear you, and I actually agree.

Calley Means 55:25

Government-funded donuts.

Holly Freishtat 55:26

And I think, though, when I think about education and I think about procurement and the solutions, I think that we're really limited in our viewpoint of what education actually is. Because education is sitting and being able to sit at a lunch table at school with enough time to eat lunch and be able to eat healthier food. So, I think as you're framing this up, procurement and education—

Calley Means 55:46

I frame a much more important thing as transparency, which was touched on.

Holly Freishtat 55:49

Keep going.

Calley Means 55:49

But so we've got to focus on procurement, and then we've got to focus on transparency. So, the ultra-processed food definition, there's reporting today, but despite a violent effort from industry to not have that happen because they don't want Americans to have transparency, we'll see what happens in the next couple of weeks. And then we need to have a big conversation about front-of-pack food labeling. That's going to be a big battlefront in the next year. But if you have a label on the front of the package that actually has useful information, not these labels designed by the food industry to be hard to read, which they are, that identifies if something is ultra-processed, that identifies useful information, that helps Americans make informed decisions quickly and utilizes consumer research from American Heart Association and other places on what the most impactful labels are, and Dariush Mozaffarian, that's going to materially impact Americans' decision-making. So, I would expect everyone here, if they care about this issue as we all say we do about improving the American diet, to support robust front-of-pack food labeling. I think that's a really, really big deal. And then our public health leaders, people on this stage, HHS, NIH, medical schools, people listen to them, and we need to stop using vague language. Public health leaders should say that 90 percent of our health issues are chronic conditions, and we should massively reduce as a public health imperative, as with the same force we heard from the medical industry on COVID protocols, we need to hear a united front that we need to reduce the amount of ultra-processed

food consumption in this country, particularly for kids. And I don't hear that. I don't hear that simple message from leaders of academia and from leaders in the medical industry. That is the most existential public health issue we have in this country today. If we lowered our ultra-processed food consumption from 60 to 70 percent to 20 percent, it would be a revolution of American economic productivity, a revolution in life expectancy, a revolution in improving our budget, a revolution in agriculture. That is the existential goal in public health, and it would be nice to hear other public health leaders saying it that plainly.

Holly Freishtat 58:04

So, thank you. So, we're in the last couple of minutes, and this is one of the pieces that we have learned when we released this report a couple of days ago, on nourishing food criteria, is it has to be simple. It has to be simple. So, it needs to be something that people can use, and we can have the best science in the world, but if it can't be implemented and understood by the people who are shopping in the aisles, it's not going to work. If it cannot be translated across our systems in all the different ways that our food is moving across this country and the nation, then we can't see the change. And I think that, Calley, your point is taken, and I think all of you, we're all saying a similar message here, is that to see change, it has to be something that is simple, that can be done. Now, it's hard to do. I'm not saying it's easy, and it's extremely hard, and there will always be confrontation on how to move this needle, and we're not going to always agree on how we do it. But I think this concept, though, is that we've come to the point where whether you're Republican or whether you're Democratic, we're seeing so much more alignment in the fact that health is now, food is a part of health, and we're all talking about the same issue. And to me, I think that is where we have to be, is that no matter whether we agree or not, we're all willing to talk about this subject and have the confrontation and get lively on the edge of our seats because it is so important, and we have to do the hard work to see this all happen. So, I thank you all for this confrontation. I love it. And I love that we don't agree, and I thank you for your 110 comments, guys. I only got to, like, six. So, thank you so much for joining us today, and thank you to the panelists.

Michael Carson 59:48

Thank you.

Announcer 59:48

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