



Agency Recommendation Summary

The Department of Health requests funds to address Washington residents experiencing food insecurity during the COVID-19 pandemic. Low income families are at nutrition risk because of benefit gaps in the Washington State Women Infants and Children (WIC) program. This proposal gives infants timely access to therapeutic infant formula, increases the WIC benefit to better meet infants' nutrition needs and to pilot an electronic system to the Farmers Market Nutrition Program.

Fiscal Summary

Fiscal Summary <i>Dollars in Thousands</i>	Fiscal Years		Biennial	Fiscal Years		Biennial
	2022	2023	2021-23	2024	2025	2023-25
Staffing						
FTEs	0.0	6.8	3.4	0.0	0.0	0.0
Operating Expenditures						
Fund 001 - 1	\$0	\$6,178	\$6,178	\$0	\$0	\$0
Total Expenditures	\$0	\$6,178	\$6,178	\$0	\$0	\$0

Decision Package Description

Washington residents continue to have a high level of food insecurity during the COVID-19 pandemic. According to research from the University of Washington and Washington State University, the number of people experiencing food insecurity has increased from 10% to 27% of the population. A third of households with children have food insecurity and the nutrition quality of diets has declined due to food options. The Washington State Women Infants and Children (WIC) program served 191,747 people in Washington in the past year. This program provides nutritious foods, nutrition education, breastfeeding support, infant formula, Farmers Market Nutrition Program benefits, and referrals to other resources. Participants are pregnant and post-partum people, infants, and children up to age 5 who with household incomes generally at or below 185% of the federal poverty level.

The WIC program was established as a supplemental nutrition program to help decrease nutrition risk in the program's low-income population. During the COVID-19 pandemic, Washington WIC has seen increased participation. While it is not a food security program, many participants use it as one during times of financial stress. One aspect of poverty reduction is also mitigating the impacts of poverty; having less money should not have to equal increased risk for illness and injury or undue stress, strain and struggle. Because WIC is a program for people with low incomes, it is an essential part of mitigating the impacts of poverty which can be a low nutrient, highly processed diet.

Infants, young children, pregnant, breastfeeding, and postpartum people are at significant risk for inadequate nutrition and associated growth, development, and health consequences. WIC has been shown to decrease infant mortality, improve infant and child growth, and improve the dietary intake of participants. The WIC program is a cost-effective way of improving the health and nutrition status of these groups. Multiple reports have shown for every dollar invested in WIC a \$1.77 to \$3.33 health savings per infant who participate in the program within the first two months of life.

This proposal presents three different areas in which additional resources are needed to improve the program and close service gaps.

- Implement a pilot program to provide 1 month of formula benefits for infants who transfer into the Washington WIC program from another state and use a medically necessary therapeutic infant formula. This would serve 90-100 infants per year.
- Implement a pilot program to close the infant formula gap for all fully formula fed infants on WIC. This would increase formula benefits by 1 can per month on average for most infants and serve approximately 15,000 infants per month.
- Establish a new electronic transaction system for Farmers Market Nutrition Program (eFMNP) Benefits. Additionally, this project will make \$10,000,000 of WIC Cash Benefits issued to 108,000 families available for redemption with Washington farmers.

Therapeutic Formula

Infants are particularly vulnerable to the effects of inadequate nutrition, and the WIC program address this through breastfeeding support, nutrition education, and infant formula. Unfortunately, there are some gaps in infant formula provision in federal WIC regulations which leave WIC infants vulnerable to inadvisable feeding practices. Families who move to Washington State may need a therapeutic formula for their infant, but they must present a medical documentation form to WIC to receive this benefit. This creates a barrier to timely benefit issuance since it can take time to establish a new patient appointment with a medical provider.

Infant Formula Gap

Infants who are fully formula fed on the WIC program are also vulnerable to underfeeding, or inadvisable feeding practices. Since WIC is a supplemental program, it only provides about 80% of infants' formula needs, and leaves caregivers to provide the remaining 20%. This gap

leaves infants vulnerable to the long-term health consequences of inadequate nutrition. The cost of additional formula averages \$20-40 per can, and caregivers with low incomes cannot always afford or access the remaining necessary formula the infant needs for growth and development. Washington WIC has an opportunity to mitigate the impacts poverty can have on the long-term health of future generations by ensuring infants in the WIC program have their nutrition needs better met. Federal funds cannot be used for this additional formula, but states can offer this benefit if other funding is available.

eFMNP

According to the USDA Economic Research Service, low income families eat less nutritious diets than other households, including less than recommended amount of fruits and vegetables each day. The WIC program supports fruit and vegetable consumption for children, pregnant, and postpartum participants by providing cash benefits (CVB's) for fruits and vegetables, and the Farmers Market Nutrition Program (FMNP). These benefits increase access to fresh fruits and vegetables and expand awareness of Farmers Markets. Soon all FMNP benefits must change to an electronic benefits system in Washington because the banking contractor no longer will cash paper vouchers and an alternative has not been identified. Funding for this change is not included in the FMNP federal allotment, and must be acquired elsewhere.

Background

The WIC program offers breastfeeding support and infant formula benefits. Some infants must have a therapeutic formula due to gastrointestinal disorders, food allergies, prematurity, low birth weight, failure to thrive, genetic alterations of metabolism, intolerance to standard formula, and other medically necessary reasons. The WIC program provides these formulas to infants when it is medically appropriate.

Federal WIC regulations require a medical provider with prescribing authority to complete a medical documentation form to justify the need for the therapeutic formula and indicate which formula is appropriate. Up until recently, Washington WIC provided a one-month grace period in which infants could receive a therapeutic formula without providing the medical documentation form. Clinics often use the expertise of Registered Dietitians to determine which formula is appropriate for this grace period as it is within their scope of practice to order infant formula. This allowed the program to safely serve high nutrition risk infants with a therapeutic formula and prevent delays in accessing critical nutrition. In 2021, the USDA informed Washington State WIC that federal funds could not be used for this grace period. Now WIC can only provide standard infant formula or no formula without a medical documentation form.

This change creates a barrier to benefits for infants on a therapeutic formula who participated in WIC in another state, and then moved to Washington. The medical documentation form from the other state does not transfer with the infant, and the family must establish with a new medical provider to fill out the form. This creates an access barrier to timely issuance of medically necessary formula to infants who are at high nutrition risk. Approximately 90-100 infants are impacted by this rule per year. Since another WIC program has already verified the infant's formula is medically necessary, then it is within the scope of a WIC clinic's Registered Dietitian to oversee the issuance of a 1-month grace period of therapeutic formula but this formula cannot be provided with federal funding.

An average of 15,000 infants per month are fully formula fed in the Washington WIC program. Most infants receive 8-9 cans of standard formula during the first six months of life, and 6-7 cans during months 6-12 in addition to jarred baby foods and rice cereal. Standard infant formula costs around \$20 per can, and therapeutic formulas cost about \$40 per can. While nutrition needs vary, most infants need an additional 1 can per month. Caregivers may underfeed, use an inadvisable feeding method, or strain limited financial resources to purchase the additional formula. Providing additional infant formula to meet most of infants' nutrition needs increases health safety, addresses income disparity and has the potential to improve infant growth and development.

In 2020, 49,000 WIC participants used WIC FMNP benefits to purchase fruits and vegetables from Washington State farmers. The WIC FMNP program has 544 Washington farmers authorized to redeem WIC FMNP benefits. The Farmer's Market Nutrition Program has provided paper vouchers to participants to use to purchase fruits, vegetables, herbs, and seeds at Farmers Markets, Farm Stands, and from farmers/growers. These vouchers are cashed by banks and paid out to the farmers. Starting in 2023, the bank which historically has done this process will no longer provide the service and no alternative has been identified. In order to continue offering this benefit, WIC must change to an electronic transaction system or "eFMNP." The initial cost of implementing this is greater than the budget for the FMNP program, and no additional federal funding has been issued to help states convert to eFMNP.

Pregnant, post-partum, and child participants also receive cash benefits to buy fruits and vegetables as part of the standard WIC food package. While separate from WIC FMNP, these can be redeemed at Farmers Markets as well if a system is in place for the transactions. Establishing eFMNP would allow both the Farmers Market benefits to continue and allow participants to use their cash benefits at Farmers Markets.

Proposal Details

The first strategy is to provide 1 month of formula benefits for infants who transfer into the Washington WIC program from another state and use a medically necessary therapeutic infant formula. This allows families a one-month grace period to establish care with a medical provider and obtain the appropriate medical documentation form for continued WIC coverage of the therapeutic formula. Federal WIC regulations and WIC local agency contracts do not allow local agency staff to provide this service and federal fund cannot be used. Instead, the Washington State WIC agency will hire project staff using state funds to qualify participants, issue one month of therapeutic formula benefits, and track participation.

The second strategy is to provide an average of one additional can of infant formula to any fully formula fed infant whose nutrition needs exceed the standard food package. This would close the infant formula gap for all fully formula fed infants on WIC. Federal WIC regulations and WIC local agency contracts do not allow local agency staff to provide this service and federal funds cannot be used. Instead, the Washington State WIC agency will hire project staff using state funds to qualify participants, issue one month of therapeutic formula benefits, and track participation.

The third strategy is to establish a new electronic transaction system for Farmers Market Nutrition Program Benefits and Cash Benefits. This project seeks to integrate the redemption process for WIC FMNP and WIC CVB so that both benefits can be redeemed by Washington farmers and to provide a redemption process that is consistent with Farmer transaction capabilities and program regulations. This project will make \$10,000,000 of WIC Cash Benefits issued to 108,000 families available for redemption at Washington farmers. The WA WIC state agency will conduct a project in 2022 to determine the desired FMNP method and create a plan to implement the project for Farmers Market season in spring of 2023. A redemption device will be used for the actual benefit transactions at the farmer's markets and farm stands. This may be a physical device which DOH purchases and loans to authorized farms, a contract to develop a farm redemption mobile application, or a contract for an existing Farmers Market solution.

The proposal also supports the following:

- Cascades modifications to issue Farmers Market benefits in the entire amount for the season available on the first redemption day, and remain available throughout the season until the participant spends the benefits or the season ends
- Cascades modifications for farmer management, which includes authorization of growers/farmers, farm stands, and farmers markets.
- Develop or modified reporting for key financial information. Cascades will be the primary reporting system and it needs modifications to accept Farmers Market data.
- Training for local agency staff, participants, and farmers to use the new benefits issuance and transaction applications

Alternatives and Consequences

For the first strategy, federal WIC program funding cannot be used to pay for the therapeutic formula unless the participant has a signed medical documentation form. The WIC program could issue standard iron fortified formula to infants who need therapeutic formula but do not have a medical documentation form. The potential health consequences of this for infants who need therapeutic formula are up to and including death. Registered Dietitians who work in the WIC program could not ethically issue standard formula to these infants as it goes against their Code of Ethics. Another alternative is the program could issue no benefits until a medical documentation form is received. Caregivers would be left to pay for the formula themselves, which may increase strain on already limited financial resources. Families who received SNAP benefits can use them to purchase formula. However, the high cost of therapeutic formula would then greatly reduce the food dollars available for other family members or may exceed the family's SNAP benefit. This could increase food insecurity and hunger in families with low incomes. Therapeutic formula averages \$40 per can, and most infants need 8-10 cans of formula per month. Up to \$400 for a month of therapeutic formula is out of reach for many WIC participants, whose income levels must generally be at or below 185% of the federal poverty line. This puts infants' health at risk because caregivers may resort to a standard formula, stretching formula by overdiluting or adding inappropriate ingredients such as powdered dry milk, evaporated milk, and goats' milk.

For the second proposal, low income families in Washington State are impacted by this gap in formula coverage because they must pay out of pocket for additional formula. If they cannot afford the formula, then the infant may be underfed or given an inadvisable formula substitute which may have health consequences. This proposal would ensure that infants from low income families have most of the formula they need for healthy growth and development. Federal WIC dollars cannot be used to purchase additional formula for infants who need more than what is provided. Food banks and charitable organizations sometimes have access to infant formula, but the formula type and availability varies greatly and is not consistent enough to be a reliable source for families. If this is not funded, then families will continue to need to pay for additional formula themselves, find a donated source, or potentially utilize an inadvisable feeding method or underfeed their infant.

For the third strategy, there are no known available funding alternatives for implementing FMNP in 2023. The FMNP program itself does not provide enough funding to create an electronic transaction system, and paper vouchers will no longer be an option without a new banking contractor. If this is not funded, then it is likely that Washington WIC will not provide FMNP benefits in 2023 and will also lose the required state funding match. For 2021, there is a \$219,243 state match of which \$100,000 is allocated for food funds and \$119,243 is allocated for administrative support for FMNP. If Washington WIC can restart FMNP in the future, then the program would have to ask for state match funding again.

Assumptions and Calculations

Expansion, Reduction, Elimination or Alteration of a current program or service:

Nutrition Services (Current)

FFY 2017 \$7,216,102

FFY 2018 \$ 8,390,760

FFY 2019 \$ 6,849,708

FFY 2020 \$ 6,291,610

*FFY 2021 \$ 6,987,045

Formula Costs

FFY 2017 not available due to change from CIMS to Cascades WIC systems
FFY 2018 not available due to change from CIMS to Cascades WIC systems
FFY 2019 \$ 24,734,937
FFY 2020 \$ 26,284, 885
FFY 2021\$27, 989,613

Formula Rebate

FFY 2017 \$25,336,716
FFY 2018 \$23,498,008
FFY 2019 \$25,971,866
FFY 2020 \$29,120,846
* FFY 2021 \$26,858,380

Breastfeeding Services

FFY 2017 \$2,791,363
FFY 2018 \$2,916,700
FFY 2019 \$2,672,308
FFY 2020 \$2,703,807
*FFY 2021 \$2,771,044

Breastfeeding Peer Counseling

FFY 2017 \$1,373,593
FFY 2018 \$1,318,273
FFY 2019 \$1,286,951
FFY 2020 \$1,861,572
*FFY 2021 \$1,618,475

Farmers Market Nutrition Program

FFY 2017 \$618,040
FFY 2018 \$800,003
FFY 2019 \$800,003
FFY 2020 \$777,042
FFY 2021 \$802,584

State Funding Match for Farmers Market Nutrition Program

FFY 2017 \$206,000
FFY 2018 \$206,000
FFY 2019 \$206,000
FFY 2020 \$210,000
FFY 2021 \$219,243

* The federal fiscal year ends September 30, 2021 and these are year to date estimates.

Detailed Assumptions and Calculations:

Please see Financial Calculator

Workforce Assumptions:

- Therapeutic Formula
- \$49,732/FY23 – Health Services Consultant 3 – 0.5 FTE: for therapeutic formula pilot program to verify eligibility, track participation, and distribute benefits.
- \$5,428/FY23 – Health Services Consultant 4 – 0.1 FTE: supervisor for therapeutic formula pilot program.

Infant Formula Gap

- \$49,732/FY23 – Health Services Consultant 3 – 0.5 FTE: for formula gap pilot program to verify eligibility, track participation, and distribute benefits.
- \$5,428/FY23 – Health Services Consultant 4 – 0.1 FTE: supervisor for infant formula gap pilot programs.

eFMNP

- \$99,463/FY23 – Health Services Consultant 3 – 1.0 FTE: Project position for preparing, planning, and implementing eFMNP
- \$10,855/FY23 – Health Services Consultant 4 – 0.1 FTE: Supervisor for the eFMNP project position

How is your proposal impacting equity in the state?

The WIC program was established as a supplemental nutrition program to help decrease nutrition risk in the program's low-income population. During the COVID-19 pandemic, Washington WIC has seen increased participation. While it is not a food security program, many participants use it as one during times of financial stress. One aspect of poverty reduction is also mitigating the impacts of poverty; having less money should not have to equal increased risk for illness and injury or undue stress, strain and struggle. Because WIC is a program for people with low incomes, it is an essential part of mitigating the impacts of poverty which can be a low nutrient, highly processed diet.

Infants, young children, pregnant, breastfeeding, and postpartum people are at significant risk for inadequate nutrition and associated growth, development, and health consequences. WIC has been shown to decrease infant mortality, improve infant and child growth, and improve the dietary intake of participants. The WIC program is a cost-effective way of improving the health and nutrition status of these groups. Multiple reports have shown for every dollar invested in WIC a \$1.77 to \$3.33 health savings per infant who participate in the program within the first two months of life.

This proposal presents three different areas in which additional resources are needed to improve the program and close service gaps.

- Implement a pilot program to provide 1 month of formula benefits for infants who transfer into the Washington WIC program from another state and use a medically necessary therapeutic infant formula. This would serve 90-100 infants per year.
- Implement a pilot program to close the infant formula gap for all fully formula fed infants on WIC. This would increase formula benefits by 1 can per month on average for most infants and serve approximately 15,000 infants per month.
- Establish a new electronic transaction system for Farmers Market Nutrition Program (eFMNP) Benefits. Additionally, this project will make \$10,000,000 of WIC Cash Benefits issued to 108,000 families available for redemption with Washington farmers.

Strategic and Performance Outcomes**Strategic Framework:**

This proposal corresponds with the Governor's Results Washington by positively impacting nutrition needs of Black and African- American families, and Native American/Alaska Native families.

This proposal corresponds with the agency's strategic plan in three areas. It allows WIC to continue seeing customers through continuing the Farmers Market Nutrition program. It identifies and aligns funding with the public health priorities of addressing food insecurity. And it provides equitable access to infant formula and fruits and vegetables to families with low incomes.

Performance Outcomes:

DOH will monitor these performance outcomes for WIC Plus service expansion:

- Increase in number of infants issued medically appropriate formula within the first 30 days of Washington WIC enrollment after transferring in from another state.
- Decrease in infants underfed or fed with inadvisable feeding practices.
- Increase in WIC funding spent at Farmers Markets, Farm Stands, or growers through eFMNP and Cash Benefit redemption at these locations.

In addition, the program will track and qualify participants to utilize both the therapeutic formula benefit and the formula gap benefit.

Other Collateral Connections

Puget Sound Recovery:

This is not applicable to the Puget Sound Recovery efforts.

State Workforce Impacts:

This request does not impact existing state workforce.

Intergovernmental:

These proposals with expand services to WIC participants throughout Washington State. This impacts agencies with WIC contracts which includes tribal governments and public health departments. Impacts are anticipated to be supported as these are service expansions.

Legal or Administrative Mandates:

This request is not a response to legal or administrative mandates.

Stakeholder Response:

Washington WIC participants, farmers/growers, and Farmers Markets are impacted by this proposal. Support from these groups is anticipated as this program allows FMNP services to continue and expands benefits for infants.

Changes from Current Law:

This request does not require any changes to statutes or rules.

State Facilities Impacts:

This request does not impact state facility or workplace needs.

Reference Documents

[WIC Formula and FMNP ITaddendum2021-23 \(1\).docx](#)

IT Addendum

Does this Decision Package include funding for any IT-related costs, including hardware, software, (including cloud-based services), contracts or IT staff?

Yes

Objects of Expenditure

Objects of Expenditure <i>Dollars in Thousands</i>	Fiscal Years		Biennial	Fiscal Years		Biennial
	2022	2023	2021-23	2024	2025	2023-25
Obj. A	\$0	\$405	\$405	\$0	\$0	\$0
Obj. B	\$0	\$164	\$164	\$0	\$0	\$0
Obj. E	\$0	\$63	\$63	\$0	\$0	\$0
Obj. J	\$0	\$880	\$880	\$0	\$0	\$0
Obj. N	\$0	\$4,650	\$4,650	\$0	\$0	\$0
Obj. T	\$0	\$16	\$16	\$0	\$0	\$0

Agency Contact Information

Alisa Weld
 (360) 236-2907
alisa.weld@doh.wa.gov