



## POLICY OPTIONS IN BRIEF

**Option:** Direct DMAS to develop a plan for a nutrition “in lieu of” service (ILOS) managed care benefit, including (i) descriptions of the services proposed to be covered and the covered services for which they will substitute and categories of individuals who will be eligible for the service, (ii) evidence of cost-effectiveness of the services proposed to be covered and the cost percentage of the services proposed to be covered, (iii) provisions for monitoring and oversight of the ILOS to meet federal requirements, and (iv) any other information required to be provided to the Centers for Medicare and Medicaid Services to support authorization of the ILOS. (Option 1, page 17)

December 2025

# Implementation of a Medicaid In Lieu of Service Food and Nutrition Benefit for Individuals with Diet-Related Chronic Conditions

## FINDINGS IN BRIEF

### **Increase in diet-related chronic conditions is due, in part, to poor nutrition**

Diet-related chronic conditions (DRCCs) such as obesity, cardiovascular disease, hypertension, and diabetes are increasing in prevalence and require significant health care resources. Diet quality is a modifiable risk factor for these chronic conditions. Barriers to accessing nutritious foods and lack of information contribute to increasing rates of DRCCs in Virginia.

### **Nutrition interventions can reduce barriers to a healthy diet and improve health outcomes**

Nutrition interventions can address factors that contribute to development and progression of DRCCs. Food is Medicine (FIM) nutritional interventions such as medically tailored meals, medically tailored groceries, and produce prescriptions are implemented in clinical settings to treat or manage DRCCs.

### **States can implement food and nutrition interventions through their Medicaid programs**

Federal rules offer several policy pathways for states to offer optional benefits, including nutrition benefits: state plan amendments (SPAs), Section 1915(c) home- and community-based services waivers, Section 1115 demonstration waivers, and managed care in-lieu-of-services and settings (ILOS) benefits. Similar to several other states, Virginia could authorize an ILOS benefit to make food and nutrition services available to Medicaid members.