




PRODUCE PRESCRIPTION IN LIEU OF SERVICES FACT SHEET

As a part of MDHHS' commitment to delivering equitable, coordinated, and person-centered care, MDHHS introduced In Lieu of Services (ILOS) which allow Medicaid Health Plans to pay for services that address eligible Enrollees' health-related nutrition needs. By implementing ILOS, MDHHS aims to improve health outcomes, manage health care utilization, and decrease health care costs over time. This fact sheet provides detailed information about the Produce Prescription ILOS, which expands access to fresh produce through vouchers redeemable at participating food retailers. For additional information about other nutrition ILOS, please review the [ILOS Policy Guide](#).

Produce Prescription ILOS Overview


What is a Produce Prescription ILOS? The Produce Prescription ILOS is a voucher (paper-based or electronic) issued by an Allowable ILOS Provider so that an eligible Enrollee can purchase qualifying produce. MDHHS' intent in introducing Produce Prescription ILOS is to increase access to healthy fruits and vegetables.

← **How does an eligible Enrollee redeem the voucher, and what can they purchase with it?** Produce Prescription ILOS vouchers can be used to purchase items that align with WIC-eligible fruits and vegetables, GusNIP-eligible fruit and vegetables, and/or Double Up Food Bucks Michigan-eligible foods. An eligible Enrollee can redeem the voucher to purchase healthy produce that aligns with their cultural and nutritional preferences at participating food retailers.


 **Who issues the voucher to an eligible Enrollee, and where can they redeem it for produce?** An ILOS Provider of Produce Prescriptions is the entity responsible for issuing vouchers to the eligible Enrollee. In some instances, the Medicaid Health Plan may distribute (e.g., mail) the voucher issued by the ILOS Provider to the Enrollee.

The food retailer is the location where the eligible Enrollee can go to redeem the voucher which may include grocery stores, farmer's markets, and other community-based outlets. In some cases, the ILOS Provider may also serve as the food retailer if they issue the voucher and accept it from the eligible Enrollee for purchasing produce.

ILOS Providers are encouraged to establish a broad network of food retailers, including those that are locally-based, that accept the vouchers to increase eligible Enrollees' access to obtaining fresh produce.

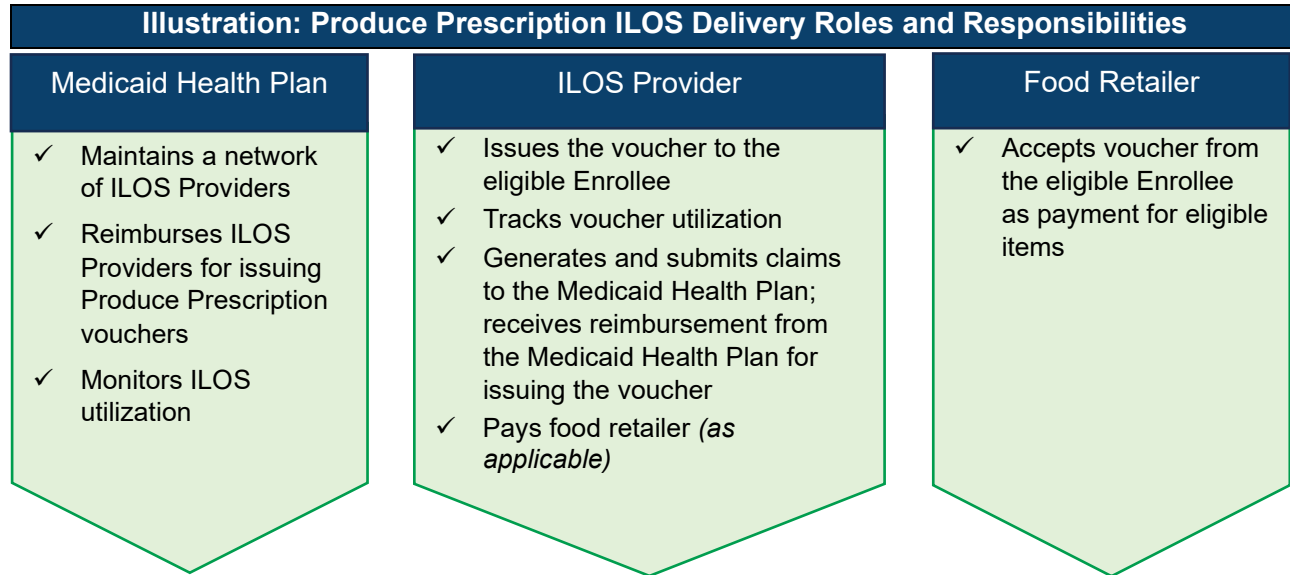
 **Who needs to enroll in Community Health Automated Medicaid Processing (CHAMPS)?** Any entity that renders ILOS or bills the Medicaid Health Plan for ILOS must [enroll in CHAMPS](#), the MDHHS web-based Medicaid Management System. For the Produce Prescription ILOS, the entity issuing the voucher to the eligible Enrollee is required to enroll in CHAMPS. However, food retailers that accept vouchers only and do not issue them, do not need to enroll as they do not bill the Medicaid Health Plan directly.

If the Medicaid Health Plan has delegated administrative functions of the Produce Prescription ILOS to an Intermediary, both the Intermediary and the ILOS Provider issuing the voucher must enroll in CHAMPS.

 **How are Produce Prescription ILOS Providers reimbursed?** The Medicaid Health Plan and ILOS Provider are responsible for mutually agreeing to 1) a payment approach and 2) a payment amount for the voucher issued to the eligible Enrollee. To receive payment, ILOS Providers must submit a claim—or invoice if a claim is not feasible—to the Medicaid Health Plan for all authorized ILOS rendered to the eligible Enrollees. The



ILOS Provider is also responsible for ensuring the food retailer is reimbursed for the value of the eligible produce purchased using the voucher. For additional information on payments and billing, please see the [ILOS Policy Guide](#).



Produce Prescription Locally-Based ILOS Providers

MDHHS requires that at least 30% of Produce Prescription ILOS be provided by locally-based ILOS Providers. This ensures that services are delivered by organizations familiar with the eligible Enrollee’s community while strengthening the local economy and capacity of local organizations. For details on the calculation methodology, please review the [ILOS Policy Guide](#).



How can Medicaid Health Plans meet the locally-based requirement? Medicaid Health Plans can meet this requirement by partnering with ILOS Providers and food retailers that meet the definition of locally-based ILOS Providers outlined in the [ILOS Policy Guide](#). Medicaid Health Plans are encouraged to collaborate with local organizations to assess their capacity to support ILOS throughout the year. For example, Medicaid Health Plans can partner with farmers to plan for the off-season, explore community-supported agriculture programs, or pursue other initiatives to extend access to locally grown food year-round.

Call to Action

- MDHHS encourages potential Produce Prescription ILOS Providers to evaluate their participation in ILOS by:
- Reviewing the [ILOS Policy Guide](#) to assess organizational readiness and understand the service delivery requirements
 - Exploring partnership opportunities with Medicaid Health Plans to support ILOS delivery
 - Enrolling in CHAMPS; Produce Prescription ILOS Providers can leverage the [CHAMPS Atypical Agency Provider Enrollment Checklist](#) and the [CHAMPS Provider Enrollment Instructions](#)

Current and prospective partners are also encouraged to visit the [ILOS webpage](#) for additional resources and guidance on implementation.