

Allow Independent Grocers to Accept Healthy Benefit Cards

The National Grocers Association (NGA) represents 21,000 independent community grocers and wholesalers across the United States. Independent community grocers account for 33 percent of all grocery sales, exceeding \$250 billion, and more than 1 million American jobs.

What are healthy benefit cards?

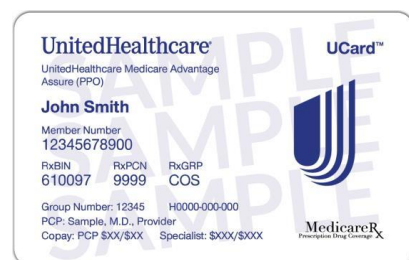
Healthy benefit cards are provided by health insurance plans, mostly Medicare Advantage (MA) plans, as an extra benefit to their customers. They are a cash benefit, provided on a card, that can be used to purchase a predetermined set of foods. Over the past few years, there has been an explosion of “Food is Medicine” programs across the United States as tools to help treat or prevent diet-related health conditions.

Though such programs have the potential to improve plan participants' health, **independent grocers have been almost completely excluded from accepting healthy benefit cards distributed by health plans.** That means many customers are not able to use them at their hometown store where they may have been shopping for decades. This causes confusion and frustration for both consumers and grocers.

- The Bipartisan Budget Act of 2018 created the Special Supplemental Benefits for the Chronically Ill (SSBCI) program which allows MA plans to provide extra benefits to participants with chronic disease, elevated risk for hospitalization, and requiring intensive care coordination.
- Many of the participants who receive these benefits are dual eligible for Medicare and Medicaid.

How do these cards work?

A health plan contracts with a payment processor who issues the cards, processes payments, and reviews purchases to ensure items are eligible. The payment processor works with the point-of-sale (POS) system providers to integrate the technology. Most of these cards work similarly to a gift card and can only be accepted in stores where the technology has been integrated.



What's going on in stores?

NGA members are having to turn away loyal customers or go through a cumbersome process to use these cards because the healthcare industry can unilaterally pick “winners and losers,” exacerbating well-documented consolidation trends. This often upsets and confuses the customers, who expect the card to function as a normal branded Visa or Mastercard at their local grocery store.

What can Congress do?

Health plans and payment processors need to stop discriminating against retailers and to allow customers to shop where they choose. **Direct the Administration to require independent grocers be granted access to accept healthy benefit cards through normal channels of commerce just like larger stores.**