

# REDUCING MEAL COST IN MARYLAND

Bethesda NEWtrition and Wellness Solutions



# MDMP Goals

1. Reduce meal costs by 20%
2. Increase number of meals by 25%

	2018 data (baseline)	If goal is met:
<b>Meal costs:</b>		
Home-delivered	\$5.50	\$4.40
Congregate	\$4.98	\$3.98
<b>Number of meals:</b>		
Home-delivered	1,215,523	1,519,404
Congregate	1,050,305	1,312,882

# Questions

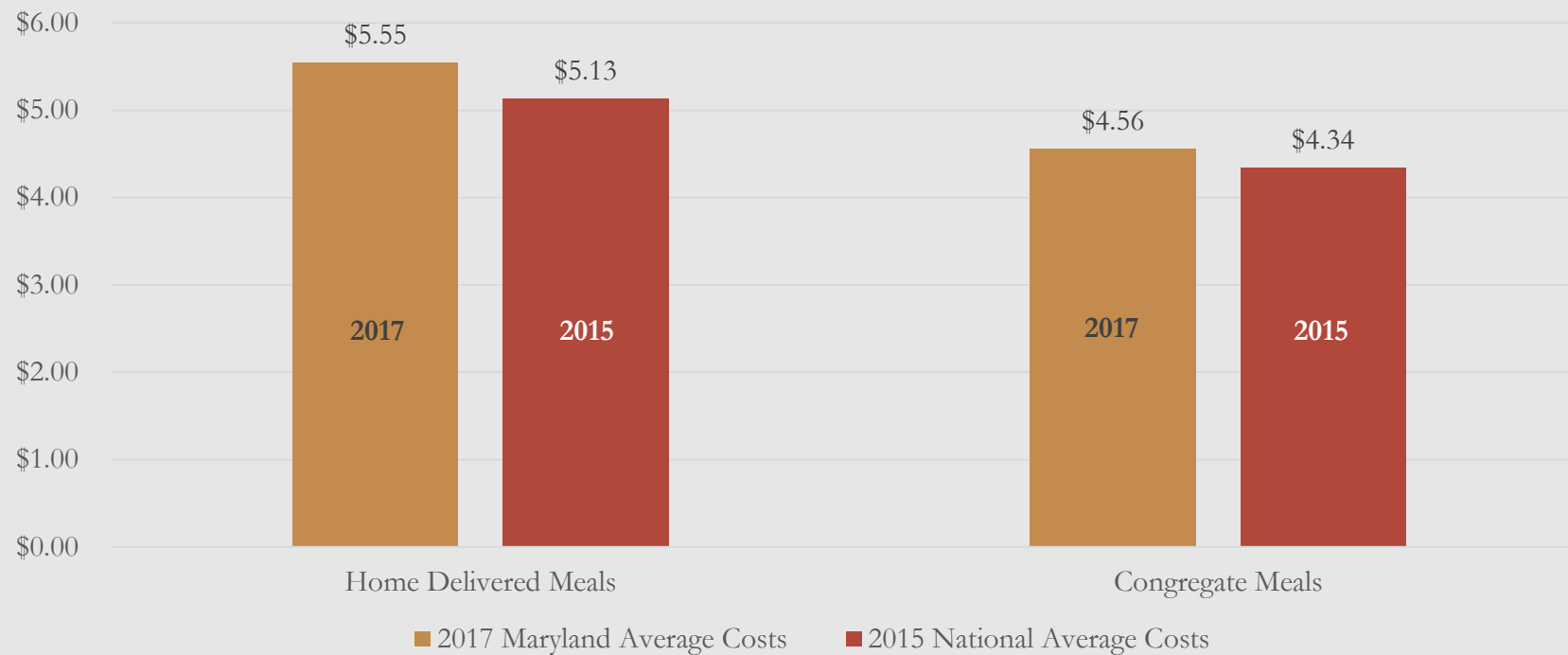
1. How does Maryland compare to national averages?
2. How can we decrease the cost of meals statewide?
3. How would a single vendor for the entire state compare to a multi-vendors system?
4. Do other states have models that we could use?



How does Maryland compare to  
national averages?

# Answers...

- How does Maryland compare to national averages?
  - Maryland costs are higher than the most recent national average





How can we decrease the cost of  
meals statewide?

# Answers...

- How can we decrease the cost of meals statewide?
  - Use vendors with lower costs
  - Choose lower cost foods
  - Make meals in-house instead of using a vendor (reduce food cost)
  - Use MOWCM (volunteer labor)
  - Make “special” meals wisely
  - Use a “coalition” approach to increase purchase power and stabilize price range (in order to partner with a member of a coalition of AAAs the costs for food, labor, transportation, etc. must be within a determined range)
    - This would stabilize price point and give the AAAs more leverage with vendors

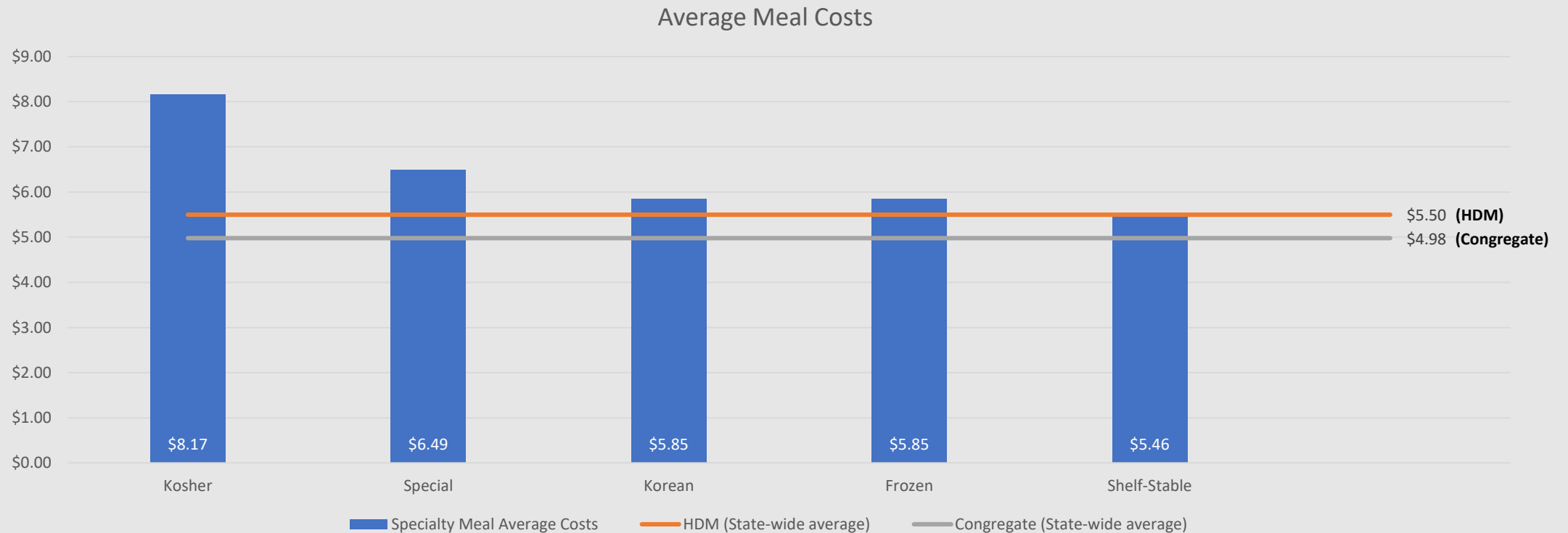
Here's the supporting Data...

Maryland, 2019



# Specialty meals vs. statewide averages

Specialty meals tend to cost more than regular meals. These higher-cost specialty meals include those labeled as Korean, Kosher, and Special.



# Food Costs vs. Labor Costs

Food costs make up the majority of the total cost of meals. However, when a AAA uses Meals on Wheels, they have consistently lower food and labor costs when compared with when meals are prepared by a commercial vendor (not including special meals and specialty foods) or a AAA's central kitchen.

## Food Costs

<b>Prepared by:</b>	<b>Average</b>	<b>Range (min-max)</b>
Prepared by AAA Central Kitchen	<b>\$3.35</b>	\$2.19 - \$4.45
Prepared by a private vendor (not including special meals)	<b>\$2.83</b>	\$2.00 - \$5.24
Prepared by MOWCM (not including special meals)	<b>\$2.55</b>	\$0.66 - \$3.85

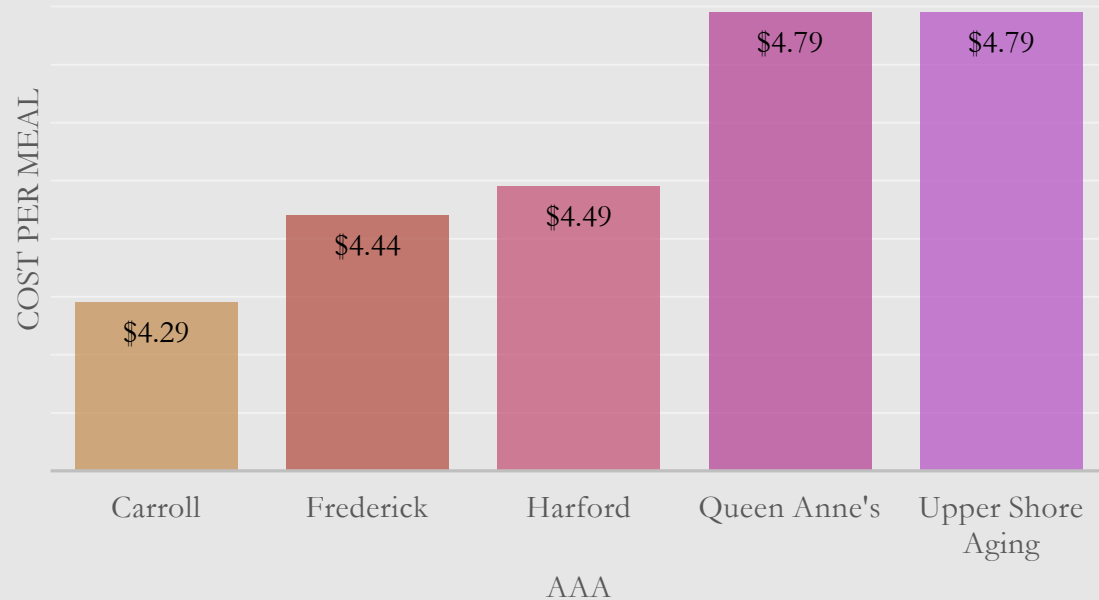
## Labor Costs

<b>Prepared by:</b>	<b>Average</b>	<b>Range (min-max)</b>
Prepared by AAA Central Kitchen	<b>\$1.05</b>	\$0.00 - \$3.03
Prepared by a private vendor (not including special meals)	<b>\$1.10</b>	\$0.00 - \$3.01
Prepared by MOWCM (not including special meals)	<b>\$0.53</b>	\$0.00 - \$0.96

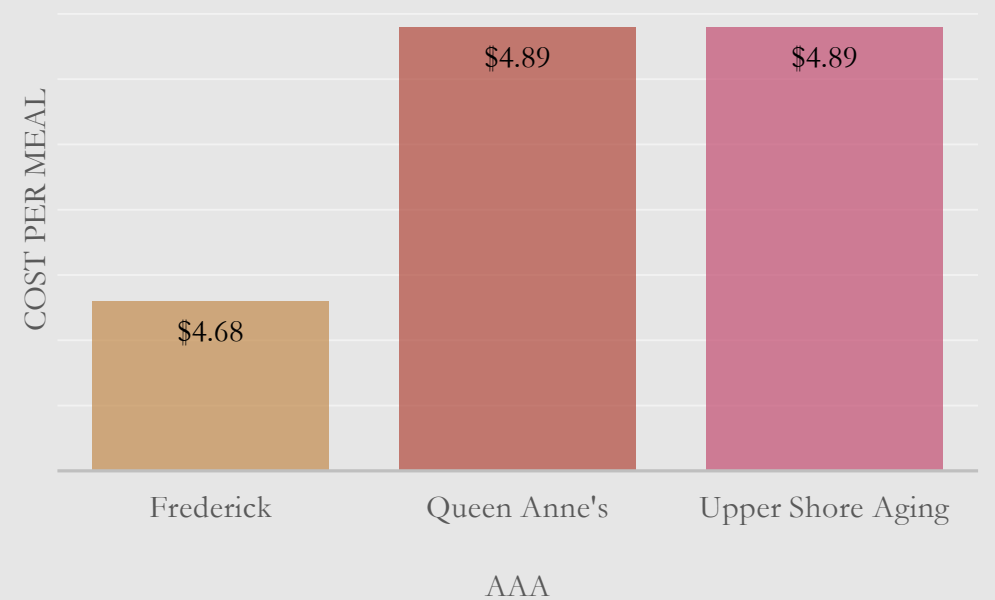
# Discrepancies in vendor costs

In some cases, different AAAs will pay very different prices for the same type of meal from the same vendor.

Meal Type: Congregate  
Vendor: Business Food Solutions



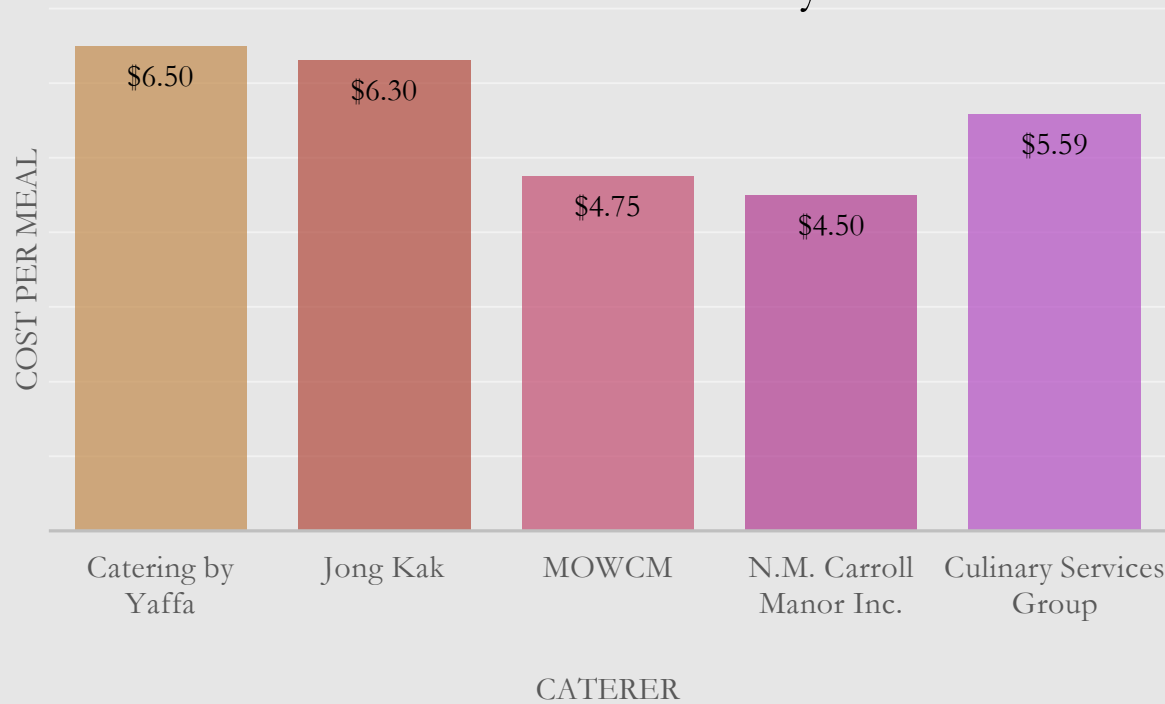
Meal Type: HDM  
Vendor: Business Food Solutions



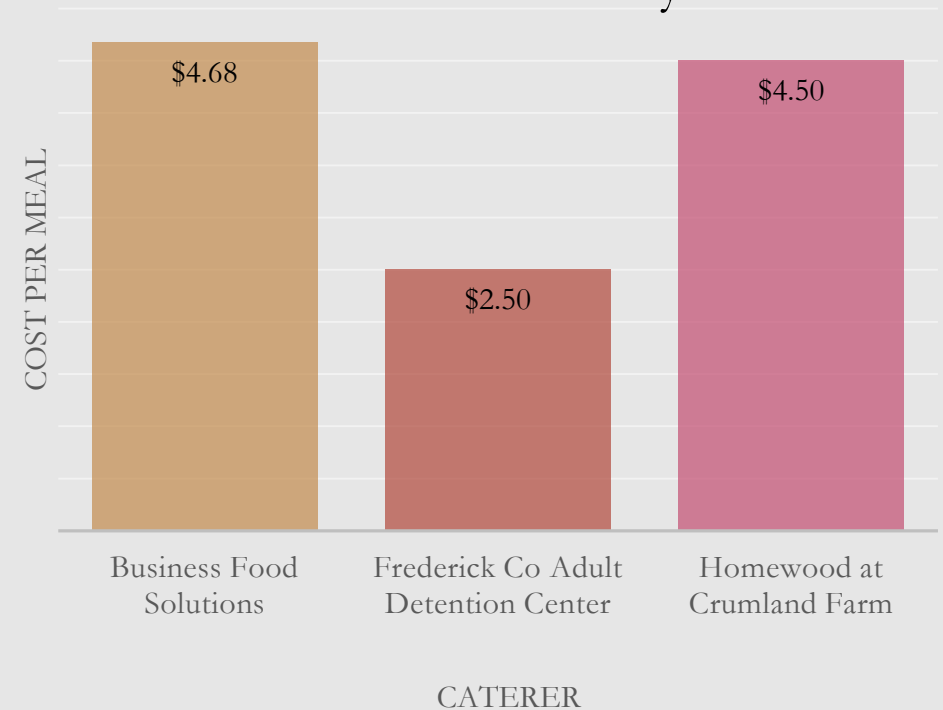
# Discrepancies in vendor costs

In some cases, counties will pay different prices for the same type of meal depending on which vendor it comes from.

Meal Type: Lunch  
AAA: Baltimore City



Meal Type: HDM AAA:  
Frederick County





How would a single vendor for  
the entire state compare to a  
multi-vendors system?

# Answers...

- How would a single vendor for the entire state compare to a multi-vendors system?
  - Pros
    - Easier to control costs
    - Can regulate quality top-down
    - Stabilize costs by county so that some counties aren't paying more than others
  - Cons
    - Lose the local relationship and special deals they might have
    - Could a single vendor reach all counties? Including Eastern Shore?



Do other states have models that  
we could use?

# Answers...

- Do other states have models that we could use?
  - No other states were found to have a single-vendor model (that we are aware of).
  - Many initiatives in other states have come from a non-government organization or a smaller group within a government agency rather than from the state
    - For example, in Maine, the Southern Maine Agency on Aging (SMAA) conducted a pilot study called Simply Delivered in partnership with a single hospital. SMAA put together the meal packages themselves and did not partner with a vendor.
  - However, significant government funding and support have made other approaches possible
    - For example, California initiated a 3-year pilot program for the state's Medi-Cal recipients. Funding initially came from the state budget, but this formed the California Food is Medicine Coalition (CalFIMC). This coalition is composed of non-profit organizations throughout California and provides medically-tailored meals to the homes of Medi-Cal recipients. Although this is a statewide initiative, each coalition member organization provides their own foods from their own vendors.
    - Cost per meal for CalFIMC were different depending on the organization, for example Mama's Kitchen provided meals for about \$2.92 per meal