



## HEALTHY INCENTIVES PILOT (HIP) EARLY IMPLEMENTATION REPORT — SUMMARY

Food and Nutrition Service, Office of Research and Analysis

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### Background

The Food, Conservation, and Energy Act of 2008, also known as the 2008 Farm Bill, authorized funds for pilot projects to determine if financial incentives provided to Supplemental Nutrition Assistance Program (SNAP) recipients at the point-of-sale increase the consumption of fruits, vegetables, or other healthful foods. On the basis of this legislative authority, USDA designed the Healthy Incentives Pilot (HIP) to promote the purchase and consumption of fruits and vegetables without added sugars, fats, oils, or salt (the same set of fruits and vegetables eligible for the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) Fruit and Vegetable Cash Value Voucher).

Under HIP, SNAP participants received an incentive of 30 cents for every SNAP dollar spent on targeted fruits and vegetables credited back to their SNAP Electronic Benefit Transfer (EBT) card. The incentive may then be spent on any SNAP-eligible foods and beverages.

The pilot was implemented by the Massachusetts Department of Transitional Assistance (DTA) in Hampden County, Massachusetts. The county includes urban, rural, and suburban populations with a total of approximately 55,000 SNAP households. Hampden County has the lowest median household income in the State.

### Methods

HIP is being evaluated using a rigorous research design. The overall goal of the evaluation is to assess the impact of HIP on participants' intake of fruits and vegetables. The Early Implementation Report addresses the processes involved in implementing and operating HIP, focusing on the early implementation period, from pilot inception to March 2012. The Early

Implementation Report is descriptive in nature, detailing how HIP works, what was required to overlay HIP on normal SNAP operations, and the key successes and challenges.

This report is based on initial stakeholder interviews, retailer surveys, and store observations. Thirty-seven interviews were conducted with representatives of stakeholders in HIP implementation. Participating and non-participating retailers were surveyed by mail with telephone and field followup between October and December 2011. In October 2011, prior to HIP implementation, store observations were conducted in a purposefully selected sample of 10 participating retailers of different types.

### Key Findings

**The Massachusetts DTA successfully implemented the innovative, complex pilot on time.** Designing and implementing HIP was a complex undertaking, requiring DTA's coordination of several different entities to work together to ensure the system was up and running in only 15 months. While the implementation process posed many challenges, DTA ultimately ensured that the selected households received incentives as intended.

**The process for changing the State EBT system and retailers' systems can be lengthy.** Delivery of HIP incentives required substantial reprogramming of multiple systems required to process SNAP EBT payments. This design process was longer than expected and required considerable dialogue between the parties to finalize the requirements. National rollout would require significantly more time for system design and implementation. The time to develop and test system modifications and create one set of design standards that would be used by all EBT and third party processors would involve

significantly more stakeholders and take longer than was allocated for the pilot.

**The implementation process and challenges for retailers varied by retailer size.** Large supermarket/superstore chains with integrated electronic cash registers generally required 18 to 24 months to make the extensive system changes to accommodate HIP. While the technical aspects of bringing smaller stores onboard were more straightforward, recruitment of and participation by small retailers required intensive one-on-one work through multiple in-person visits by DTA staff.

**Engagement of retailers would likely have been easier for a permanent systems change.** The benefits of participating in HIP would have been greater relative to the costs of preparing for the pilot if the change was permanent and not just for the 14-month pilot. Some retailers indicated that they would have been more willing to make necessary changes if the change was a permanent part of SNAP.

**Community partners were integral to implementing the pilot.** DTA engaged a committed and diverse group of 75 community partners that have been working in active support of HIP implementation. Community partners assisted the State with SNAP participant training, retailer recruitment, and translation services, among other important activities.

**SNAP participants' understanding of the pilot hinged on the successful development of key written materials.** SNAP households were

notified about their selection for participation in the pilot by mail. This initial mailing also included information about in-person training sessions to be held by DTA. DTA also established a call line, website, and e-mail address to provide participants with easy ways to access information and get their questions answered.

Considerable effort went into designing the process and materials for notifying and training HIP participants, including the development of user-friendly materials at an appropriate reading level in the four most common languages in the area.

Despite these efforts, few participants took advantage of in-person training. Feedback from training sessions and the HIP call line suggested that despite efforts to design clear, simple written materials, some HIP participants were overwhelmed by the number and content of the initial mailings.

#### For More Information

U.S. Department of Agriculture, Food and Nutrition Service, Office of Research and Analysis, *Healthy Incentives Pilot (HIP) Early Implementation Report*, by Susan Bartlett, Marianne Beauregard, Christopher Logan, Marina Komarovsky, Tara Wommack, and Parke Wilde, Abt Associates. FNS Project Officers: Kelly Kinnison and Danielle Berman, Alexandria, VA: 2013 (available online at [www.fns.usda.gov/research-and-analysis](http://www.fns.usda.gov/research-and-analysis)).

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