



STATE OF MICHIGAN

GRETCHEN WHITMER  
GOVERNOR

DEPARTMENT OF HEALTH AND HUMAN SERVICES  
LANSING

ELIZABETH HERTEL  
DIRECTOR

**DATE:** September 12, 2023

**TO:** Area Agency on Aging Directors

**FROM:** Scott Wamsley, Director, Bureau of Aging, Community Living, and Supports

**SUBJECT:** Fiscal Year (FY) 2024 National Aging Programs Information System (NAPIS)  
Meal Counts of Oral Nutrition Supplements (ONS)

A handwritten signature in blue ink that reads "Scott Wamsley".

**TRANSMITTAL LETTER #2023-503**

**(Replaces Memorandum Fiscal Year (FY) 2015 National Aging  
Programs Information System [NAPIS] Meal Counts of Liquid Meals)**

The Michigan Department of Health and Human Services, Bureau of Aging, Community Living, and Supports (ACLS Bureau), is issuing this Transmittal Letter (TL) to update the guidance for ONS, formerly referred to as liquid meals, for the purpose of meal counts recorded in NAPIS.

According to the Administration for Community Living (ACL), ONS may be purchased with Older Americans Act (OAA) Title III-C funds. However, they may not be counted as a meal in NAPIS or for Nutrition Services Incentive Program (NSIP) purposes, unless the ONS is offered as part of a full meal that meets the one-third Dietary Reference Intakes (DRI) as required by the OAA.

ACL considers a meal to consist of conventional, prepared foods that meet the OAA's nutritional quality standards, which are found in the most current version of the Dietary Guidelines for Americans and are served together at one time, either in a congregate setting or as a home-delivered meal. These meals may be modified in texture and consistency.

ONS are high-calorie, liquid, dietary oral supplements that some participants may need to enhance nutrient intake. ONS include, but are not limited to, Ensure, Glucerna, and Boost. ONS are not intended to replace a meal, but rather provide additional nutritional support needed by participants, as ONS alone does not meet one-third of the DRI. Additionally, these are considered pharmaceutical products and not domestically-produced food products, disqualifying them from NSIP funding when offered separate from a meal, or in addition to a meal. In such instances, ONS must be reported as "Other Services."

Efforts should be made, to the greatest extent possible, to assess the needs of the participant prior to enrollment in a meal program, or as early as possible when nutritional status changes, to develop a person-centered plan. Meal options should be offered that align with the participant's medical conditions and abilities to chew, swallow, and digest foods. If regular meals are not appropriate and modified meals are not available, participants should be referred to a program that offers texture modified food options that

participants are able to safely consume. This may include soft foods, soups and blended foods that constitute a meal.

The ACL has also advised that while a meal meeting one-third DRI must be offered, the participant may select only the ONS or any combination of items offered. However, if a participant consistently chooses to consume the ONS and not the meal, the program should consider reassessment and refer the participant to a registered dietitian for nutritional assessment and counseling. Meals that are declined more than **five days consecutively** should NOT be reported as a meal in NAPIS but rather be reported as an ONS under "Other Services."

For FY 2024 meal reporting and beyond, if the nutrition provider answers NO to any of the following questions, the respective ONS should NOT be counted in NAPIS for purposes of determining NSIP eligibility:

1. Is there a physician's nutrition prescription on file for the ONS?
2. Was a meal offered to clients who received the ONS?
3. Did the client choose the ONS as part of what they wanted from that meal?
4. Is there supporting documentation? Appropriate documentation can include:
  - A signed menu from which the client selected their choices.
  - A dated note in the client's records that the client has requested that only the ONS portion of the meal be delivered.
  - A signed letter from the client, or their representative, stating that the client is choosing to opt out of the full meal and selects the ONS only.
  - A form created by the area agency on aging stating that the full meal, or any part of it, which includes an ONS, is available by request at any time that the person is a home-delivered meal client, and that the person signing is choosing only the ONS.
5. Is the period of time that the participant has chosen only the ONS no more than five consecutive days?

For supporting documentation, please reference the attached documents, ACL Oral Nutrition Supplements Considerations Senior Nutrition Programs guidance document and the NSIP FAQ document. Questions should be directed to Marla Price at [PriceM10@michigan.gov](mailto:PriceM10@michigan.gov) or 517-294-9694.

SW:mp

#### Attachments

c: Kristina Leonardi, Director, Aging & Community Services Division  
Sophia Hines, Manager, Health Promotion & Active Aging (HPAA) Section  
Marla Price, Nutrition Specialist, HPAA Section  
Operations & Aging Network Support Division  
NAPIS User Group  
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# Nutrition and Aging Resource Center

## Nutrition Services Incentive Program FAQ

### 1. What is the Nutrition Services Incentive Program (NSIP)?

The NSIP is authorized by Section 311 of the [Older Americans Act \(OAA\)](#). NSIP provides grants to states, territories, and eligible tribal organizations (hereinafter, "state(s)") to support the OAA congregate and home-delivered nutrition programs by providing an incentive to serve more meals. Grantees can choose to receive their grant as cash, commodities (food) from the United States Department of Agriculture (USDA), or a combination of cash and commodities.

USDA leads a process that allows states to choose cash or commodities prior to the beginning of the next fiscal year. This choice may not be changed during the year. If a state chooses to use commodities, USDA assesses an administrative fee that is taken from the grant.

In 2006, USDA administered the program, and it was commonly known as "cash-in-lieu of commodities" or the "Nutrition Program for the Elderly." The name was changed in the 2006 amendments to the OAA when the authorization and funding was transferred from USDA to the Administration for Community Living (ACL).

### 2. What are the requirements of NSIP?

The requirements for NSIP are stated in Section 311 of the OAA. There are no other requirements by any other federal agency. NSIP allocations are available to states that provide nutrition services in adherence to the requirements of the OAA which include:

- Serving meals to an individual who is eligible to receive services under the OAA.
- Serving meals to an individual who has not been means-tested to receive services.

- Serving meals that meet the requirements of the OAA, including meals that meet the Dietary Guidelines for Americans (DGAs) and Dietary Reference Intakes (DRIs) as indicated in OAA Section 339.
- Serving meals to individuals who have been provided the opportunity to contribute to the cost of service.
- Are served by an eligible agency, i.e., an agency that has a grant or contract with a State Unit on Aging (SUA) or Area Agency on Aging (AAA).

NSIP meal requirements do not have service delivery type restrictions. NSIP meals may include congregate, home-delivered, grab and go, restaurant, food truck, and other innovative delivery models.

NSIP criteria are listed in the [State Performance Report \(SPR\) Appendix A: Data Element Definitions](#) (Table 3. Additional Definitions) under NSIP qualified meal-Congregate and NSIP qualified meal-Home-Delivered.

### **3. Does ACL have the authority to waive these requirements?**

ACL does not have the legal authority to waive these requirements. The OAA requirements that may be waived are listed in OAA Section 316. Section 316 does not list the NSIP requirements in Section 311 or the nutrition requirements in Section 339.

### **4. How is NSIP funded?**

NSIP is funded by a Congressional appropriation to ACL. SUAs receive OAA allocations for nutrition services for Title III C1 (congregate), Title III C2 (home-delivered) and NSIP. Of these allocations, NSIP is about 16% of total OAA nutrition services funding before transfers among Titles III B and C occur.

Types of funding sources that may qualify a meal for NSIP funding, if the requirements for NSIP as stated in section 311 of the OAA are met:

- OAA Title III-C1, Title III-C2, Title VI, and/or
- OAA state match, and/or
- other sources of funding, such as public funds (e.g., state, city, county) and private funds (e.g., contributions, fundraising, foundation grants).

The NSIP statute requires states to distribute funds promptly and equitably. All nutrition services providers (congregate and home-delivered) should be considered in the equitable distribution of funding. Additionally, the state should ensure that the distribution of the funding is justifiable to the current needs and, if available, use more recent data on meal counts.

## 5. How may NSIP allocations be used?

NSIP allocations may only be used to purchase domestically produced food, such as milk, fruit, vegetables, protein products, etc., that are used in a meal.

- The allocations may be used to pay for specific food items that make up a portion of each meal, like milk or a protein product.
- Many programs allocate a percentage of funds from NSIP to pay for a portion of the cost of a meal.
- Another way to spend NSIP funds would be to supplement a shelf-stable meal to ensure that it meets OAA nutrition requirements. For example, if a shelf-stable meal does not meet the nutrition requirements of the OAA because it lacks a dairy component or contains insufficient vegetables or fruit, the NSIP funding might be used to supplement the shelf-stable meal with a carton of milk, a packet of non-fat dry milk, or a piece of fresh fruit. Then the meal might meet the OAA requirements and be reported as an NSIP meal.
- A holiday meal that meets the NSIP requirements (which includes meeting one-third of the DRIs/DGAs) may be reported as an NSIP meal, in accordance with the OAA and the state's policies and procedures.
  - Special or holiday meals that do not meet OAA nutritional requirements may be provided with non-OAA funding, and those meals would not count as an NSIP meal.

In all cases, programs must ensure documentation verifies the food purchases made with NSIP allocations meet NSIP requirements (i.e., domestically produced food such as milk, fruit, vegetables, or protein products that are used in a meal).

## 6. Can emergency meals such as shelf-stable meals meet the nutrition requirements for NSIP?

Maybe. If the shelf-stable meal meets the nutrition requirements of the OAA, the meal meets the requirements of NSIP. If the SUA uses an eating pattern similar to the pattern found in Dietary Guidelines for Americans 2020-2025 as its method for determining adherence to the requirements and the shelf-stable meal or other emergency meal meets this menu pattern, the meal probably meets the nutrition requirements. Shelf-stable meals vary in nutrient content such as calories, fat, protein, fiber, vitamins and minerals. Many shelf-stable meals are higher in sodium than recommended in the DGAs or DRIs.

## **7. When should NSIP funds not be used?**

NSIP allocations may not be used to pay for administration, indirect costs, or other nutrition services such as education, counseling, oral nutrition supplements, groceries, specialized utensils, etc. NSIP allocations may not be used to buy groceries (food boxes, etc.) for program participants, as these do not constitute a meal.

The OAA neither explicitly includes nor prohibits assisted living facility (ALF) residents from receiving any services. However, SUAs must ensure in accordance with 45CFR1321 that OAA funds supplement, not supplant, any federal, state, or local funds. This means if the resident's cost of placement within the ALF is publicly-funded and if the ALF provides meals as part of their package, then OAA funds (including NSIP) cannot be used for those meals.

## **8. How are NSIP meals reported?**

NSIP meals are reported on the regular State Performance Report (SPR) for the states. SUAs determine how the number of meals are reported at the substate level. All meals that meet NSIP requirements — for example meals that meet one-third of the DRIs/DGAs — should be reported under NSIP. Reporting NSIP meals benefits states/territories by ensuring proper NSIP allocation.

[OAAPS Title III Data Elements and Definitions NSIP](#)

[State Performance Report \(SPR\) Appendix A: Data Element Definitions](#)

## **9. How does a state receive its allocation?**

The SUA receives a notice of grant award after the number of meals is reported through the SPR. The SUA determines how to distribute the funding at a substate level. The funding formula for NSIP is based on the total number of eligible meals served by a state or territory in proportion to the total number of eligible meals served by all states and territories in the prior federal fiscal year. If a state or territory serves proportionally more meals than other states or territories, that state or territory receives a higher allocation, which is in keeping with the incentive purpose of NSIP.

## **10. How do states allocate NSIP?**

States are required to list a funding formula in their state plans for how they distribute NSIP funds. As an informational piece under Attachment C of the state plan, states must show that they allocate the NSIP in an equitable manner. This implementation should not be burdensome. It could be achieved by stating the

allocated NSIP funds to each AAA is in the same proportion as the proportionate number of meals they served (or could develop other mechanisms that are based on other criteria). SUAs are not required to use the same method. Some states have chosen other methods to equally allocate NSIP funding.

NSIP provides additional funding to states, territories, and eligible tribal organizations that is used exclusively to purchase food and cannot be used to pay for other nutrition-related services or for administrative costs. Funds are awarded to states and tribes based on the number of meals served in the prior federal fiscal year.

[View historic NSIP funding levels for Title III organizations](#)

## **11. Can NSIP allocations be transferred?**

No, NSIP allocations may not be transferred because they are not a part of Title III B, III C, III D, or III E.

## **12. Does USDA provide reimbursement for NSIP commodities lost during a disaster?**

No. However, USDA provides supplemental nutrition assistance in response to numerous types of emergencies and disasters, including, but not limited to, hurricanes, tornadoes, severe storms, and flooding. To qualify, these emergencies must be under a Presidential Disaster Declaration.

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## **Resources**

ACL Older Americans Act Performance System:

- [Title III Services Resources](#)
- [Frequently Asked Questions](#)
- [Domestically Produced Food](#)



# Nutrition and Aging Resource Center

## Oral Nutrition Supplements

### Considerations for Senior Nutrition Programs

This tip sheet explains how oral nutrition supplements (ONS) can be offered, funded, and documented in your senior nutrition program. ONS are typically ready-to-drink beverages that provide nutrients like carbohydrates, protein, fat, vitamins, and minerals. They may be recommended by a registered dietitian or other health professional to help participants enhance their nutrient intake. Please refer to your state and local policies to ensure proper procedures are followed.

### Planning

ONS are not a necessity within the senior nutrition program but can be a tool to meet the nutritional needs of your participants. If you are deciding whether to add these supplements to your program, consider the following.

- Whether state and local policies allow these supplements, and if so, what procedures must be followed.
- The need for and interest in ONS within your program. Participant surveys and client intake forms may help make this determination.
- ONS are not one size fits all; some supplements may interact with chronic conditions or medications. Consider medical recommendations for participants to receive ONS.
- How your program will pay for ONS. They may increase your food costs, but there are different ways to pay for them – this document outlines several ways.
  - The issue brief, [Identifying the Total Cost of a Meal](#), can help you determine how ONS will impact your program's costs.

## Incorporating

There are two ways ONS can be incorporated into senior nutrition programs:

1. **Offer them separately or in addition to congregate and home-delivered meal services.**

ONS can be consumed with the meal or at another time. When served in addition to meals or offered to eligible persons who do not actively participate in the meal program, these supplements can be helpful for people who:

- Are at high nutritional risk.
- Have increased protein and calorie needs.
- Have unmet nutritional needs because of a health condition, food insecurity, or limited ability to grocery shop or cook meals.

2. **Incorporate them as an option as part of a congregate or home-delivered meal.**

Older Americans Act (OAA) meals must meet the current Dietary Guidelines for Americans (DGAs) and provide one-third of the Dietary Reference Intakes (DRIs). See [Nutrition Requirements of the OAA](#) for a basic summary.

A provider could offer an OAA meal and include an ONS as an optional choice. For example, ONS can be provided as an option instead of milk.

## Funding

There are different funding streams to consider when purchasing ONS. If you plan to use OAA funds, it is essential to understand the proper way to purchase ONS for your program.

### OAA Title III-C Nutrition Services

ONS may be funded by OAA Title III-C funds whether they are provided as part of a program meal or provided separately.

*Remember: OAA meals must meet the current DGAs and provide one-third of the DRIs.*

### OAA Nutrition Services Incentive Program (NSIP)

**NSIP funds cannot be used to purchase ONS.** NSIP funds may only be used to purchase domestically produced foods. As these supplements are considered processed pharmaceutical products, they do not meet the definition of domestically produced food. Find more information in the [NSIP FAQ](#).

## Other Ways to Fund

**Title III-B:** ONS can be covered if their use complies with state and local policies and funds are available, as ONS are considered “other services as necessary for the general welfare”, as indicated in Sec 321(26).

**Title III-E:** These funds can be used for supplemental services on a limited basis to complement the care provided by caregivers under OAA Section 373(b)(5). The care recipient must have impairments in two or three activities of daily living (ADL) to be considered eligible for supplemental services.

**Other sources to help defray costs:** Nutrition programs may be able to negotiate a discount or join a Group Purchasing Organization or a Purchasing Consortium. Donors or partners within the community can be approached to help cover or contribute towards the cost of ONS.

## Reporting

Ensuring correct documentation of ONS in your program’s reporting is very important. **ONS alone may not be counted as a meal.** ONS purchased with OAA funds can be reported in the State Performance Reporting (SPR) systems.

### OAA Title III-C

**If provided separately from or in addition to a program meal:** SPR “other services” enhance program services in addition to the reported elements of meals, nutrition education, and nutrition counseling. If offered separately from a meal, ONS would be counted under “other services” within the SPR. ONS may be provided to appropriate meal participants as well as non-participants if these individuals meet Title III-C eligibility.

**If offered as part of the meal:** Report the meal per usual as a C1 or C2 meal. The ONS should be considered part of the food cost and included in reporting meal expenditures.

### OAA Nutrition Services Incentive Program (NSIP)

If an ONS is offered within an OAA meal that meets all NSIP meal requirements, the meal may be counted as an NSIP meal in the SPR.

## Reporting for Other Ways to Fund

**Title III-B:** ONS would be reported as “other services.” The state should be able to document why Title III-C cannot cover the cost so the program can justify using other limited OAA funds for their purchase.

**Title III E:** Eligible ONS should be reported as “supplemental services.”

## Other Considerations

Participants may always choose to eat only certain items from a meal. If served as part of a meal, a participant may select only the ONS or any combination of items offered. However, if a participant consistently chooses to consume the ONS and not the meal, the program should consider engaging the participant, for example, by:

- Offering a referral for nutrition counseling to assess their nutritional needs, provide individualized guidance, and assist with identifying dietary interventions that meet the participant’s needs.
- Offering a referral to a primary care physician, a case manager, or additional meal providers to determine if additional services might be appropriate to support the participant’s nutrition, health, socialization, and well-being.
- Reviewing existing policies and procedures, including training activities, monitoring practices, and funding approaches, to identify cost-effective ways to best meet the needs of program participants.