

Food as Medicine (FaM)

How Food Is Becoming a
Trusted Part of Modern
Healthcare

March 2026





Upstream Inputs

The quality of food is shaped early in the system. Agricultural practices, soil health, processing, and distribution all play a direct role in determining nutrient density and overall diet quality.

Biological Impact

Diet quality has a direct effect on metabolic health and inflammation. Over time, poor nutrition contributes meaningfully to the development and progression of chronic disease.

Downstream Costs

Suboptimal nutrition leads to higher rates of diabetes, cardiovascular disease, obesity, and kidney disease. Together, these conditions represent the largest drivers of healthcare utilization and spending in the United States.

Core Insight

**Food is not peripheral to healthcare.
It is a foundational input.**

Investment Thesis

Food as Medicine is evolving from a wellness trend into a compelling, reimbursable healthcare vertical, presenting a significant private equity opportunity within the **\$5.3 trillion U.S. healthcare market** (CMS, 2024). With proven clinical outcomes, expanding reimbursement pathways, and strong demand drivers across payers, providers, and consumers, the sector offers attractive risk-adjusted returns.

Why Now?

The sector is at an inflection point, with medically tailored meals (MTMs) delivering proven ROI through **\$732–\$6,299 in annual savings per patient**. Strong policy tailwinds, including **~16-18 approved and pending state Medicaid 1115 waivers** for Health-Related Social Needs (HRSN), create an optimal entry window with growing federal support and accelerating institutional adoption.

Where To Play?

Our analysis identifies clear opportunities for capital deployment across three core verticals: **Technology/SaaS platforms** enabling scalable nutrition interventions, **Provider Networks** expanding clinical reach, and **Direct Services** companies delivering medically-tailored meals and nutrition counseling with proven outcomes and strong unit economics.

Return Levers & Risk

Robust return levers for institutional investors include multiple expansion through accelerated reimbursement rate growth, operational efficiencies at scale, and strategic consolidation within a fragmented market. Despite policy uncertainty, clinical validation challenges, and operational complexity risks, these are manageable via strategic positioning and rigorous diligence on reimbursement-ready platforms.



What is Food as Medicine (FaM)?



FaM integrates evidence-based nutrition interventions into healthcare to prevent, manage, and treat chronic diseases, and to promote overall well-being beyond just medical diagnosis. It focuses on upstream, preventive care, addressing social determinants of health rather than just reactive treatment.

Medically Tailored Meals (MTM)

Home-delivered, condition-specific meals designed by registered dietitians for patients with chronic conditions.



Prescription Groceries (PRx)

Physician-prescribed healthy food access programs.



Medical Nutrition Therapy

One-on-one sessions with registered dietitians for personalized dietary guidance.



Food Pharmacies

Healthcare-integrated food distribution programs providing fresh produce and healthy foods.



Teaching Kitchens

Hands-on nutrition education facilities for cooking skills and dietary behavior change.



Telehealth Nutrition

Virtual nutrition counseling and monitoring through digital platforms.





Medically Tailored Meals (MTM) represent the most established and reimbursable Food as Medicine intervention. These programs deliver home-cooked, condition-specific meals designed by registered dietitians to address chronic diseases including diabetes, cardiovascular disease, chronic kidney disease, and cancer.

Operational Infrastructure

- **Commercial Kitchens:** Licensed facilities with dietitian oversight ensure meals meet medical nutrition therapy standards and food safety regulations
- **Software Platforms:** Technology systems manage referrals, dietary prescriptions, inventory, delivery logistics, and outcomes tracking integrated with EMR systems
- **Clinical Programs:** Partnerships with health systems, managed care organizations, and community health centers enable physician referrals and patient enrollment
- **Last-Mile Delivery:** Temperature-controlled logistics ensure meal quality and program compliance, with flexible delivery schedules supporting patient adherence

MTM programs demonstrate measurable clinical outcomes supported by peer-reviewed research

- **HbA1c Reduction:** 0.8–1.2% reduction in diabetic patients (comparable to adding a second diabetes medication)
- **Hospital Readmissions:** 16–50% reduction in 30-day readmissions across multiple studies
- **Healthcare Cost Savings:** \$732–\$6,299 net annual savings per patient (Health Affairs, 2025); Connecticut showed highest savings at \$6,299, Maryland \$3,248
- **Blood Pressure:** 4–11 mmHg reduction in systolic blood pressure
- **Dietary Adherence:** Consistently above 90% compliance rates

Primary Conditions Targeted

Type 2 Diabetes

Carbohydrate-controlled meals improve glycemic control and reduce medication needs

Cardiovascular Disease

Heart-healthy, sodium-restricted meals reduce blood pressure and cardiac events

Chronic Kidney Disease

Renal-specific meals manage protein, potassium, and phosphorus intake

The Registered Dietitian Workforce

The United States currently has approximately **113,700 registered dietitian nutritionists (RDNs)** (as of early 2026), with the profession projected to grow **6% from 2024–2034** (faster than average for all occupations; BLS). This growth is driven by increasing recognition of nutrition's role in chronic disease management and prevention, affirming RDNs as the credentialed professionals driving Food as Medicine initiatives.

RDNs provide Medical Nutrition Therapy (MNT), which is an evidence-based healthcare service covered by Medicare Part B at 100% for eligible conditions, and increasingly by Medicaid and commercial payers under value-based care arrangements.

Interstate Practice Transformation

The **Dietitian Licensure Compact**, enacted in **15+ states as of 2025-2026** (including Nebraska, Alabama, Tennessee, Ohio, and others), has reached activation status but **compact privileges are not yet issuing**. Full implementation (allowing RDNs to practice across member states without additional licenses) is expected within **12–24 months**. Once operational, this will dramatically expand telehealth nutrition access, especially in rural/underserved areas.

For investors, the compact unlocks **scalable national telehealth platforms** by eliminating state-by-state licensing barriers, enabling efficient capital deployment across technology-enabled service delivery models.

Reimbursement Foundation

MNT is covered under Medicare Part B at **100% for eligible conditions**, including diabetes, chronic kidney disease, and kidney transplant. Specifically, **CPT Code 97802** (initial assessment) is reimbursed at approximately **~\$36–\$40 per 15 minutes**, and CPT Code 97803 (re-assessment/follow-up) at approximately **~\$31–\$35 per 15 minutes** (2025–2026 Medicare national rates; locality-adjusted). No major changes are anticipated for 2026. Increasing commercial insurance and Medicaid coverage under value-based care further strengthens financial viability nutrition-focused companies. The MNT Act of 2025 was proposed late last year and is currently pending. This is a Bipartisan bill that would expand coverage to those with obesity, eating disorder, and many other diseases.

Prescription Groceries: High-Margin Retail Integration Model

Extending Healthspan

Prescription Food Programs (PRx), also known as produce Prescription programs, provide physician-prescribed access to healthy foods through retail partnerships. Unlike MTM's prepared meals, PRx focuses on whole foods and fresh produce, leveraging existing grocery infrastructure to reduce operational costs while maintaining high margins.

Operational Model

- 1. Clinical Referral:** Healthcare providers screen patients for food insecurity and diet-related chronic conditions, then issue "Prescriptions" for healthy food.
- 2. Benefit Cards:** Patients receive debit-style cards or digital wallets loaded with monthly benefits (\$25-\$150), redeemable at partner retailers.
- 3. Retail Partnerships:** Strategic relationships with grocery chains, farmers markets, and food cooperatives enable wide geographic reach with minimal infrastructure investment.
- 4. Program Monitoring:** Technology platforms track redemption patterns, dietary choices, and health outcomes to demonstrate value to payers.

Geographic Focus

PRx programs concentrate in urban and suburban areas with established grocery infrastructure and high Medicaid/Medicare Advantage penetration. Food deserts and rural areas present opportunities but require different delivery models and partnership structures to achieve unit economics.

Economic Advantages

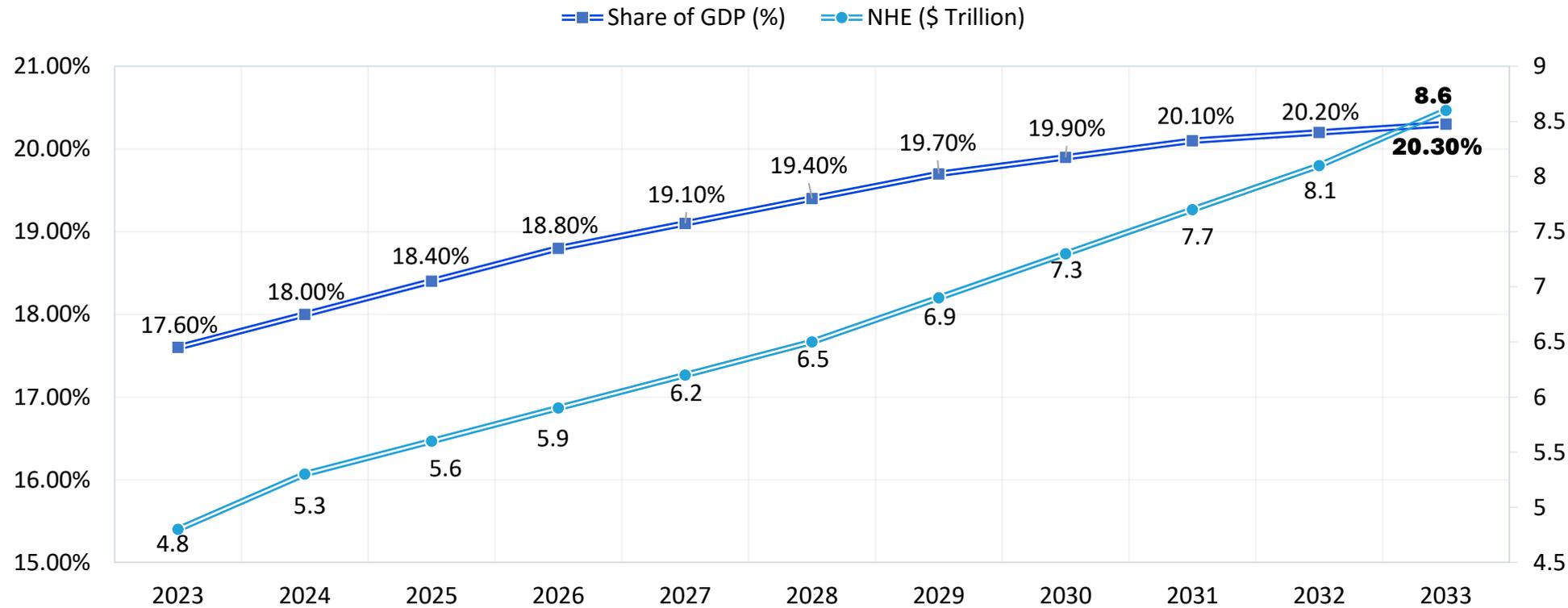
<p>*~60% Gross Margin</p> <p>Industry-leading profitability due to lower fulfillment costs via retail partnerships and minimal infrastructure investment</p>	<p>*~\$30 Avg Order Value</p> <p>Per Prescription redemption at retail partners</p>
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*Estimates based on retail grocery and pharmacy estimates

Sources: <https://chlp.org/project/food-is-medicine>, <https://fimcoalition.org/about-fimc/our-model>, <https://www.cdc.gov/nutrition/php/incentives-prescriptions/understanding-programs.html>, <https://www.nifa.usda.gov/gus-schumacher-nutrition-incentive-program-produce-prescription-program-gusnip-ppr-frequently-asked>, <https://www.nutritionincentivehub.org/media/imihex0v/grocery-retail-pricing.pdf>, <https://www.ahajournals.org/doi/10.1161/CIRCOUTCOMES.122.009520>

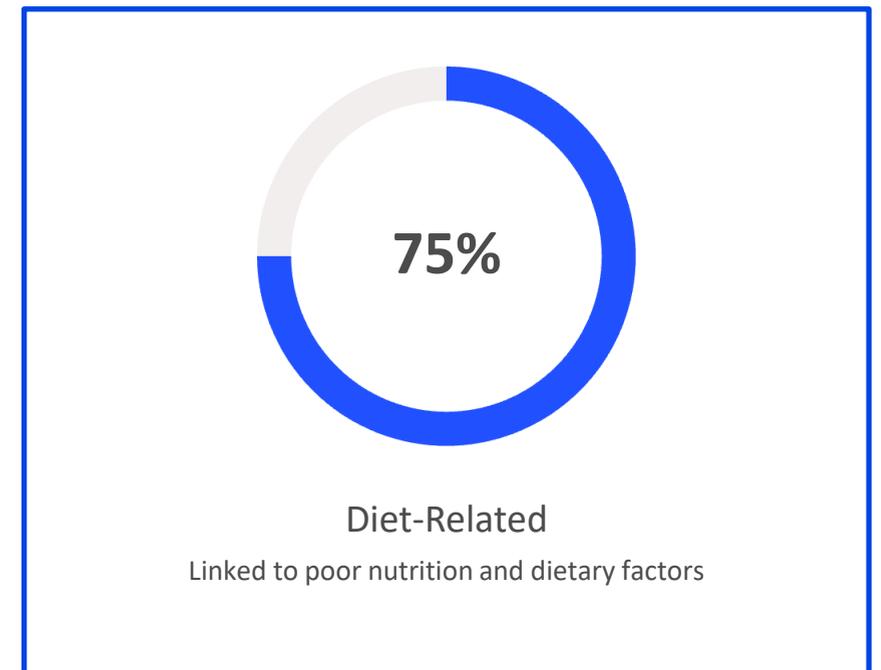
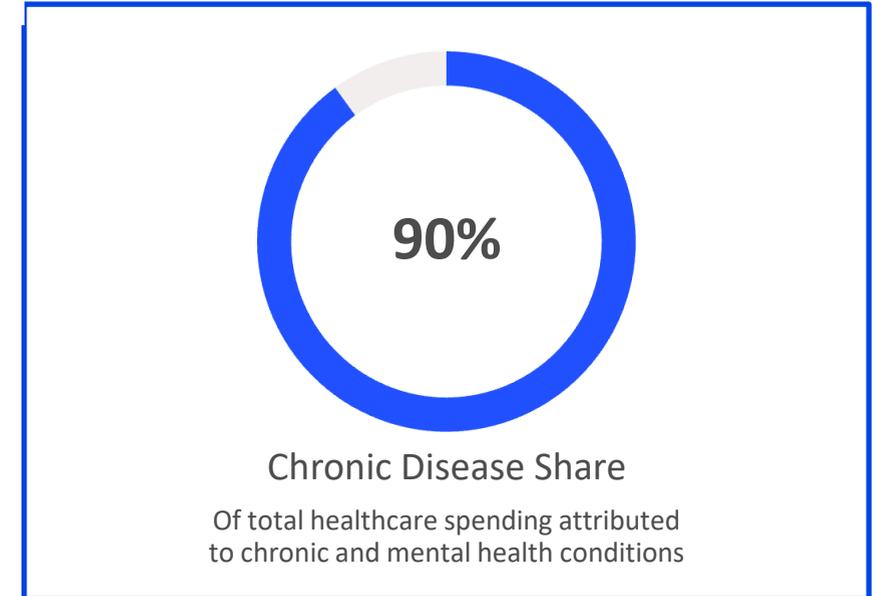
Spending to Reach \$8.6 Trillion by 2033, Chronic Conditions Drive Costs

US HEALTHCARE SPENDING PROJECTION



U.S. healthcare spending reached **\$5.3 trillion in 2024** (18.0% of GDP, \$15,474 per person). Federal actuaries project spending will reach **\$8.6 trillion by 2033**, with an average annual growth rate of 5.8% from 2024-2033. The health share of GDP is expected to rise to 20.3% by 2033. Chronic diseases and mental health conditions account for approximately 90% of the nation's annual healthcare expenditures. This escalating cost burden is pushing payers, employers, and policymakers to actively seek upstream interventions.

Food as Medicine initiatives represent a promising preventive strategy, particularly for managing diet-related chronic conditions—including type 2 diabetes, cardiovascular disease, and obesity—that are linked to poor nutrition and dietary factors and contribute disproportionately to this spending trajectory.



Source: <https://www.cms.gov/data-research/statistics-trends-and-reports/national-health-expenditure-data/nhe-fact-sheet>

Medically Tailored Meals (MTM)

**Prescription Groceries/
Produced Prescription**

Telehealth/ Telenutrition



Payers

Economic Imperative



Medicare Advantage and Medicaid programs aggressively implement outcomes-indexed contracts and value-based care. Food as Medicine offers measurable ROI via reduced hospitalizations, lower pharmaceutical costs, and improved quality metrics affecting Star Ratings and reimbursement.

Providers

Care Integration



Healthcare systems integrate medically-tailored meals and nutrition counseling into discharge bundles and chronic disease management. EMR integration and referral workflows create sustainable revenue streams and improve patient outcomes, driving value-based payments.

Consumers

GLP-1 Complementarity



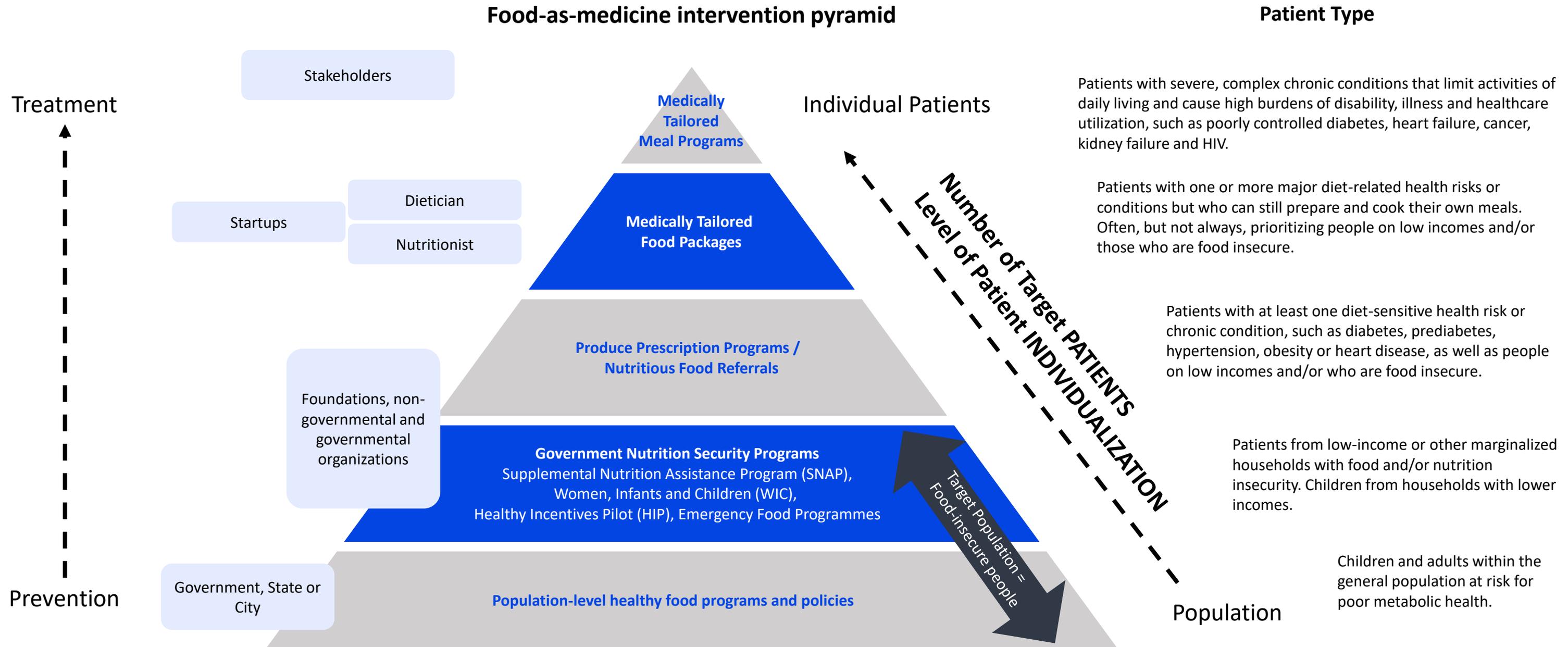
The rise of GLP-1 medications (Ozempic, Wegovy, Mounjaro) has significantly increased consumer awareness of metabolic health and nutrition. Many patients seek nutritional support to maximize GLP-1 efficacy, manage side effects, and maintain outcomes, creating a massive adjacency opportunity.

Employers

Cost Management



Self-insured employers increasingly offer Food as Medicine benefits within wellness programs. With healthcare costs at 8-12% of payroll, employers see nutritional interventions as a strategic investment in workforce health, productivity, and medical cost containment.



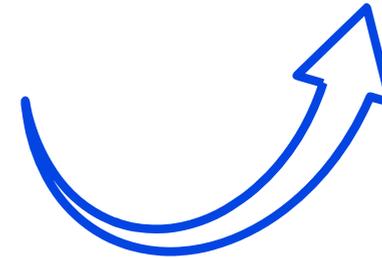
Source :- <https://pmc.ncbi.nlm.nih.gov/articles/PMC12148425/>

Market Segment

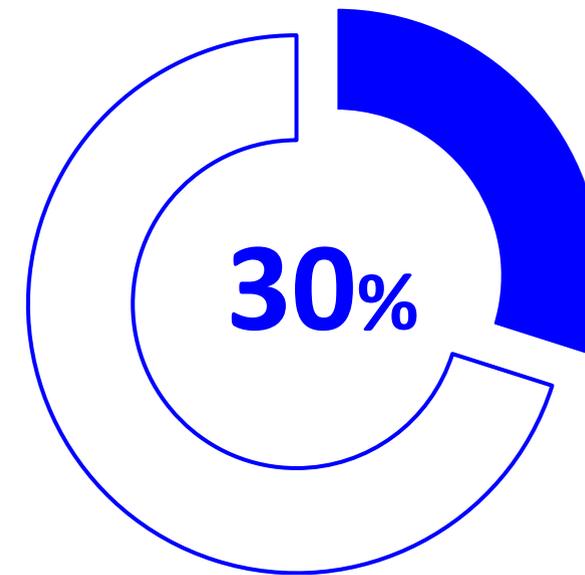
- The global market is projected to reach USD 33.49 billion by 2030, sustained by a steady Compound Annual Growth Rate (CAGR) of 5.13% from 2025 to 2030.
- Expansion is primarily driven by an aging global population, the rising prevalence of chronic diseases (notably cancer and diabetes), and increasing clinical demand for neonatal/preterm enteral feeding.
- The oral route remains the preferred administration method, securing a 72.86% revenue share in 2024. Powdered products lead the segment (35.53% share) due to high commercial viability and versatile application across both oral and enteral routes.
- Chemotherapy-induced diarrhea emerged as a critical application area. The broader cancer segment accounted for 12.11% of the market in 2024, fueled by the high incidence of gastrointestinal side effects during treatment.
- Direct-to-Consumer (DTC) channels dominate the landscape with a 59.07% revenue share, allowing brands to build direct patient relationships, while Institutional Sales (hospitals and care centers) remain a fundamental pillar for clinical adoption.
- North America holds the largest market share (approx. 30%), supported by advanced healthcare infrastructure and the presence of industry leaders such as Nestlé, Danone, and Abbott.



\$10.5B

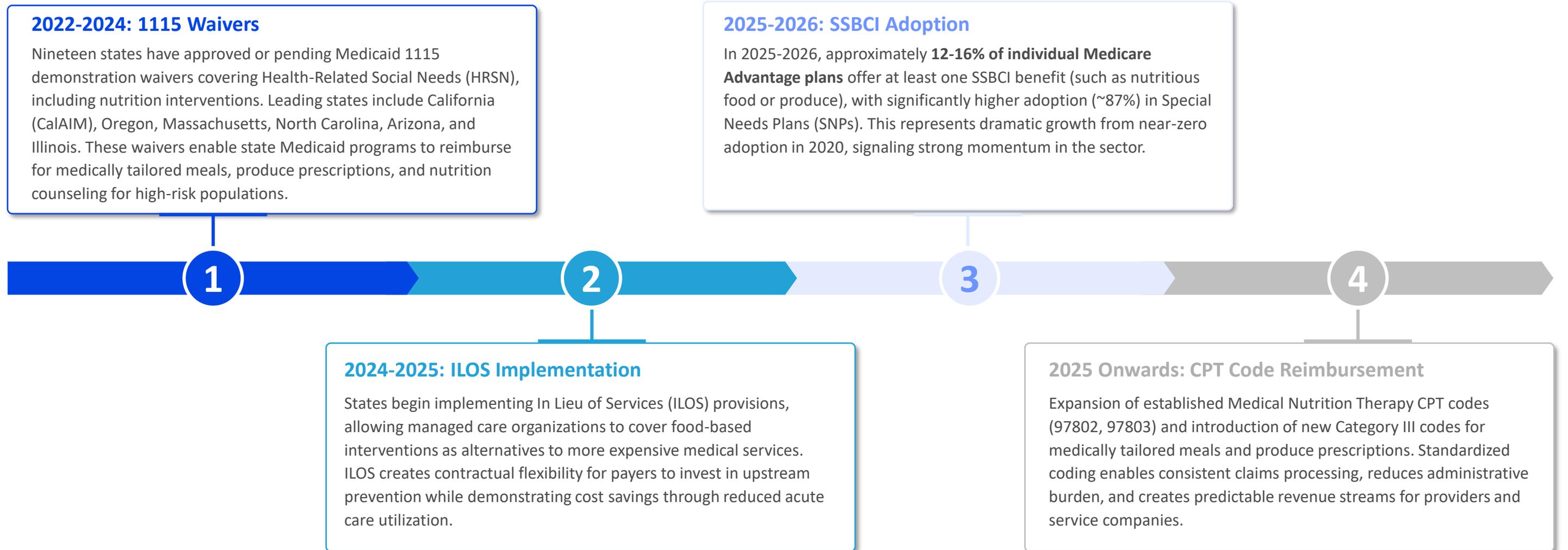


Growing at a CAGR of 5–6%, the North America Medical Foods estimated to reach at **\$10.5B** by the year 2030.



In 2023, North America had a dominant **29.9%** share of the global medical foods market revenue, a leading position it is projected to maintain through 2030.

Four-Stage Evolution Creating Sustainable Payment Infrastructure



This multi-layered policy infrastructure creates durable reimbursement pathways that reduce investor risk and enable scalable business models. The convergence of federal (Medicare Advantage, CPT codes), state (Medicaid waivers, ILOS), and managed care (SSBCI) mechanisms ensures multiple routes to market for Food as Medicine companies.

Sources: <https://www.kff.org/medicaid/medicaid-waiver-tracker-approved-and-pending-section-1115-waivers-by-state/> | <https://www.kff.org/medicaid/section-1115-medicare-waiver-watch-a-closer-look-at-recent-approvals-to-address-health-related-social-needs-hrsn/> | <https://www.medicare.gov/federal-policy-guidance/downloads/smd23001.pdf> | <https://bettermedicarealliance.org/blog-posts/2026-medicare-advantage-data-reveal-shifts-in-benefit-design> | https://www.medpac.gov/wp-content/uploads/2025/06/Jun25_Ch2_MedPAC_Report_To_Congress_SEC.pdf

Reimbursement Framework for MNT, MTM, PRx & Nutrition Counseling

Current Medical Nutrition Therapy (MNT) Codes



Existing CPT codes are foundational: - **97802**: Medical nutrition therapy; initial assessment and intervention, individual, face-to-face, each 15 minutes. Reimbursement: ~\$35.58 per 15 minutes (2025). - **97803**: Medical nutrition therapy; re-assessment and intervention, individual, face-to-face, each 15 minutes. Reimbursement: ~\$31.05 per 15 minutes (2025). These codes, established by the American Medical Association (AMA), are widely accepted by private insurance, Medicare, and Medicaid. Notably, Medicare Part B covers MNT at 100% for eligible patients, setting a strong precedent for dietary intervention reimbursement.

Emerging FaM Codes & Pilot Programs



New Category III CPT codes are being proposed and piloted for "Food as Medicine" programs, such as Medically Tailored Meals (MTM) and Medically Prescribed Produce (MPP). These codes are designed to enable direct billing for the provision of food and associated support services, differentiating them from traditional MNT. This marks a crucial step toward recognizing the therapeutic value of food. MTM has piloted under **99605, 99606, 99607** for patients signing up with doctors and recurring visits for these programs. The individual meals then get reimbursed as well. **S9452 / S9465** are codes used by private insurers and state pilot programs for MTM/MPP.

Reimbursement & Billing Impact



The expansion and formalization of CPT codes for FaM services will standardize claims processes, significantly reduce administrative friction for providers, and broaden payer coverage. This creates a clearer, more efficient pathway for healthcare providers to bill for and receive reimbursement for comprehensive Food as Medicine interventions, from assessment to actual food provision.

Investment Opportunity



The formalization of FaM services through CPT codes creates attractive investment opportunities in technology platforms and service providers that deliver these interventions. Consistent reimbursement streams and increased market access, driven by standardized billing, signal a robust growth environment for innovative FaM ventures.



\$30B+ savings potential

Peer-Reviewed
(Health Affairs 2025)

- MTM savings: \$3,248–\$6,299 per patient
- 46% ↓ admissions for those with heart failure
- Focused on Chronic Illnesses
- [Health Affairs](#)



Meta-Analysis
(JAMA 2022)

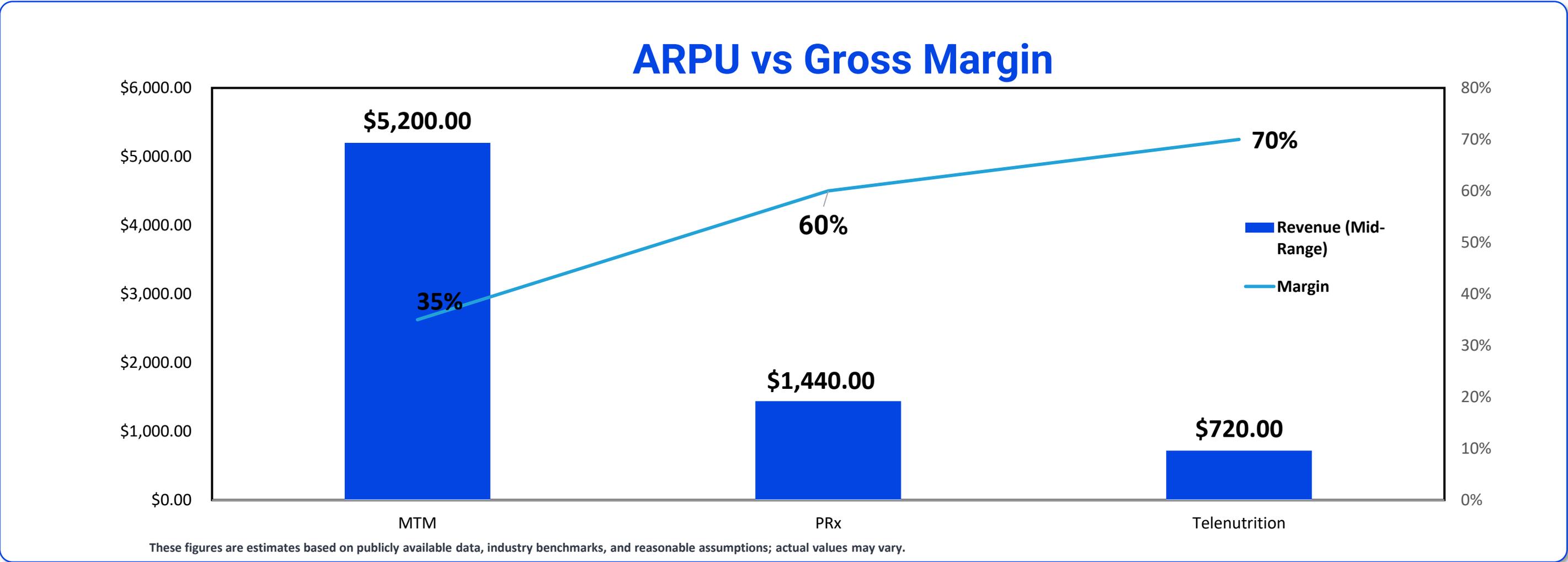
- 19.7% ↓ in health care expenditures
- 47% ↓ in annual hospitalizations
- Based on a meta-analysis of 5 interventional studies
- [JAMA](#)



Source: <https://www.healthaffairs.org/doi/10.1377/hlthaff.2024.01307> | <https://jamanetwork.com/journals/jamanetworkopen/fullarticle/2797397>



Analyzing the economics of Medically Tailored Meals (MTM), Prescription Food Programs (PRx), and Telenutrition reveals varying revenue potentials and gross margins. While PRx shows lower revenue figures, its high gross margin makes it particularly profitable.



Source: <https://www.healthaffairs.org/doi/10.1377/hlthaff.2024.01307> , <https://pmc.ncbi.nlm.nih.gov/articles/PMC10492976/> | <https://www.ahajournals.org/doi/10.1161/CIRCOUTCOMES.122.009520> | <https://foodsmart.com/members/telenutrition/registered-dietitians/our-dietitians> | MTM: \$10 per meal x 10 meals a week x 52 weeks = \$5200; PRx: \$120 per month x 12 months = \$1440; Telenutrition: \$60 per Months x 12 months = \$720

Payers

Value Capture: Cost savings through reduced utilization

Key Metrics: PMPM savings, readmission rates, Star Ratings

Investment Angle: Payer-owned or payer-sponsored platforms capture the most value by controlling both the cost savings and service delivery

Technology Platforms

Value Capture: SaaS fees, data licensing, care coordination revenue

Key Metrics: Platform fees, transaction volume, integration breadth

Investment Angle: Infrastructure plays with network effects; winners become essential connective tissue between payers, providers, and service delivery

Provider Networks

Value Capture: Clinical fees, value-based care bonuses, bundled payments

Key Metrics: Referral volume, quality metrics, patient outcomes

Investment Angle: Clinic roll-ups and integrated delivery systems benefit from enhanced reimbursement and patient retention through nutrition integration

Retail & Delivery

Value Capture: Product margins, delivery fees, data monetization

Key Metrics: Transaction volume, basket size, logistics efficiency

Investment Angle: Last-mile delivery and retail partnerships enable scale but face margin pressure; most vulnerable to disintermediation by vertically integrated players

MTM, Telenutrition & Prescription Groceries

Medically Tailored Meals (MTM)



Target: Companies with contracted meal delivery services and clinical partnerships

Why: Highest revenue per patient, strong payer relationships, measurable health outcomes

Examples: BistroMD, Mom's Meals, Modify Health

Telenutrition Platforms



Target: Software platforms with EMR integration and registered dietitian networks

Why: 70%+ gross margins, scalable technology, recurring revenue model

Examples: Foodsmart, Nourish, Yazen

Prescription Groceries/ Produce Prescriptions



Target: Retail-integrated platforms with voucher/prescription capabilities

Why: Lower operational costs, retail partnership leverage, broad market appeal

Examples: NourishedRx, Instacart, FarmboxRx

Critical Parameters Investors Evaluate for Durable Advantage and Reduced Risk



Brand

- Strong brand drives patient adherence and loyalty in a crowded "healthy food" space. Built on clinician endorsements, proven outcomes, and trust erodes quickly without evidence.



Geography

- Regional proximity to farms/food hubs cuts costs and builds community trust/resilience.
- Enables state-specific incentives (e.g., Medicaid pilots) but hinders national scale without partners.



Partnerships/ Distribution

- Exclusive payer/health system integrations (e.g., Medicare Advantage, grocers) create high switching costs.
- Often the widest moat today, this unlocks reimbursement and rapid nationwide reach.



Clinical Validation & Data/IP

- Rigorous outcomes data and proprietary IP form hard-to-copy barriers. Essential for payer adoption and premium valuations
- This separates pilots from scaled winners.



Reimbursement & Regulatory Navigation

- Multi-market payer coverage (e.g., MA pilots, state waivers) delivers sustainable revenue and defensibility.
- Mastering complex regs creates the strongest entry barrier and competitive edge in 2026.

Medically-Tailored Meals (MTM)

- **Capital Requirements:** \$10M - \$20M for kitchen infrastructure, logistics, and technology.
- **Time to Scale:** 3-5 years for significant regional presence and payer integration.
- **Key Value Drivers:** Payer contracts, kitchen density, delivery optimization, outcomes data (up to \$6,000+ average savings per person)
- **Exit Potential:** Highly attractive to large healthcare systems, managed care organizations (MCOs), and integrated delivery networks (IDNs) for strategic acquisition. Lower IPO likelihood due to asset-heavy nature.

Produce Prescription (PRx)

- **Capital Requirements:** \$2M - \$5M for retail partnerships, technology platform, and program expansion.
- **Time to Scale:** 2-4 years to establish broad retail network and referral volume.
- **Key Value Drivers:** Retail partnerships, SNAP integration, referral volume, member engagement.
- **Exit Potential:** Strategic acquisition targets include grocery chains, public health initiatives, and health tech platforms focused on population health. Potential for IPO if scaled significantly with strong tech integration.

Telenutrition Platforms

- **Capital Requirements:** \$2M - \$5M for platform development, AI/ML integration, and dietitian network expansion.
- **Time to Scale:** 1-3 years for robust platform and substantial member base.
- **Key Value Drivers:** Software scalability, dietitian utilization, EMR integration, AI-assisted protocols, large member base (e.g., 2M+ members served by Foodsmart).
- **Exit Potential:** High potential for IPO or acquisition by major health tech companies, EHR providers, or payers due to scalable SaaS model and strong defensibility.

Prominent Acquisitions



Company	Description	Location	Acquirers	Financing Stage	Latest Amount	Date
	Clinical nutrition firm offering onsite and telehealth dietitians for healthcare and wellness centers.	New York, NY	 	Acquisition	Undisclosed	Jan-28-2026
Base	Lab-driven nutrition platform using biomarker testing to power personalized diet plans.	New York, NY		Acquisition	Undisclosed	May-30-2025
	Personalized meal-planning app that creates goal-based meal plans and grocery guidance.	Covina, CA		Acquisition	Undisclosed	Feb-12-2025
	Web-based menu-planning software with dietitian-approved menus for senior-care facilities.	Idaho Falls, ID		Acquisition	Undisclosed	Jan-10-2025
	Food-as-medicine platform delivering customized produce boxes and nutrition education.	New York, NY		Acquisition	Undisclosed	Jun-03-2025
	Digital platform providing personalized coaching and habit tracking for metabolic and long-term wellness.	Tampa, FL		Acquisition	\$34.4 M	Apr-17-2025
	Digital nutrition platform combining clinical coaching with personalized food prescriptions.	Boston, MA		Acquisition	Undisclosed	Nov-11-2024
	Virtual nutrition platform offering personalized dietitian coaching and habit support.	New York, NY		Asset acquisition	Undisclosed	Dec-18-2023.
	Online program using plant-based nutrition to manage insulin resistance and diabetes.	Santa Monica, CA,		Acquisition	Undisclosed	Jul-26-2023
	Provider of nutrition and food-service consulting for hospitals and senior-care facilities.	Kittanning, PA		LBO acquisition	Undisclosed	Mar-28-2023

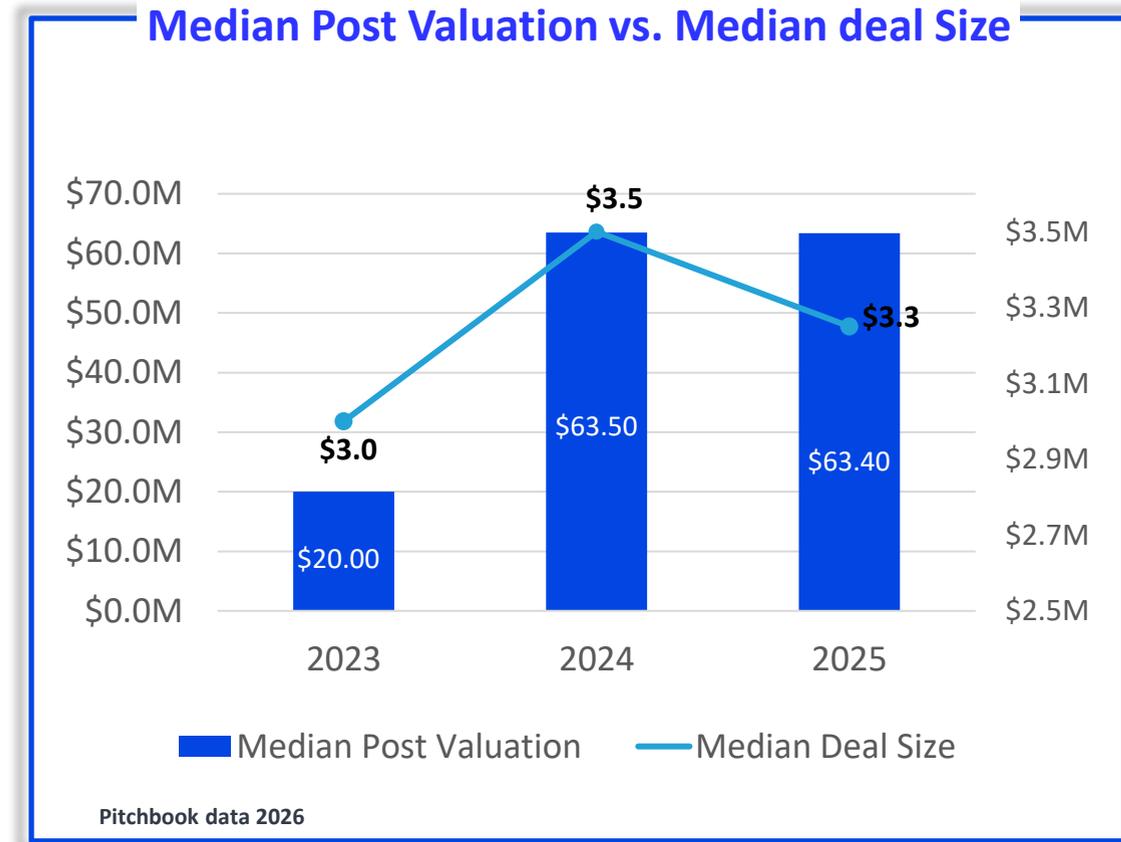
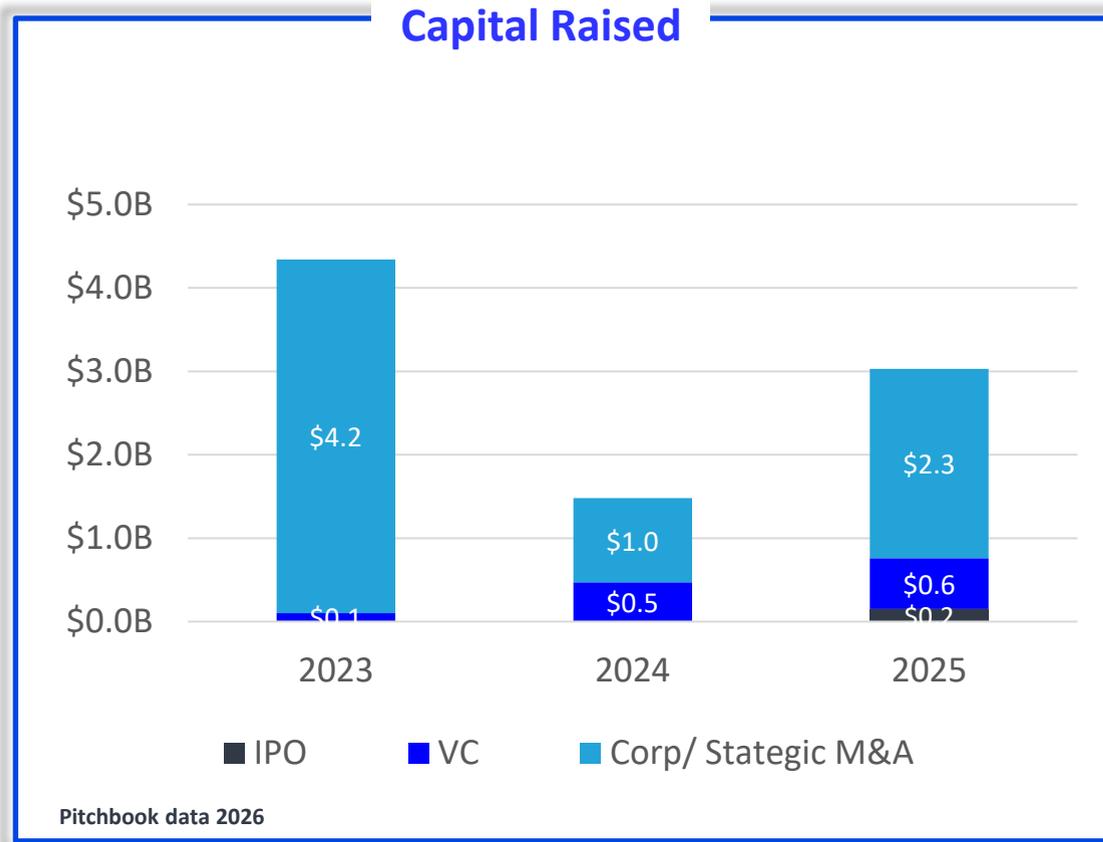
Pitchbook data 2026

Prominent Venture Investments

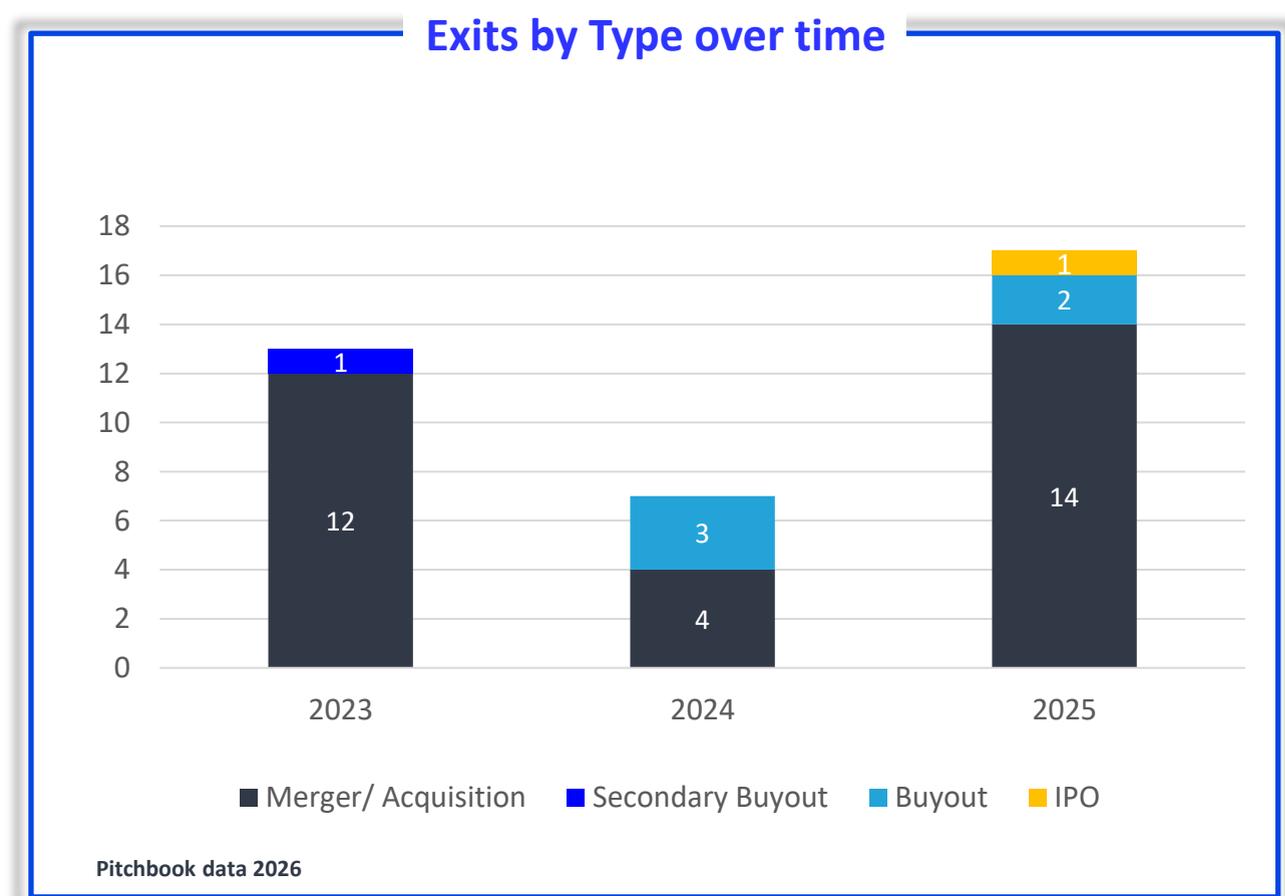
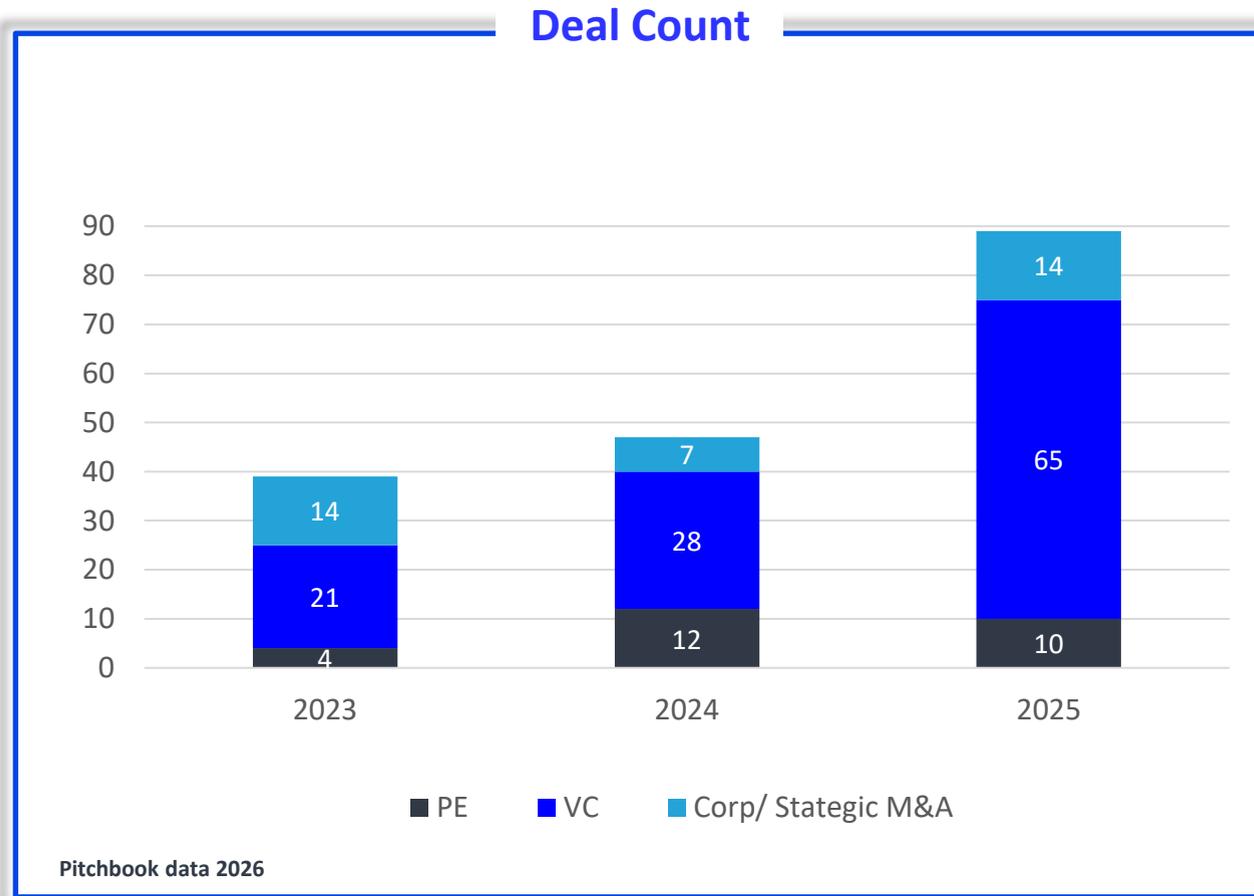


Company	Description	Location	Investors	Financing Stage	Latest Amount	Date
WellTheory	Virtual autoimmune-care platform offering nutrition and dietitian support to improve wellness.	Atherton, CA	Undisclosed Investors	Later Stage VC	\$19 M	Feb-03-2026
L-NUTRA	Nutri-tech company creating plant-based programs for metabolic health and longevity.	Los Angeles, CA	BRENTWOOD ASSOCIATES MUBADALA	Later Stage VC	\$83.5 M	Jan-21-2026
chiyo	Food-as-medicine meal service providing nutrition programs for pregnancy and postpartum recovery.	New York, NY	ID VENTURES	Undisclosed	NA	Sep-1-2025
Nourished ^{Rx}	Food-as-medicine platform delivering medically tailored meals members with chronic conditions	Stamford, CT	PEAKBRIDGE	Series A1	\$15 M	Jul-30-2025
Fay	Digital therapy platform linking patients with insurance-covered dietitians for personalized care.	San Francisco, CA	Goldman Sachs GENERAL CATALYST	Series B	\$50 M	Feb-05-2025
mealogic	Meal-delivery platform enabling providers to offer personalized food-as-medicine programs.	New York, NY	S2G DOHMEN COMPANY FOUNDATION	Later Stage VC	\$16 M	May-06-2025
Nourish	Telehealth service connecting users with dietitians for personalized nutrition guidance	Sanford, NC	J.P.Morgan ASSET MANAGEMENT Y Combinator	Series B	\$70 M	Apr-17-2025
modifyhealth [™] <small>small changes, change lives.</small>	National food-as-medicine platform delivering medically tailored meals and counseling.	Alpharetta, GA	S2G NASHVILLE CAPITAL NETWORK	Series C	\$13.7 M	Dec-04-2024
foodsmart [™]	Telehealth nutrition platform offering personalized diets and chronic disease prevention.	San Francisco, CA	THE RISE FUND	Series D	\$200 M	Jul-12-2024
Cylinder	Virtual digestive-care platform delivering clinician-led programs for the full spectrum of GI conditions	Chicago, IL	HCC MERCATO	Series B	\$31 M	Aug-18-2023

Pitchbook data 2026



- Capital deployment into food as medicine has shifted from a few large, early transactions to a broader base of deals, indicating that the category is maturing and attracting a wider range of investors.
- Across years, median post-money valuations rise more than median deal sizes, suggesting investors increasingly view food as medicine companies as valuable healthcare assets while still expecting disciplined, milestone-driven use of capital.
- The combination of growing deal activity and sustained valuations supports the paper’s thesis that food as medicine has evolved into an investable, evidence-driven part of the health system, spanning clinical care platforms, digital nutrition services, and therapeutic food products.



- Deal activity in food as medicine is increasing over time, with venture deals driving most of the growth while private equity and strategic M&A provide additional support rather than leading overall volume.
- Exits are also becoming more frequent, and they are dominated by mergers and acquisitions, with occasional buyouts and IPOs appearing as the market matures and category leaders emerge.
- Together, the rising deal counts and a steady cadence of strategic exits indicate that food as medicine has developed into a functioning investment and exit ecosystem, supporting companies from early growth through to liquidity events.



Risks

Potential Headwinds Impacting Growth

1

Policy Delays & Uncertainty

Continued delays in Medicaid expansion to additional states, federal budget constraints limiting CMS innovation funding, and potential political headwinds affecting SNAP/nutrition program funding could slow market development

2

Reimbursement Model Evolution

Evolving telehealth and nutrition services reimbursement models creating revenue volatility. CPT code adoption slower than anticipated, payer contracts subject to annual renegotiation, and downward pressure on rates as market matures

3

Clinical Validation Challenges

Difficulties in consistently demonstrating and validating clinical outcomes across diverse patient populations, varying intervention protocols, and different healthcare settings. Attribution challenges in value-based care arrangements

4

Operational Complexity

Scaling personalized nutrition solutions while navigating 50 different state regulatory environments, complex supply chain logistics for perishable foods, and labor challenges in recruiting/retaining registered dietitians

Timeline Expectation: Short to Medium-term (6-18 months). Most risks are manageable through strategic positioning and selective market entry.

Catalysts

Key Drivers Accelerating Adoption

1

Policy Advancements

Broader adoption of Medicaid 1115 waivers (targeting 20+ states by 2027), federal legislation mandating SSBCI nutrition benefits in Medicare Advantage, and potential integration into Affordable Care Act marketplace plans

2

Data Validation & Clinical Evidence

Accumulation of robust, peer-reviewed data demonstrating clear ROI and clinical efficacy. Multi-year outcomes studies from state Medicaid programs, real-world evidence from integrated health systems, and meta-analyses establishing evidence base

3

Technology Platform Maturation

Evolution of technology platforms enabling scalable, personalized, and efficient delivery of services. AI-assisted care protocols, seamless EMR integration, remote patient monitoring, and predictive analytics improving engagement and outcomes

4

Corporate & Employer Adoption

Rapid expansion of employer-sponsored nutrition benefits as healthcare costs reach 10-12% of payroll. Self-insured employers increasingly offer FaM programs, creating large commercial market independent of government payers

Timeline Expectation: Medium to Long-term (12-36 months). Catalysts are highly probable and create durable tailwinds for sector growth.

Four Strategic Approaches to Capital Deployment

1 Vertical Integration Plays

Target companies controlling multiple value chain components: clinical assessment, meal production/procurement, delivery logistics, outcomes measurement, and payer contracting. Vertical integration captures more margin, improves unit economics, and creates defensible competitive moats.

Investment Focus: MTM companies building proprietary technology platforms, RDN networks, and kitchen infrastructure. Platforms integrating EMR connectivity with direct service delivery.

2 Strategic Partnership Platforms

Companies positioned as essential connective tissue between payers, providers, retail, and patients. Network orchestrators that don't necessarily own all components but create value through aggregation, standardization, and data intelligence.

Investment Focus: Technology platforms with broad payer partnerships, multi-state health system relationships, and retail/logistics partnerships enabling rapid geographic expansion without heavy capital requirements.

3 Technology-Enabled Service Delivery

Platforms leveraging software, data analytics, and AI to deliver personalized nutrition interventions at scale. Emphasis on recurring revenue SaaS models, low marginal costs, and network effects through data accumulation and algorithm improvement.

Investment Focus: Telenutrition platforms with multi-modal intervention capabilities (counseling, meal planning, grocery guidance, behavioral coaching), strong member engagement metrics (50%+ 90-day retention), and demonstrated clinical outcomes.

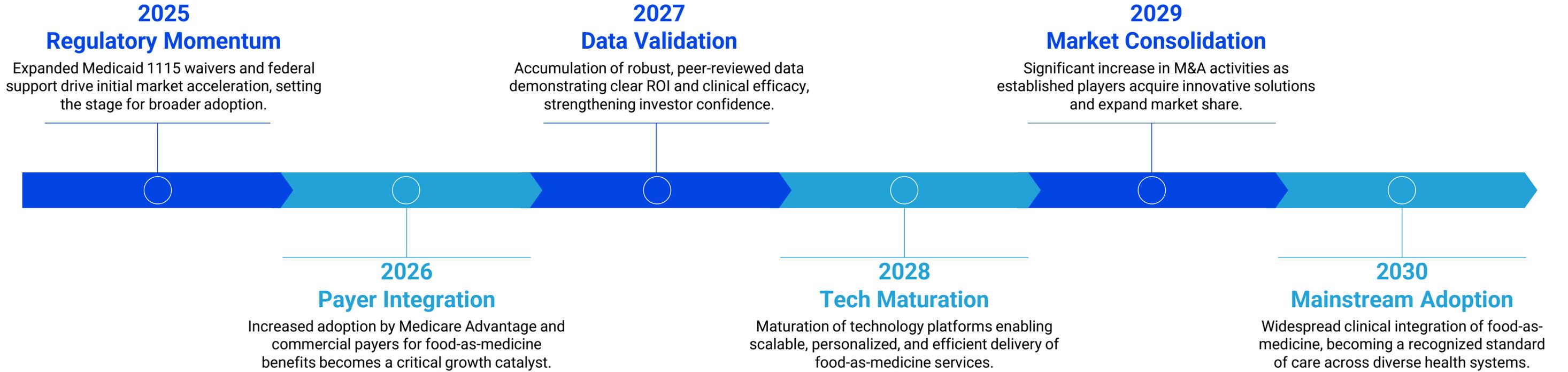
4 M&A Consolidation Opportunities

Roll-up strategies aggregating regional MTM providers, acquiring complementary technology capabilities, or consolidating fragmented market share. Thesis: fragmented market with 100+ small providers creates opportunity for scaled platforms to drive multiple expansion and operational efficiencies.

Investment Focus: Platform companies with M&A infrastructure, proven integration capabilities, and access to growth capital for acquisitions. Regional leaders with strong payer relationships as acquisition targets for strategic buyers.



Key Inflection Points and Growth Trajectories (2025-2030)



Sector Growth Projections

The Food as Medicine sector is projected to achieve a **20% CAGR** over the next five years, driven by policy advancements, increasing payer coverage, and strong clinical outcomes. This growth will be particularly pronounced in technology-enabled solutions and medically tailored meal programs.

Initial investment focus on foundational platforms will yield significant returns as the market matures and consolidates, potentially leading to **3-5x equity multiples** within a 3-5 year investment horizon.

Investment Opportunities

Key opportunities lie in scalable technology/SaaS platforms, clinic roll-ups expanding provider networks, and companies delivering medically tailored meals with strong logistical capabilities. Opportunities will also emerge in specialized telehealth and digital nutrition platforms addressing underserved populations.

As the sector grows, the emphasis will shift towards integrated solutions that can demonstrate clear ROI and cost-savings for healthcare systems, making companies with proven clinical efficacy highly attractive targets.

New Bills, Grants & Federal Opportunities

October 2026 – MAHA ELEVATE Model (CMS Innovation Center) Voluntary program providing up to \$100 million in cooperative agreements (up to 30 awards, 3-year terms) for whole-person lifestyle/functional medicine interventions, explicitly including nutrition/Food as Medicine components (counseling, meal planning, culinary education, food security screening; food itself is unallowable but supports ancillary services). First cohort launches Q3 2026.

- Family impact: Helps families manage diet-related chronic conditions (diabetes, obesity) affecting parenting and child well-being; potential model for broader family services.

Ongoing 2026 (funding begins FY2026) – Rural Health Transformation (RHT) Program \$50 billion federal program distributing funds to all 50 states (including Ohio) over 5 years for rural healthcare transformation. Many state plans explicitly include Food as Medicine, nutrition programs, community health workers, SNAP waivers for healthier options, and food system infrastructure to address chronic disease.

- Family impact: Supports rural/low-income families with nutrition access, preventive care, and chronic disease management that reduces family stress and improves child outcomes.

March 12, 2026 – FOOD for Health Act (bipartisan, reintroduced by Reps. Kelly & Kiggans) Pending legislation to expand Food is Medicine programs via USDA/HHS grants for produce prescriptions, medically tailored meals/groceries, on-site food pantries, and culinary education to combat diet-related diseases.

- Family impact: Increases access to nutrition interventions for families dealing with chronic illness, potentially lowering healthcare burdens in custody/support contexts.

October 3, 2025 (still pending) – Medical Foods and Formulas Access Act of 2025 (H.R. 5684 & Senate companion) Recently introduced (and advancing) bill requiring Medicare, Medicaid, CHIP, and FEHB coverage for medically necessary foods, formulas, vitamins, and supplies for digestive/metabolic disorders (e.g., in children).

- Family impact: Directly benefits families with kids needing specialized nutrition, easing financial strain in parenting and health-related family law matters.

FaM enters institutional investment phase: reimbursement, ROI, scale converge.

Institutional Integration

Food as Medicine is now firmly entering the institutional phase, with growing acceptance and implementation across healthcare systems and policy frameworks. This indicates long-term viability and mainstream adoption.

Convergence of Key Drivers

The convergence of clear reimbursement pathways, proven return on investment (ROI) for health outcomes, and scalable delivery models is creating an unprecedented opportunity. This alignment de-risks investment and promises significant growth.

Unlocking Alpha

Investors can unlock substantial alpha by targeting platforms that strategically leverage these converging trends, focusing on clinical validation, compelling unit economics, and strong payer partnerships.

We anticipate continued exponential growth as these foundational elements solidify, driving value creation and delivering exceptional returns for forward-thinking investors.



Government & Policy Sources:

- [CMS National Health Expenditure Data](#)
- [CDC Fast Facts on Chronic Disease](#)
- [KFF Medicaid Waiver Tracker](#)
- [Medicare Advantage SSBCI Information](#)
- [CMS Medical Nutrition Therapy CPT Codes](#)

Academic & Research Sources:

- [Harvard CHLPI Food is Medicine State Medicaid Policy Toolkit \(July 2024\)](#)
- [Food is Medicine Coalition Published Research](#)
- [Medically Tailored Meals Federal Policy Case \(Healthcare Basel, Nov 2024\)](#)
- [Health Affairs - MTM Impact on Healthcare Use & Expenditures \(April 2025\)](#)

Workforce & Professional Data:

- [Academy of Nutrition and Dietetics](#)
- [Registered Dietitian Workforce Statistics](#)

Market & Industry Analysis:

- [GLP-1 Market Growth Data](#)
- [How Food Is Replacing Pills as Medicine at the Top US Hospitals](#)
- [AMA GLP-1 Spending Analysis](#)
- [KFF Employer Health Benefits Survey 2025](#)
- [ATI Advisory Medicare Advantage Supplemental Benefits](#)

CPT Code & Reimbursement Resources:

- [CPT Code 97802 & 97803 Guide](#)
- [Healthie CPT Code Guide](#)



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