

*Hospital Foodservice*  
*in*  
*Western North Carolina:*  
*Implications for the Local Food System*

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Nationwide, the number of health problems related to diet and nutrition is on the rise. Obesity, diabetes and heart disease are among the many preventable diseases linked to unhealthy eating habits. One response to this problem by hospitals and health centers across the country has been to offer more nutritious food choices for patients, staff and visitors, often by reconnecting with their local farming communities.

A national review of hospital initiatives related to local food found healthcare leaders “passionate” about bringing fresh, nutritious food to their patients, staff and communities.<sup>1</sup> That report described various ways that health care facilities were making changes to hospital foodservice. Some were purchasing locally-grown food through their contracted suppliers or working within out-of-contract percentages to maximize their local food purchases. Others had established farmers’ markets and farm stands on hospital property. And still others were working to improve the quality of food offered in vending machines on hospital property.

To determine interest among Western North Carolina (WNC) hospitals in connecting with the local farming community, the Appalachian Sustainable Agriculture Project (ASAP) commissioned a survey of area hospitals and health centers in the summer of 2006. The survey explored Foodservice Directors’ perceptions of barriers and motivators regarding incorporating locally-grown food into hospital foodservice, as well as details about how foodservice operates in the hospital setting.

For the survey, a list of 27 hospitals in WNC was compiled from the North Carolina Hospital Association member database. Phone interviews were completed with 15 hospitals for a response rate of 56%. Each hospital Foodservice Director was mailed a letter of introduction notifying them that someone would be calling to complete a survey over the phone. Follow-up phone calls were done systematically, with hospitals dropped from the list after repeated attempts to contact the Foodservice Directors were unsuccessful. This approach means that non-participation does not necessarily indicate non-interest. Rather, it may reflect difficulty reaching hospital Foodservice Directors by phone.

### **Foodservice Characteristics**

Nationwide, 70 to 80 percent of hospitals operate their own foodservice.<sup>2</sup> For the 15 WNC hospitals surveyed, only 2 (13%) contracted foodservice through a third party. Nevertheless, nearly all were governed by contracts with vendor/distributors. Only two distributors were named by the 15 Foodservice Directors surveyed as primary suppliers of hospital food. Those two distributors – Sysco and US Foods – typically demand a high percentage of food purchases. According to survey respondents, sometimes the contract simply states that the hospital purchase “as much as possible” and other times a specific percentage is named, typically higher than 80%. Items like milk, bread and produce are often listed as items that can be purchased out of contract.

<sup>1</sup> *Healthy Food, Healthy Hospitals, Healthy Communities*. 2005. Institute for Agriculture and Trade Policy Food and Health Program.

<sup>2</sup> *Food Fight*. 2004. *Modern Healthcare*, 13 September: 46.

The average US hospital serves more than a million meals per year.<sup>3</sup> In Western North Carolina, even the smallest hospital prepares food on a large scale. The number of meals served by the 15 hospitals completing a survey ranged from 200 to 1500 per day. According to survey respondents, hospital foodservice generally encompasses meals served to patients as well as meals served in a cafeteria or café where staff and visitors eat. Some hospitals also enter into contracts with community service agencies, such as Meals on Wheels or Head Start, to provide foodservice outside of the hospital setting.

Surprisingly, 6 of 15 (40%) hospital Foodservice Directors reported that they had purchased some locally-grown food in the past year. Items purchased included apples, sweet potatoes, and other unspecified fruits and vegetables. Those items were purchased only during the summer months and only in very small quantities relative to the total amount of food purchased, typically less than one percent. Locally-grown foods were obtained in a variety of ways – from produce stands, by delivery from local produce companies, or from regional distributors specializing in locally-grown food.

### **Interest**

Despite differences in hospital size, whether or not foodservice was self-operated or contract managed, and whether the hospital was publicly or privately operated, there was a high degree of consistency among responses regarding interest in buying locally-grown food. Overall, 13 of 15 hospital Foodservice Directors (87%) expressed high interest in buying locally-grown food, measured as 7 or higher on a scale from 1 to 10.

Despite the high level of interest, Foodservice Directors gave high ratings to nearly every barrier named by interviewers. Not surprisingly, the highest rating was given to the category including contracts and company policies. Several Foodservice Directors emphasized that they would be limited by a contract – either with a vendor/distributor or an outside agency governing all categories of hospital purchases – regarding where they could purchase food. Foodservice Directors (particularly those with low interest in buying local food) were also quite concerned about food safety issues and the challenge of coordinating purchase and delivery when buying locally-grown food in large quantities. Issues like the need for standard packaging or product size, and the need for processed product were less important than all others.

The health benefits of fresher food and perceived higher quality of local food were the two top-rated reasons for interest in buying locally-grown food. Less important but still significant motivators included supporting local farmers and the local economy, and meeting demand from patients, staff and visitors for fresh, local food.

A few hospitals provided additional information relevant to hospital foodservice in the region. For example, the Western Carolina Health Network is an organization that addresses issues relevant to hospitals in the region and may be a good avenue for pursuing partnerships between agriculture and health care in the region. Several

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<sup>3</sup> *How hospital foodservice is performing*. 2004. Foodservice Director, 15 January: 25.

Foodservice Directors also named Premier, Inc. as a regional company that negotiates contracts for health care facilities, a type of gatekeeper for vendors interested in selling to area hospitals.

Some Foodservice Directors were asked about various types of assistance that could be provided to enhance their ability to incorporate local food into hospital foodservice. Examples of assistance included information on local food programs from around the country, lists of suppliers for local products, health and safety information on local foods, regulatory information (i.e., What are the rules on buying foods direct from farmers? Is it legal?), and assistance in developing a system for buying from multiple sources. On the whole, Foodservice Directors thought all those types of assistance could be helpful. However, none was as important as the need to work within the parameters of contractual obligations.

### Potential

The volume of food served by hospitals in the region is significant. In terms of spending, 13 area hospitals reported combined food spending ranging from \$7 to \$8 million per year. Assuming similar spending from the 14 remaining area hospitals, total estimated food spending by regional hospitals would be around \$16 million per year. Based on spending patterns by Group Purchasing Organizations (GPOs) that typically supply hospitals and health centers around the country, a breakdown of estimated spending by hospitals might look like this:<sup>4</sup>

<b>Estimated WNC Hospital Food Spending</b>	
Produce	\$1.28 million
Meat	\$3.52 million
Dietary*	\$1.28 million
Beverages	\$1.60 million
Dry/Canned Goods	\$6.88 million
Other	\$1.44 million
<b>TOTAL</b>	<b>\$16.0 million</b>

\*Dietary includes packaged products like salt/pepper/sugar that are served with patient meals.

Just like health care leaders across the country, Foodservice Directors in this region are motivated to bring more locally-grown food into hospital foodservice in the interest of meeting hospital goals for improving the health and wellness of patients, visitors and staff. Encouraging Foodservice Directors to purchase produce from local suppliers outside of vendor contracts is one way to do this. On a larger scale, however, the key to bringing more locally-grown food into hospital foodservice is linking producers with entities like Premier, Inc., Sysco and US Foods to work within the existing framework of hospital foodservice in the region.

<sup>4</sup> *Industry Census, The GPO Food Dollar*. Foodservice Director, November 15, 2006. [www.fsdmag.com](http://www.fsdmag.com).