Chapter

3

Vendor Management

Arizona AIM System

Local Agency User Manual

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Chapter 3 - Vendor Management

Capabilities

The Vendor Management functional area supports the management of the retail vendor aspect of the WIC Program. It tracks the vendor authorization process; captures information about authorized vendors; monitors vendor education; records prices for approved foods; records vendor peer groups; helps identify potentially abusive vendor practices for which additional monitoring or investigation may be needed; supports record audits; maintains a comprehensive vendor profile, including information about compliance activities and sanctions (including suspensions and terminations); supports coordination of sanctions with the Food Stamp Program; and supports routine communication between WIC Program staff and vendors.

General Description

Only the State WIC office , with the exception of Vendor Look up and Monitoring Complaints, utilize all Vendor Management functions. Local Agencies are limited to viewing capabilities only within the 2 exception areas.

Vendor Management consists of the following functions:

Support Vendor Authorizations

The WIC Program selects and uses authorized vendors to provide approved WIC foods to participants in retail-based food delivery systems. Authorized vendors accept Food Instruments from WIC participants, and are reimbursed with WIC funds. Vendors are required to apply periodically for authorization to participate in WIC. The State WIC offices currently may authorize individual vendors as their contracts expire or may authorize all vendors at the same time according to a designated schedule. The State WIC office determine those vendors that will be authorized based on their qualifications, and may set limits on the number of vendors that are authorized. The State WIC office considers several factors in determining whether to authorize a vendor. This includes factors such as the extent to which all WIC approved foods are stocked, food prices, prior WIC and Food Stamp Program compliance history, the vendor's business integrity, and the total number of outlets needed to deliver WIC services. Vendors may be denied authorization, and may appeal such denials. The State WIC office determines specific procedures for appeal and the time period within which an appeal must be processed.

Authorizing vendors is a critical function. Vendors must be selected that can provide the foods required by WIC participants, enabling participants to purchase all the approved foods they require without having to patronize multiple vendors. Vendors also must be selected that offer reasonable prices and present a low risk of Program abuse, helping to ensure that maximum WIC funds are used to serve participants.

The AIM System captures information about authorized vendors and vendors applying for initial authorization, including: information submitted by the vendor on the WIC Program application, historical data regarding the vendor's prior WIC participation, and information collected during pre-authorization or other monitoring visits, as applicable. This information includes basic reference data about the vendor, as well as food price data that is used by this and other functional

areas within the AIM System. The AIM System also provides the capability to track the progress of the vendor authorization process for individual vendors.

As a further capability, the System will allow the user to identify the current status of a vendor's Food Stamp Program authorization in determining whether to grant authorization.

Capture and Maintain Authorized Vendor Data

The AIM System captures and maintains data about the vendors authorized by the State WIC office to participate in WIC. This data includes reference data such as the establishment name, location, ownership and business volume. This data is captured during the vendor authorization process, and may be updated during the authorization period as reference data changes or as vendors submit revised WIC food prices per State WIC requirements. The System supports food price updates according to the frequency of food price updates required by the State. These updates may vary from monthly submissions to a single submission covering the entire authorization period.

The Vendor Management System supports vendor authorization by recording information from vendor applications and maintaining a historical record about vendors process.

The System captures and stores vendor demographics/characteristics data at the store location level. Additionally, store locations can be grouped under owner information to support analysis/comparisons at the owner level. Owners can be single proprietorships, partnerships or corporations.

Additionally, the System allows Vendor Management to assign an applicant ID for those vendors going through an initial authorization process. When the vendor completes and passes the authorization process, they are assigned a vendor ID that matches the stamp that they are given to mark all redeemed Food Instruments.

The AIM System utilizes a fully table driven approach to peer group coding. Peer group is a two character, alphanumeric code so that State can actually develop more than 500 unique vendor peer groups.

The Vendor Management function will continue to communicate with FNS/Food Stamps during new authorizations to see if those organizations/programs have any information/sanctions regarding the applicant vendor outlet. This contact is done through the Attorney General’s office.

Arizona WIC will capture demographic information about each vendor at initial authorization and require updated information periodically.

Review Vendor History

The AIM System assists the State staff by providing information that will help determine the appropriate number of WIC vendors to be authorized in specific locations, and provide vendor characteristics to help determine the best vendors to authorize for WIC. This capability is a reporting capability, using data maintained by various functions within the Vendor Management functional area and other functional areas.

Track Vendor Authorization Process

Arizona WIC will use the AIM System to provide a simple tracking capability of the vendor authorization process. This process can last several weeks, with a number of processing steps, referred to as "milestones", required to consider and decide on each vendor application. To support vendor authorization tracking, the AIM System records the steps or milestones in the authorization process for each vendor, including target and actual milestone completion dates. The System can produce a window display or report showing the status of all vendor authorizations, and an exception report showing overdue milestones. The System may also be used to produce a contract renewal list to allow the reauthorization of vendors throughout the year, and produce customized notification and other correspondence.

Maintaining notes or vendor contacts during the authorization process provides another useful tool. The WIC staff can record their notes on interviews or phone conversations with the vendor as well as their notes or materials sent by the vendor to support their application.

Capture Owner Information

The System enables users to group vendor outlets together under a common ownership (single proprietorship, partnership, corporation). This provides visibility to Vendor Management on the ownership patterns across the service area. Also, this provides an easy means of communication allowing users to send faxes, correspondence, etc. to the owner and allowing the owner to disseminate the information.

Capture Vendor Prices

The Arizona AIM System periodically captures information about current WIC food prices, usually during the authorization/reauthorization process. This pricing information is used to compare vendors within their peer group. The comparison is currently done using two basic FI types; an infant FI type and an adult FI type. The table driven nature of the Arizona WIC solution allows comparisons of any FI type defined in the System.

To accomplish this function, the Arizona AIM System includes a column for ranking against peer group average (by FI type), where the calculated value using price information from the vendor is displayed and a column that indicates the vendors ranking based upon survey information.

In assessing food prices, a comparison System is used which compares the vendor against the peer group average (by FI type) and calculated price based upon survey information.

Rankings and comparisons are based on FI types. Rankings are defined as a number from 1 to n., where n is the highest vendor number in the peer group (lowest FI type price vs. redemption and/or lowest survey prices) and 1 is the worst (highest FI type price vs. redemption and/or highest survey prices).

Produce Vendor Reports

A full suite of reports also assists the Vendor Management team. A summary of frequently used reports is listed below.

Vendors and Participants by Locations

This report displays a listing of all authorized vendors within a user defined geographic area (zip code, county). All vendors are shown with a count of the Food Instrument that they redeemed and the number of participants who redeemed their instruments.

Vendors by Ownership

This report shows all authorized vendor outlets listed by their owner. Relevant authorization information is shown as well as the current authorization period.

Vendor Authorization

This function lists all vendor applicants going through the authorization process as well as all vendors being re-authorized.

Status of Vendor/Applicant Authorization

This report defines the status of vendor/applicant being authorized. Current authorization milestones are displayed as well as the milestone scheduled and completion dates.

Overdue Milestones

This report produces a listing of all vendors with overdue milestones as well as their current status.

Vendor Sales by Location

This report produces a listing of food, non-food, and WIC food sales for each vendor location within a peer group and is displayed by the descending order of WIC sales.

High Risk Vendors

This report produces displays a list of high-risk vendors by risk level. For more detail, please the State User Manual.

Food Prices Comparison

This report function compares food prices by vendor outlet within the peer group.

Overdue Price Survey

This report lists vendors whose price survey information has not been submitted within the requested time period and is still outstanding.

Terminated/Disqualified Vendors

This report produces a listing of vendors that have been terminated/disqualified from the Program including the reason for the termination/disqualification.

Determine High Risk Vendors

A major function of Vendor Management is to determine those vendors, based on their history of participation in WIC, present a high risk of Program fraud or abuse. FNS and State WIC have developed several methods for identifying high-risk vendors. Although there is not an agreement on a single best method, many of the factors used to determine high risk are common to most methods. These factors include low variation in the value of redeemed Food Instruments, Food Instrument redemption that frequently exceed average food costs, large percentages of Food Instruments (of the same type) redeemed at the same price, and WIC sales as an extremely high percentage of total sales, among others. The determination of vendors that are high risk considers the redemption patterns of vendors with comparable characteristics (e.g., type of store, location, business volume). These vendors often are referred to as "peer group."

Determining high-risk vendors is extremely important because this function serves as the basis for targeting vendors and deploying the compliance resources of the State. High-risk vendors are targeted for more frequent undercover "compliance buys" than other vendors. Effective high-risk determinations will result in a higher percentage of positive compliance investigations (e.g., the vendor violated Program rules), and ultimately the termination of vendors who abuse the WIC Program, resulting in reduced food costs and the ability to serve more participants.

The AIM System provides extensive support of this function. Specific minimum capabilities that the System provides include recording data on the assignment of vendors to vendor peer groups, identifying overcharging, analyzing Food Instrument costs for certain significant pricing patterns, and calculating risk factors for all vendors based on Arizona’s Risk Criteria Formula. Vendors are automatically assigned levels based upon the analysis of their behavior pattern with regard to the above data elements compared to the behavior pattern of their peer group. The System also provides data analysis capabilities to support the delineation of peer groups, and to conduct additional analyses of Food Instrument pricing patterns by vendors.

Determine High Risk Vendors Using Basic Analysis

The AIM System supports determinations of high risk vendors by capturing data about vendor peer groups, performing a number of analyses of vendors' WIC activities, and calculating a vendor risk level using the criteria established by the State. All analysis information is displayed in their respective reports, described in more detail in the State User Manual.

Determine High Risk Vendors Using Additional Analytical Tools

The Arizona AIM System produces all of the above reports. A weighting factor is applied to each analysis, which is utilized to create an overall vendor ranking within the peer group. Additionally, each of the reports can be executed individually using its one unique set of parameters.

Monitor Vendor Education

The State WIC office periodically conduct training for WIC vendors to describe their role and responsibilities under the WIC Program. This training is provided to new vendors, and also to vendors whom the state has determined need education to assist them in carrying out their WIC responsibilities based on the results of WIC Compliance activities. In some instances, vendor education is used as the initial means for responding to vendor violation of WIC, with more

stringent sanctions applied by the State WIC office if the violations continue. Vendor education may also be conducted at the request of a vendor.

Vendor training is vital to WIC, since it helps ensure that vendors fulfill all their WIC responsibilities, including maintaining adequate food stocks, clean facilities, accepting Food Instruments from only certified individuals (or authorized representatives), ensuring that participants use their Food Instruments properly, and redeeming Food Instruments in accordance with WIC procedures. Vendor training also helps ensure that vendors are aware of improper vendor practices.

The AIM System supports vendor education by recording and reporting on education that has been scheduled for WIC vendors and the vendors' actual attendance at scheduled educational sessions or classes. The System enables State WIC staff to identify those vendors that have, and have not, fulfilled their requirement to educate their employees regarding the vendor's participation in WIC.

Record Scheduled Vendor Education

The AIM System captures, maintains and reports data about scheduled vendor education. The data reflects the scheduled date, location of the education (e.g., whether on-site or at WIC offices), and the expected number of attendees for each vendor.

The System supports the vendor training processes by editing and storing vendor training information and grouping vendors by zip code or Local Agency to assist in scheduling education.

Record Attendance at Vendor Education

The AIM System captures, maintains and reports data about vendor's actual attendance at scheduled vendor education. The data reflects the actual number of attendees for the vendor, broken out by vendor outlet.

The System supports vendor training and education by recording and reporting on education that has been scheduled for vendors and the vendor's actual attendance at scheduled sessions. The System supports the recording of vendor group training sessions using zip codes or Local Agency identifiers.

Capture Staff Notes on Vendor Education Activities

The capture and review of notations taken during Vendor Education activities can be of substantial value to assist staff determination of:

- Areas for further education
- Possible course refinements
- Possible new educational offerings
- Level of interest shown by vendor community

All of this information is available for viewing and updating by the user on line. Notes can also be made prior to education activities to determine goals, agenda, participants, etc.

Vendor Training Outputs

The System provides vendor training reports on demand. The reports include a listing of vendors who did not attend scheduled training.

Monitor Vendor Group Training

The Arizona AIM System monitors all required and optional vendor training efforts (including compliance-required training) conducted by personnel designated by the State. As part of the implementation, a group vendor training functionality is provided which captures group vendor training information and then apportions that information to each individual's vendor outlet training record.

Missed Vendor Training Report

The Arizona WIC AIM System produces an on-demand report that details, by vendor, the course the vendor did not attend. This report lists each course and the scheduled date and time, including attendance of the vendor.

Potential Training Sessions

This report displays a list of potential vendor locations that may be able to send attendees to a training session based upon geographic proximity.

History of Vendor Training

This report lists all vendor training and education activities (completed and scheduled) in chronological order.

Track Investigations and Routine Monitoring

The State periodically conducts investigations as well as routine compliance monitoring activities of individual vendors. Investigations are either conducted on-site at the vendor's outlet, or through a paper review of foods in stock and Food Instruments redeemed. Routine monitoring includes examination of vendor facilities for cleanliness, checking whether all WIC foods are available in sufficient variety and quantity, confirming price survey data, and examining whether cashiers are following required procedures for the acceptance and processing of Food Instruments. Investigations conducted at the outlet are referred to as "compliance buys". This is an activity whereby an investigator poses as a WIC participant and purchases food with Food Instruments to determine whether the vendor is engaging in illegal practices which include overcharging for WIC Foods, accepting instruments as payment for disapproved foods, exchanging cash for Food Instruments, and other abusive practices.

Compliance buys are a vital part of WIC. They serve to identify abusive vendors and help provide the evidence needed to terminate them from WIC. Compliance activities also serve as a significant deterrent to vendor fraud and abuse.

The AIM System records data about all compliance activities as part of a comprehensive profile of the vendors' WIC practices and reports them for use in imposing sanctions, responding to appeals of sanctions, determining vendor risk, and targeting future compliance activities. For

each activity, the System captures the specific task conducted. For example, for a compliance buy, the System records individual tasks such as attempting to substitute food items. Certain data records to be used during count actions are maintained outside of the System. Compliance backup work papers are available to provide additional detail to the WIC staff as needed, particularly to support sanctions against vendors.

Capture Compliance Buys and Routine Monitoring Data

The AIM System captures, maintains and reports data about compliance activities. The data reflects the type of activity (e.g., routine monitoring, compliance buy), the tasks performed as part of each activity, the date the activity was conducted, a summary of the results indicating potential violations, and cross references to Food Instruments if violations have been detected regarding specific Food Instruments. The System also captures and maintains data on complaints about vendors received from enrollees, other vendors, and other sources.

The System enables WIC staff at the State to conduct vendor monitoring activities. Written records are captured and then entered into the Local Agency and State Agency server. End-of-day activities consolidate the information at the State WIC server.

Capture Complaint Information

The System allows the State users to capture complaint information from vendors, participants or staff. Follow-up monitoring activities can be associated with the complaint information as needed.

Support Vendor Visits and Contacts

The System supports information for visits/contacts that the State wishes to monitor. The monitoring activities are defined in a base table that allows users to monitor activities as business needs and state policy dictate.

The System supports information capture for any of the following visit/contract types.

- Authorization
- Contract renewal
- Representative monitoring
- Compliance investigation
- Audit visits
- Response to complaint
- Change of ownership

It should be noted that all monitoring activities can yield findings which result in sanction points and/or fines depending upon State policy and procedures.

Compliance Buy Visits

As a part of monitoring a vendor, the WIC Vendor Management staff routinely purchases foods from that vendor through a method know as a compliance buy. A particular staff member will pose as a participant, and purchase WIC foods (or intentionally try to purchase non-WIC foods or other non-compliant activity) with a compliance Food Instrument (FI). The compliance FI is valid, and appears to the vendor identical to the others. However, this particular FI is marked in the System and is monitored closely as it proceeds through the System edits. The process for creating a compliance FI occurs from the activities section of Vendor Management, and requires the creation of a compliance participant for a clinic. Once this occurs, a compliance FI can be created and generated, allowing the staff member to conduct the compliance buy visit.

Vendors Not Visited for Routine Monitoring

This report displays all vendors who have not had a routine monitoring visit.

Visit Outcome by Type

This report displays activity types and the outcome of those activities in chronological order.

Support Records Audits

The AIM System can assist the State WIC office in preparing for record audits conducted as a compliance investigation. These audits include comparing the vendor's sales volume for WIC foods as reported on Food Instruments with the vendor's shelf, inventory space, internal inventory and sales records. The AIM System supports record audits by calculating the selected vendor outlet quantities of WIC foods reported sold by the vendor based on the vendor's redemption of Food Instruments and is compared to the stock purchased for a specified period of time. All data needed to provide this capability is maintained by other functions within the AIM System.

Targeted Vendors for Routine Monitoring

In order to more effectively support the Vendor Management staff resources, the System produces (on demand) a routine monitoring report. This report allows the Vendor Management staff to determine which vendors have been monitored within a defined time range.

Produce Vendor Quarterly Profiles

This report provides detailed information about specified WIC vendors and their WIC activities. It shows the summary and detailed data regarding Redemptions, Complaints, Monitoring Activities, Compliance Activities, Appeals, Training and Price Surveys.

Produce Monitoring and Activities Reports

The Arizona AIM System produces reports on monitoring activities and their outcomes.

Routine Monitoring Activities

This report provides the user with information regarding scheduled and completed routine monitoring activities.

Compliance Activity

This report provides the user with information regarding the vendor's compliance activities.

Vendor Contact Activity

This report provides WIC Vendor Management staff with vendor contact data. All scheduled and completed activity types are shown including:

- Authorization
- Contract Renewal
- Representative Monitoring
- Compliance Investigations
- Audit Visits
- Response to Complaint
- Change of Ownership

Monitor Compliance Cases and Sanctions

For significant violations of WIC regulations, WIC State agencies initiate compliance investigation cases and may sanction vendors. Sanctions may include fines, mandatory vendor staff training, suspension from WIC, and termination that excludes the vendor from WIC for a prescribed time period based on the violation. Imposing sanctions on vendors is usually a time consuming process, and may be accomplished through administrative hearings or civil or criminal count proceedings depending on the nature of the alleged violations and sanctions being sought by the WIC agency.

Retaining records of previous sanctions and compliance cases in progress is important to support other WIC functions, such as selecting and scheduling of vendors for compliance buys, and authorizing vendors for WIC Participation. The exchange of compliance and sanctions data with other states is useful to help detect vendor organizations and owners that have a history of WIC abuse. These vendors will be excluded from the Program in all states.

The AIM System supports this function by retaining a history of compliance cases and vendor sanctions, including those cases that resulted in sanctions and those for which no sanctions were imposed (e.g., due to successful defense by the vendor or a successful appeal). The System also supports FNS reporting requirements related to compliance cases and sanctions, for submission of the Vendor Activity Monitoring Profile (VAMP)[1].

Maintain Data for In-State Cases and Sanctions

The AIM System captures and maintains data of compliance cases against vendors, including both completed cases and cases in progress. For completed cases, the data is maintained for cases in which sanctions were imposed as well as those for which ultimately no sanctions were imposed. Using this and other related data, the System can produce compliance history reports, and respond to FNS reporting requirements.

Vendor signatures required for certain types of on-site visits are captured on forms, which the AIM System produces. The system produces correspondence at the State WIC office and a

[1] A new set of reporting specifications entitled TIP has been drafted by FNS. It is beyond the current scope of this project to meet the TIP data capture and reporting requirements.

record is produced noting that the correspondence was generated. The correspondence is then mailed to the vendor with instructions as to any signatures that are required.

Accumulate Vendor Sanction Points

Some states use a point scoring System whereby "sanction points" are assessed against vendors for violations of the WIC Program. When a certain number of points have been accumulated within a designated time frame, the vendor may be suspended or terminated from WIC, or other actions may be taken in accordance with State policy.

The assessment of sanction points is important to WIC in that it provides a clear, non-arbitrary basis for taking action against those vendors that frequently violate the WIC Program rules and procedures.

Background Process(es)

When the Vendor is sanctioned for the first time (and only the first time), 27 points are deducted from the Vendor's total. The points are subtracted from the last category of violation committed (category that resulted in the suspension/disqualification), then from categories I, II, and III, if points remain to be subtracted. Once the Reduce by 27 Point button has been used to reduce a Vendor's points, it is permanently disabled.

To accommodate removing sanction points from a category, a point reduction amount is assigned to specific violations, resulting in the correct reduction for each category. The "Point Reduction" column on the window shows the points subtracted from a violation as a result of a 27-point deduction. Within a category, points are deducted from the most recent actions first.

For example, a Vendor could have the following sanctions:

Category	Sanction Type	Sanction Date	Sanction Points	Point Reduction	Final Points
I	A	09/09/1999	9		
II	C	09/15/1999	18		
I	B	09/20/1999	9		

When the violation from 9/20/1999 is added, the points exceed 27, and the user can press the "Reduce by 27 Points" button. The Vendor's sanction points are reduced as follows:

1. The points are first subtracted from the most recent violation (09/20/1999).
2. Since there are not 27 points in the most recent violation, points are then subtracted from category I (the most recent category of violation). 9 Points are reduced from the 09/09/1999 violation.
3. Since there are not 27 points total for Category I, 9 points are then subtracted from Category II, leaving it as 9.
4. If there were still point left over, they would be subtracted from violation category III.

The resulting point totals are as follows:

Category	Sanction Type	Sanction Date	Sanction Points	Point Reduction	Final Points
I	A	09/09/1999	9	9 (second)	0
II	C	09/15/1999	18	9 (third)	9
I	B	09/20/1999	9	9 (first)	0

The Vendor is left with 9 sanction points.

Track Vendor Appeals and Fines

The Arizona AIM System monitors and tracks the appeal process by enabling users to monitor data associated with the appeal. The System allows multiple hearing dates. The user also enters a definitive result for the appeal as well as a close date when the appeal is completed.

The System also captures penalty amounts. A flag in the application denotes when the penalty is paid.

Coordinate With Food Stamps Program

State WIC and Food Stamp agencies exchange information about sanctions imposed on vendors as a result of fraud or abuse of these Programs. Certain actions taken in one Program, such as termination, automatically requires termination in the other Program.

Exchanging information among agencies is important to help accelerate the termination of proven abusive vendors before they conduct abuse in other Programs.

The AIM System supports this data exchange by accepting, as input, information about Food Stamp Program sanctions and by producing reports of WIC sanctions for use by the State Food Stamp Agency. Input about food stamp sanctions may be obtained by correspondence and entered manually into the AIM System.

Maintain Food Stamps Violation Data

The AIM System collects input from the State WIC office regarding sanctions taken by the Food Stamp Agency against WIC vendors and produces reports listing these vendors.

Report WIC Sanctions

The AIM System reports WIC sanctions data to the State Food Stamps Program to enable the appropriate actions to be taken within that Program. The Vendor Management functional area maintains all data needed to prepare this report.

Several reports are available for generation that could be submitted to the Food Stamp Program to communicate WIC sanctions. Among them are the Compliance and Sanctions History and the Compliance Activity Reports.

Support Vendor Communications

State WIC agencies periodically send notices to vendors. These communications include requests for food prices, notifications of rejected Food Instruments, and other periodic and ad-hoc

communications. The AIM System can greatly reduce the workload of State Agency staff by automating the production of communications.

Specifically, the Arizona WIC AIM System produces several different types of vendor communications by merging data in the system with letter templates created in Microsoft Word. The letters produced are printed on laser printers and a record of each communication is applied to the vendor's record. Additionally, users are able to update the letter templates using the well-known Microsoft Word processing software packages.

Produce Vendor List and Labels

The AIM System enables users to produce mailing labels for individual vendors, or vendor outlets, and to produce labels in bulk for mass mailing of notifications. The System enables the user to also enter specific vendor and vendor outlet identification numbers to produce short batch runs of labels.

Produce Vendor Communications

The Arizona AIM System can generate all vendor correspondence through Microsoft Word. All correspondence generated to vendors on the System is tracked by communication type and date.

The AIM System enables users to merge vendor data stored in the data base with vendor correspondence to produce correspondence that is personalized to a specific vendor, vendor owner, or vendor outlet. This capability is available for individual vendors or stores, or for groups of vendors or stores.

Also, all communication can be tracked automatically or manually at the time of the communication. This area can also track electronic phone communication, or correspondence.

Support Vendor Mass Communication

The System provides an easy method for communicating with Arizona's extensive vendor community. This method includes the production of mailing labels and address inserts.

The State needs flexibility to select one or more vendors based on user-specified parameters (all vendors, all vendors in peer group, all vendors in Local Agency, etc.). The System provides flexibility to users in selecting one or more vendors to whom correspondence will be sent.

This functionality is accomplished utilizing Vendor Mass Communications window illustrated in the communications submenu.

The System also supports the tracking of mass vendor communications by selecting those vendors who will receive the correspondence. The information is then applied to each individual vendor communication record.

Support Vendor Communication History

The System allows the State WIC office to issue and track written communication with vendors and to maintain historic information regarding the communication.

Support Vendor Payments

The System provides several methods to support payment to vendors for Food Instruments that they redeem.

Verify Valid Vendor

The Arizona AIM System verifies that the redeeming vendor is authorized prior to payment.

The System assists in the verification that the redeeming vendor is authorized prior to payment. This is accomplished by passing to the fiscal intermediary a file of authorized vendor information that the fiscal intermediary will employ in its prepayment editing process. This file is passed nightly with the actual file creation process triggered by a change in the authorization status of any WIC vendor or applicant.

Maintain Maximum FI Value

The prepayment System also accesses vendor “type” (peer group) and uses it to set reasonable price parameters above which FI’s would be flagged or rejected from payment.

For example, FI’s might be flagged or rejected if the price exceeded the group average among the vendor's peers by 10% for that type of FI.

As part of the interface requirements between the WIC Program and the banking contractor, the end of day process passes a file of average redemption value (latest three month’s data) by FI type within peer group. Vendor management has the ability to add a factor to each record in the file to create a “not-to-exceed” value by FI type within peer group. This value is used by the fiscal intermediary’s prepayment edits to prevent the payment for excessively high FI charges. In the Arizona AIM System, this value is not printed on the face of the Food Instruments.

The average redemption values are sent to the banking contractor on at least a monthly basis when the averaging process is done. The file can also be sent on a nightly basis as Vendor Management personnel make updates to the calculated values or the “add-on” percentage that are applied to each average.

In the Arizona WIC AIM application, an update to any peer group average causes all peer group averages to be transported to the banking contractor via the end-of-day process.

Capture Redemption Information

Data on redeeming vendors (by outlet) is captured at the time of FI redemption along with FI price information.

In contrast to the current voucher System, the Arizona AIM System produces Food Instruments that are exchanged between vendors and participants for food benefits. Redeeming vendors write the redemption value on the instrument and stamp the instrument. A Vendor Stamp is issued to each authorized vendor outlet.

The vendor is then allowed to deposit the WIC Food Instruments with their normal nightly bank deposits. The WIC Food Instruments function in the same manner as any other “check” that the vendor would receive from a non-WIC customer.

The consolidated record of issuance and redemption information created by the FI Processing and FI Payment and Reconciliation System is used throughout the Vendor Management System. The actual monitoring of vendor performance is done mostly by utilizing the suite of reports associated with this functional area. All of these reports are based upon redemption information.

It should be noted that the Arizona AIM System has no way of determining whether non-WIC foods have been purchased with the Food Instruments. That is because the vendor will not be submitting register tapes with the Food Instruments for deposit or sending them to the State Agency. Determining whether non-WIC foods have been purchased is a function of vendor analysis and compliance monitoring.

The System can capture multiple rejection reasons.

The following reports support the review and analysis of redemption information.

Summary FI Reconciliation

This report summarizes FI reconciliation information for each vendor.

Redemption Ranking

This report ranks vendors within peer group based upon the dollar amount of their redemption activity.

Redemption by FI Type

This report shows redemption amount and volume for each FI type by peer group.

Redemption by Formula Type

This report shows FI redemption activity by formula type.

Redemption History

This report shows all FI redemption activity for a specified month and compares that to the previous month's activity.

Track Vendor Food Instrument Rejections

Arizona WIC has the ability to identify, reject, and track any FI's not meeting State and Federal requirements including those related to vendor overcharging and redemption errors.

The Arizona AIM System is capable of identifying, rejecting and tracking any FI not meeting requirements set at any level. Most identification and rejection of Food Instruments will be done by the banking contractor using editing routines that occur prior to payment (prepayment). Much of the data used in the prepayment routines is generated from the Arizona AIM System and passed to the banking contractor in the form of flat file interfaces.

The System is also able to identify, reject and track errors through post-payment edits which are conducted on the State Agency server using the consolidated issuance and redemption record on the State Agency database. Post-payment edits may result in requests for vendor collections depending if an overcharge was paid.

Create Consolidated Issuance and Redemption Record

The end-of-day process creates a consolidated issuance and redemption record. This redemption information coupled with the database has the capability to detail all foods issued on any FI type within the System. This tool is most useful in auditing issuance and redemption trends.

Support Food Instrument Redemption Analysis

The System provides the flexibility Arizona requires by allowing Vendor Management to select FI types (standard or custom) as required for analysis. The number of FI's selected is unlimited. Also, redemption date range is user input providing a maximum amount of flexibility in the analysis. These variables are chosen by the user at the time the report is run.

Food Instrument Reinstatement

The Arizona AIM System allows the State WIC office to view the status of the rejected Food Instruments and revalidate them as appropriate. Revalidation sets appropriate flags so that the System notifies the fiscal intermediary that a vendor may resubmit a previously rejected Food Instrument for payment. Arizona WIC has determined that only those instruments rejected due to missing Vendor Stamps will be available for revalidation. The Food Instruments shown on the revalidation window reflect all Food Instruments which can be revalidated as long as all reject reasons on the check can be revalidated.

Food Instrument Replacement

The System allows the State WIC office to replace Food Instruments for a vendor with new Food Instruments, complete with a newly negotiated redemption amount.

The Arizona WIC AIM application enables Vendor Management personnel to produce replacement food instruments to "replace" instruments previously rejected. The replacement food instrument can reimburse a vendor for multiple rejected food instruments. The amount on the replacement food instrument is a negotiated amount between Vendor Management and the vendor based upon policies and procedures and the fair market value of the previously rejected food instruments.

The instrument produced during the replacement process displays the original food instruments serial numbers and how much of the replacement FI value is associated with the original instrument.

Support Ad-Hoc Querying Capabilities

While the System has very detailed and broad reaching reporting capabilities, some types of data analysis are best done through very specific data mining techniques. The Arizona WIC AIM System provides the ability for specific Information Reporting through the Ad-Hoc Query mechanism supplied with ORACLE, SQL Plus.

The System provides a very robust ad-hoc query functionality. This functionality can be utilized to detail and summarize the number of cans of infant formula. Queries can be written to view the information by form, FI type, redeeming vendor, redemption period or any other important criteria.

Description of Vendor Management Functions

When clicking on the Vendor Management button from the AIM System Master Menu, the following Arizona Splash Menu screen will be displayed:

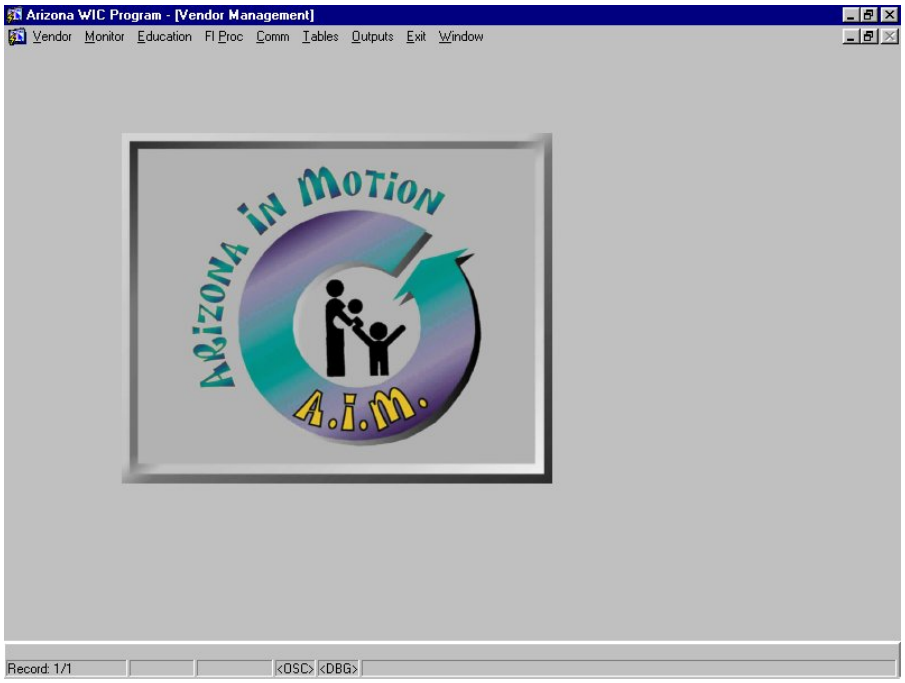
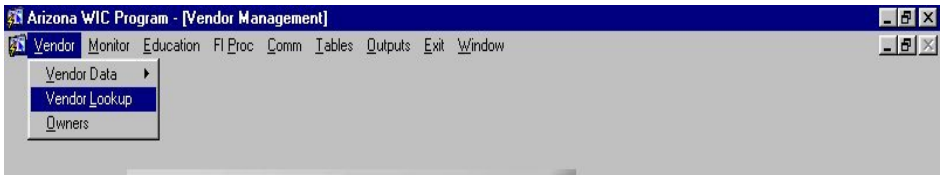


Figure 1 - Vendor Management Splash Menu

Vendor LookUp

To Perform a Vendor Lookup:

1. Click on Vendor from the menu bar.
2. Click on Vendor Lookup as shown below:



The Vendor Lookup Window is displayed:

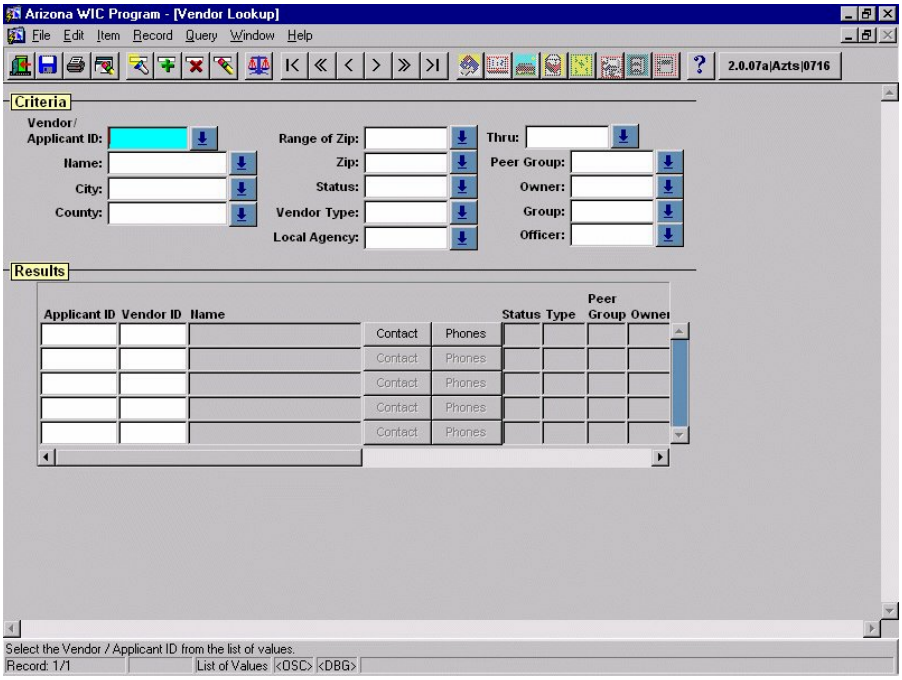


Figure 2 - Vendor Look-Up

Look Up a Vendor

Enter data in any or all of the selection criteria fields to be used in the vendor lookup.

1. To select a vendor or applicant ID, click the arrow to the right of the Vendor/Applicant ID field to show a list of valid values and their corresponding names. Select a vendor or applicant ID by double clicking the row or single clicking the row and then clicking the OK button.
2. To select a vendor or applicant name, click the arrow to the right of the Name field to show a list of valid values and their corresponding IDs. Select a vendor or applicant name by double clicking the row or single clicking the row and then clicking the OK button.

3. To select a city, click the arrow to the right of the City field to show a list of valid values and the corresponding zip code, county, and state. Select a city by double clicking the row or single clicking the row and then clicking the OK button.
4. To select county name, click the arrow to the right of the county field to show a list of valid values. Select county name by double clicking the row or single clicking the row and then clicking the OK button.
5. To select a range of zip codes, click on the arrow to the right of the Range of Zip field to select the beginning zip code number then tab to the "Thru" field and select the ending zip code number. Select the zip code by double clicking the row or by single clicking the row and clicking on the OK button.
6. To select a zip code, click the arrow to the right of the Zip field to show a list of valid values and the corresponding city, county, and state. Select a zip code by double clicking the row or single clicking the row and then clicking the OK button.
7. To select a status, click the arrow to the right of the Status field to show a list of valid values and their corresponding descriptions. Select a status by double clicking the row or single clicking the row and then clicking the OK button.
8. To select a vendor type, click the arrow to the right of the Vendor Type field to show a list of valid values and their corresponding descriptions. Select a vendor type by double clicking the row or single clicking the row and then clicking the OK button.
9. To select a local agency, click the arrow to the right of the Local Agency field to show a list of valid values and their corresponding names. Select a zip code by double clicking the row or single clicking the row and then clicking the OK button.
10. To select a peer group, click the arrow to the right of the Peer Group field to show a list of valid values and their corresponding descriptions. Select a peer group by double clicking the row or single clicking the row and then clicking the OK button.
11. To select an owner ID, click the arrow to the right of the Owner field to show a list of valid values and their corresponding names. Select an owner ID by double clicking the row or single clicking the row and then clicking the OK button.
12. To select a Group, click the arrow to the right of the Group field to show a list of valid values and their corresponding names. Select a Group by double clicking the row or single clicking the row and then clicking the OK button.
13. To select an Officer, click the arrow to the right of the Officer field to show a list of valid values and their corresponding names. Select an Officer by double clicking the row or single clicking the row and then clicking the OK button.
14. Press the F8 key to execute the query.
15. The system retrieves all records matching the selection criteria and displays the following fields in the Results section of the screen for the first five matching records: Applicant ID or Vendor ID (whichever applies), Vendor Name, Vendor Contact Information, Phone information, Status, Type, Peer Group, Owner ID, City, Zip and county. Use the scroll bar at the bottom of the Results section of the screen to view all of these fields.
16. To view the Contact information, click the Contact button to invoke the Contact screen. Click the OK button to close the Contact screen.
17. To view telephone information, click the Phones push button to invoke the Phones window. To close the Phones screen, click the OK button.

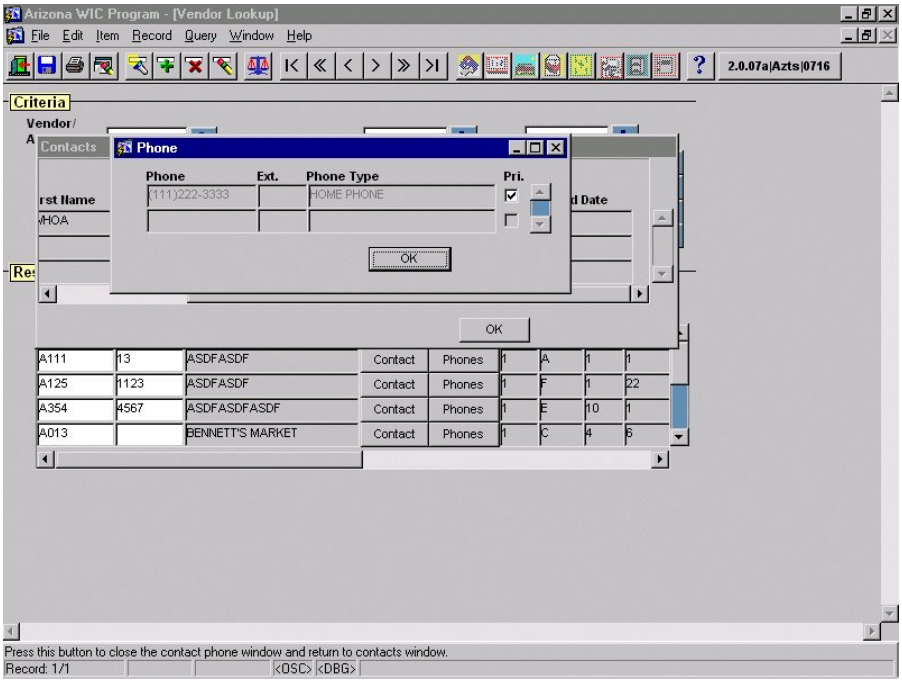


Figure 3 - Vendor Lookup (Contact Pop-Up)

18. To view the rest of the records matching the selection criteria, position the cursor on the last display row and press the down arrow key. Upon reaching the last matching record, the system displays the message “Last record of query retrieved.” Click the OK button to acknowledge the message and close the message window.

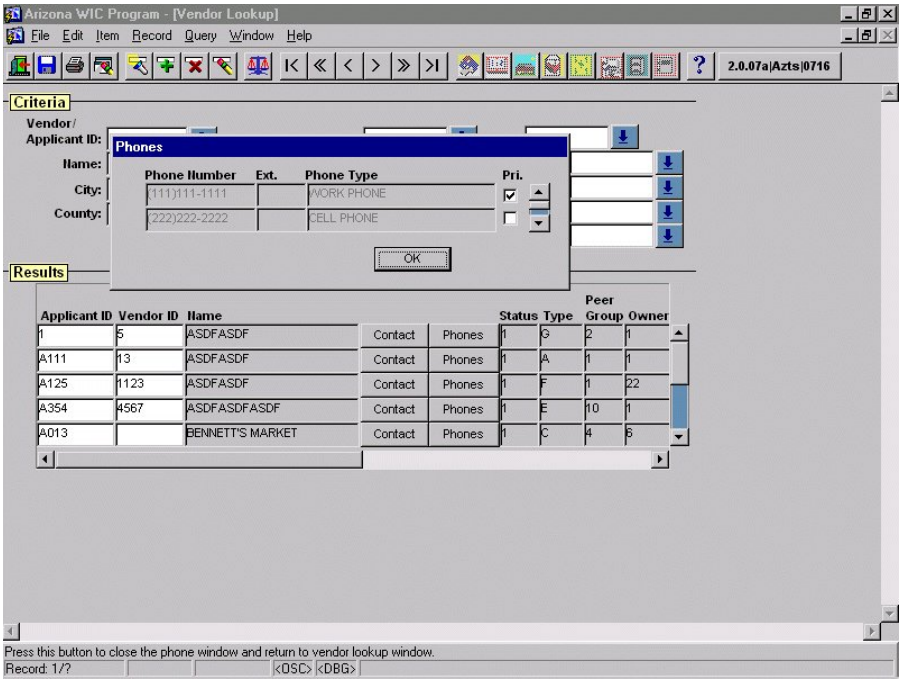


Figure 4 - Vendor Look-Up (Phone Pop-Up)

Figure 2 - Vendor Look-Up

Fields (Criteria Section)

Vendor/Applicant ID - The user may select the unique identifying number of the vendor from the list of values. This field is optional.
Name - The user may select the name of the vendor from the list of values. This field is optional.
City - The user may select the city that the vendor is located in from the list of values. This field is optional.
County - The user may select the county that the vendor is located on from the list of values. This field is optional.
Range of Zip – The user may select the beginning zip code of a range of zip codes from the list of values. This field is optional.
Zip - The user may select the zip code that the vendor is located in from the list of values. This field is optional.
Status - The user may select the vendor status from the list of values. This field is optional.
Vendor Type - The user may select the type of vendor from the list of values. This field is optional.
Local Agency - The user may select the local agency that the vendor is associated with from the list of values. This field is optional.
Thru – The user may select the ending zip code of a range of zip codes from the list of values. This field is optional.
Peer Group - The user may select the peer group from the list of values. This field is optional.
Owner - The user may select the owner from the list of values. This field is optional.
Group – The user may select a Vendor Group for the list of values. This field is optional.
Officer – The user may select an officer from the list of values. This field is optional.

Fields (Results Section)

Applicant ID - The unique identifying number of the applicant. This field is display only.
Vendor ID - The unique identifying number of the vendor. This field is display only.
Name - The name of the retail outlet associated with the vendor/applicant ID. This field is display only.
Status - The vendor's status is displayed here. (Not shown)
Type - The description of the status. (Not shown) The type of owner, i.e., sole proprietor, partner, etc.
Peer Group - The Vendor Peer group is displayed here.

Push Button(s)

Phones - Click this button to display the Phone Pop-up window.
Contact – Click this button to display Contact Pop-up window.

Figure 3 - Vendor Lookup (Contact Pop-Up)

Fields

Last Name – The last name of the contact person. This field is display only.
First Name - The first name of the contact person. This field is display only.
MI1, MI2 – The middle initials of the contact person. These fields are display only.
Title – The title of the contact person. This field is display only.

Check Boxes

Pri. - A check box that indicates which of the contacts is the primary contact. This field is display only.

Push Buttons

Phone – Contact phone screen is displayed.
OK – Closes the pop-up and returns the user to the contact screen.

Figure 4 - Vendor Look-Up (Phone Pop-Up)

Fields

Phone Number - This field displays the phone number of the vendor.
Ext. - This field displays the vendor's extension.
Phone Type - This field displays the phone type.

Push Button(s)

OK - Clicking on this button closes the phone window and returns the user to the Vendor Lookup Window.

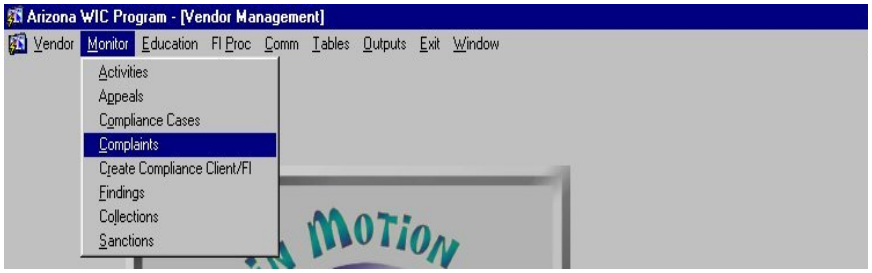
Check Boxes

Pri. – Clicking this box means this is the primary phone.

Monitor Complaints

To Monitor Complaints:

1. Click on Monitor from the menu bar.
2. Click on Complaints as shown below:



The Complaints Window is displayed:

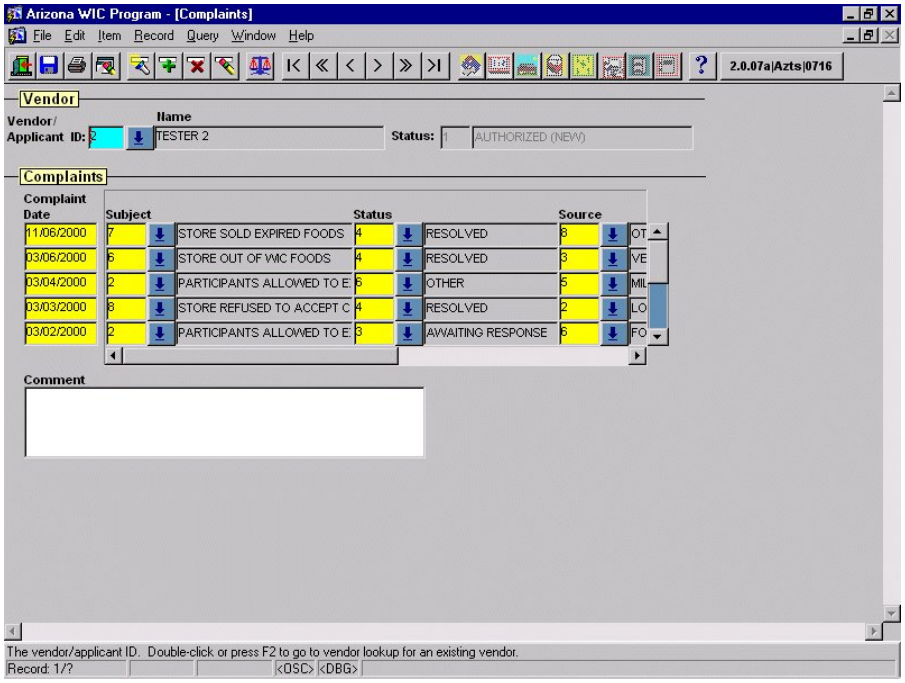


Figure 5 - Complaints

Add a Complaint

1. To select a vendor, click the arrow to the right of the Vendor ID field to show a list of valid values and their corresponding names. Select a vendor ID by double clicking the row or single clicking the row and then clicking the OK button.
2. Press the F8 key to execute the query.
3. The system populates the Name and Status fields for the vendor. These fields are for display only and may not be updated.

(For the following steps, the scroll bar below the Complaints detail section of the screen may be used to show additional input fields for each Complaint detail row.)

4. The system populates the Complaint Date with today's date. The complaint date may be overwritten by positioning the cursor in the Complaint Date field and typing in the date of the complaint.
5. To select the type of complaint, click the arrow to the right of the Subject field to show a list of valid values and their corresponding descriptions. Select a complaint type by double clicking the row or single clicking the row and then clicking the OK button.
6. The system populates the complaint description to the right of the Subject field. This field is for display only and may not be updated.
7. To select the complaint status, click the arrow to the right of the Status field to show a list of valid values and their corresponding descriptions. Select a complaint status by double clicking the row or single clicking the row and then clicking the OK button.
8. The system populates the status description to the right of the Status field. This field is for display only and may not be updated.
9. To select the complaint source, click the arrow to the right of the Source field to show a list of valid values and their corresponding descriptions. Select a complaint source by double clicking the row or single clicking the row and then clicking the OK button.
10. The system populates the complaint source description to the right of the Source field. This field is for display only and may not be updated.
11. To select the local agency where the complaint was filed, click the arrow to the right of the Local Agency field to show a list of valid values and their corresponding names. Select a local agency by double clicking the row or single clicking the row and then clicking the OK button.
12. If the complaint was followed up and you would like to associate it with a monitoring activity for the vendor, click the Monitoring Activity button to invoke the Monitoring Activity window. All activities currently scheduled for the vendor are listed. (Monitoring Activities for a vendor are recorded using the Monitor Activities screen of the Vendor Management function.) The scroll bar to the right of the Monitoring Activities window may be used to view all the activities for the vendor.

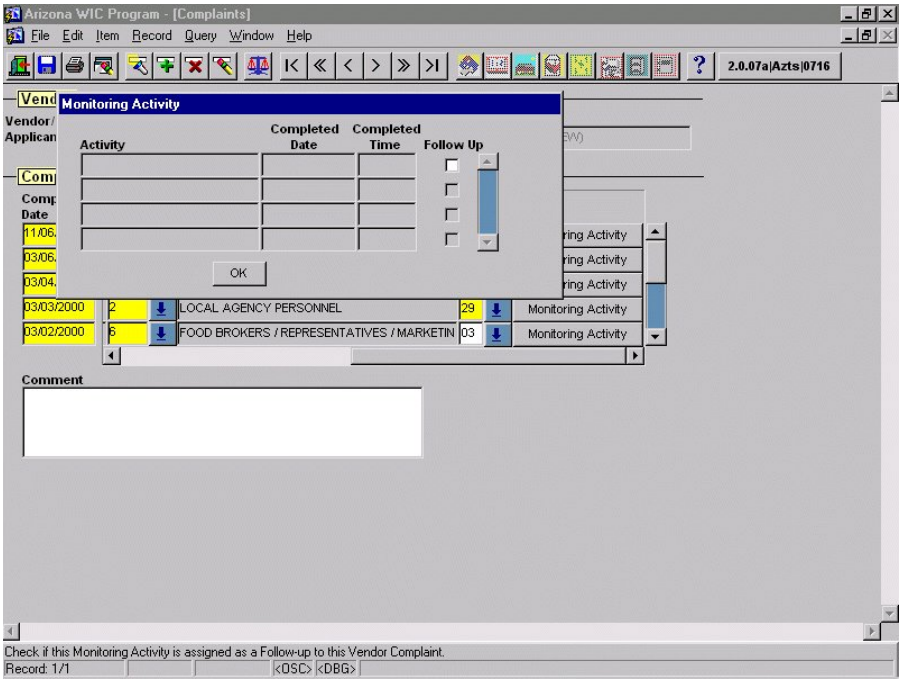


Figure 6 - Complaints (Monitoring Activity Pop-Up)

13. To designate an activity as a follow up to the complaint being recorded, click the Follow Up box.
14. In a similar manner, the user may de-select a follow up activity by clicking the Follow Up box of an activity that already has a check mark in the Follow Up box.
15. When finished selecting follow up activities, click the OK button to save them and close the Monitoring Activities window.
16. You may optionally enter Comments about the complaint.
17. To save the information entered on the Complaints screen and pop-up window, click the Save icon at the top of the screen. The system displays the message “Transaction Completed. ”
18. Click the OK button to acknowledge the message and close the message window.

Update a Complaint

1. To select a Vendor, click the arrow to the right of the ID field to show a list of valid values and their corresponding names. Select a vendor by double clicking the row or single clicking the row and then clicking the OK button.
2. Press the F8 key to execute the query.
3. The system populates the Name, Status and any existing complaint information for the vendor.
4. Position the cursor on the field(s) you wish to update and complete the updates as described in the Add a Complaint section above.
5. To save updates made on the Complaints screen, click the Save icon. The system displays the message “Transaction Completed.” Click the OK button to acknowledge the message and close the message window.

Delete a Complaint

1. To select a Vendor, click the arrow to the right of the ID field to show a list of valid values and their corresponding names. Select a vendor by double clicking the row or single clicking the row and then clicking the OK button.
2. Press the F8 key to execute the query.
3. The system populates the Name, Status, and any existing complaint information for the vendor.
4. Verify that the vendor displayed is the one for which you wish to delete a complaint.
5. Position the cursor on the complaint row you wish to delete.
6. Click the Remove Record icon. The complaint information is cleared from the screen.
7. To save the deletion of the Complaint, click the Save icon. The system displays the message "Transaction Completed." Click the OK button to acknowledge the message and close the message window.

Figure 5 - Complaints

Fields

Vendor/Applicant ID - This is a unique, three digit, state assigned identification number. This field is mandatory.
Name - The name of the vendor. This field is display only.
Status - The status of the vendor. This field is display only.
Complaint Date - The date that the complaint was filed. This field is mandatory.
Subject - The code and the topic about which the complaint was made. This field is mandatory.
Status - The status of the vendor. This field is mandatory.
Source - The source of the complaint is selected from the list of values. This field is mandatory.
Local Agency - The local agency where the complaint was filed is selected from the list of values. This field is optional. This field is mandatory if the source is Local Agency.
Comment - The user may provide any comments or remarks. This field is optional.

Figure 6 - Complaints (Monitoring Activity Pop-Up)

Fields

Activity - The monitoring activity that this is a follow up activity. This field is display only.
Completed Date - The scheduled date of the follow up activity. This field is display only.
Completed Time – The schedule time of the follow up activity. This field is display only.

Check Boxes

Follow Up - Checking this box indicates that this is a follow up activity.

Push Button(s)

OK - Clicking on this button closes the monitoring activity window (Follow Up).

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