

Arizona WIC Program

FFY 2018 Annual Vendor Training

September 2018

Welcome to the Arizona WIC Program Vendor Training. This newsletter will serve as your annual Vendor training for Federal Fiscal Year 2018. The information provided will help you and your staff handle and understand WIC transactions and the benefits of the WIC Program for you and your customers.

It is the responsibility of the owner, store director, and/or manager to ensure that this training information is made available to all store employees who handle WIC transactions.

The topics that will be covered in this issue include:

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| <input type="checkbox"/> What is WIC | <input type="checkbox"/> WIC Redemption Procedures |
| <input type="checkbox"/> Changes for FFY 2019 | <input type="checkbox"/> Violations and Sanctions |
| <input type="checkbox"/> Authorized Foods | <input type="checkbox"/> Vendor Claims |
| <input type="checkbox"/> Minimum Stock and Variety Requirements | <input type="checkbox"/> Complaint Process |
| <input type="checkbox"/> Infant Formula Purchases | <input type="checkbox"/> Incentive Item Prohibition |



Vendors play an important role in the health care community and they are vital to the success of the WIC Program. The WIC Vendor is the final step in the WIC process to ensure that participants receive the nutritious foods that they need to meet their nutritional needs.

What is WIC?

WIC is a special supplemental nutrition program that is federally funded by the United States Department of Agriculture (USDA). WIC is designed to improve the nutritional status of income-eligible pregnant, breastfeeding and postpartum women, infants, and children up to five years old. The WIC Program provides participants with nutrition and breastfeeding education and support, referrals to health care and social service programs, and nutritious foods.



The purpose of the program is to:

- Improve the outcome of high-risk pregnancies
- Decrease low birth weight in infants
- Improve poor growth patterns and dietary habits of participants
- Prevent obesity and iron-deficiency anemia
- Promote and support breastfeeding



Upcoming Changes for Federal Fiscal Year 2019

The Arizona WIC Program makes revisions to the Vendor Manual and/or the Vendor Contract to meet Federal Regulations and changing demands of the program. Due to the implementation of eWIC, the Vendor Contract and the Vendor Manual have had major changes. The **changes will go into effect on October 1, 2018**, for Federal Fiscal Year 2019, and **supersede** any previous versions.

Please review the changes in the Vendor Contract or Amendment and Vendor Manual.

The Vendor Contract/Amendment and Manual have been updated as follows:

Vendor Contract/Amendment

- All parts of the Contract that relate to paper food instruments have been removed.
- Banking information section has been removed.
- Removed and replaced information in the following areas:
 - Vendor Responsibilities
 - Vendor Agrees To
 - Responsibility of the Department
 - eWIC Grant Funds and Cost Sharing
 - Payment to Vendors and Claims
 - Monitoring and Audit (includes specific records relating to the Contract)
 - Vendor Record Requirements
 - Purchase and Inventory Record Requirement
 - Violations - Carryover
 - Notification of Name, Mailing Address or Telephone Number Change
 - Change of Ownership
 - Change in Location
 - Multiple Locations
 - Termination and Expiration of the Vendor Contract
 - Appeal and Fair Hearings
 - Criminal Penalties
 - Business Integrity
 - Conflict of Interest
 - Attorney Fees and Costs
 - Forfeiture
 - Indemnity
 - Prohibition Against Discrimination
 - E-Verify Requirements
 - Certification That Vendor Does Not Participate in Boycott of Israel
 - Antitrust Violations



Health and Wellness for All Arizonans

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Complaint Hotline: 1(866) 229-6561

Complaint Email: azwiccomplaints@azdhs.gov

Website: www.azwic.gov/vendors

Thank you for playing a vital role in the Arizona WIC Program. If you have any questions regarding this year's Annual Vendor Training Alert or you need technical assistance, please contact any member of the WIC Vendor Management Team at:

1-866-737-3935.



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Individuals who are deaf, hard of hearing or have speech disabilities may contact USDA through the Federal Relay Service at (800) 877-8339; or (800) 845-6136 (Spanish).



Request to Add New Foods to the Approved Product List

New products must be reviewed and approved before they can be added to the APL. Eligible products can be submitted to the Department by email to WICServiceDesk@azdhs.gov. The submission must contain:

• Full UPC or PLU Code*	• Picture: Front label
• Brand name	• Picture: UPC barcode
• Full product description, including container size	• Picture: Nutrition information
	• Picture: Ingredients

Food items that are submitted must be reviewed by the Program to ensure that they meet the requirements set forth by the Arizona Food Selection Criteria Committee, including, but not limited to, nutrition information, ingredients, size, cost and availability. If the food item is approved, the Department will add the food item to the APL in five (5) business days.

*UPCs can vary in length (8, 12, 13 or 14 digits and PLUs may be 4-5 digits)

WIC FOODS SEEK AND FIND

S N A E B D E N N A C T A M I	CANNED BEANS
U Y I Y X G K P F N B J A E N	CANNED FRUIT
P Z N U M M G J R K P X C L F	CHEESE
E Y F X G Q O D E A J I A G A	DECLARED MILK
A O A S F H A B S O U J I H N	FOOD LIST
T Z N N G O T U H J E P J D T	FRESH VEGETABLES
I F T I N T M C V C C E Y V F	GOAT MILK
U D C A W C I H E H R A X M O	HOT CEREAL
R S E R L E L P G B Z N X G R	INFANT CEREAL
F G R G U R K C E R T U Q X M	INFANT FORMULA
D E E E C E L N T C I T J S U	JUICE
E N A L Q A Y S A A J B I E L	PEANUT BUTTER
N O L O R L N N B C K U H S A	PINK SALMON
N S Q H U E U M L O F T Z E Y	RICE
A A S W F T J Y E O N T M E N	SOYMILK
C V H P D O O C S K O E F H E	TOFU
I F O O D L I S T S J R L C L	TUNA
C L A H L T U Z L B F U P H L	WIC
D A E R B T A E H W E L O H W	WHOLE GRAINS
P P N D X R H G X S N C Y Z K	WHOLE WHEAT BREAD
N P I N K S A L M O N D O T K	YOGURT
Y B Q L S T G C P N A C G O E	
U E S O Y M I L K M I X U N C	
U R V U D Q B S V W Q N R T I	
D E C L A R E D M I L K T B R	

Upcoming Changes for Federal Fiscal Year 2019

Vendor Manual Changes Include:

Section/Title	Description
All	Removed all references to paper food instruments and WIC Identification (includes any and all policies related to paper food instruments).
1 - Introduction	Updated statistics, removed information about WIC Identification stamps, replaced WIC decal with new eWIC decal, added thirty (30)-day notification requirement if changes occur in POS system.
2 - Foods	<p>Removed: soymilk, goat's milk, and tofu from Minimum Stock Requirement table and five-day requirement to have food item available when requested.</p> <p>For infant foods: changed boxes and jars to containers, removed "Jarred" from fruits and vegetables, added stock to include Quantity: 32 Size: 2-pack (4 ounce each) for Infant fruits and vegetables.</p> <p>Revised WIC Price/Stock Survey to remove semi-annual submissions for authorized Vendors and apply it only to Applicant Vendors.</p>
3 - eWIC Cards	Title change
4 - Redeeming WIC Food Benefits	<p>Added the following bullets to these areas:</p> <p>Cashier will:</p> <ul style="list-style-type: none"> Ensure that the correct total purchase amount is entered for each item purchased with an eWIC card. <p>The Vendor shall:</p> <ul style="list-style-type: none"> Allow the WIC customer to pay the difference when purchasing WIC foods and non-WIC items in the same transaction (mixed basket). <p>The Vendor shall <u>not</u>:</p> <ul style="list-style-type: none"> Keep an eWIC card to run a transaction later or at a different location. Keep WIC participants' eWIC cards or any type of records, copies, pictures, etc., (includes handwritten, printed, electronic, or any other media source) of eWIC card numbers and Personal Identification Numbers (PINs) for any reason.
5 - Payments	Removed all payment information for paper food instruments including Reject Reasons table and Second Level Review process. Added information regarding eWIC payments and a chart for payment timeframe.
6 - Training	Revised training topic list to reflect eWIC only.
7 - Vendor Monitoring	<p>Added Full Line Grocery Store Evaluation and eWIC Redemption Activity to the list of monitoring activities.</p> <p>Revised Full Line Grocery Store requirement to:</p> <p>Three (3) or more varieties with three (3) or more units for each variety in each of the following categories:</p> <ul style="list-style-type: none"> Breads/tortillas/cereals Fresh dairy products Fresh, canned, or frozen fruits and vegetables Fresh or frozen meats, poultry, or fish <p>NOTE: (Variety for meat includes different cuts of the same type of fresh meat [limited to two (2) different cuts of meat from the same variety]).</p> <p>Revised the processes for Vendor Site Reviews (all types), Compliance Investigations, and Inventory Audit Activities, and added a list of specific program-related records and documents.</p>

Upcoming Changes for Federal Fiscal Year 2019

Vendor Manual Changes (continued):

Section/Title	Description
8 - Violations and Sanctions	Removed all violations and sanctions specific to paper food instruments; also revised the Department sanctions section.
9 - Appeal Rights and Hearing Procedures	Added item #12 to the list of adverse actions not subject to administrative reviews.
	Revised: <u>Pleadings, Legal Memoranda and Motions</u> paragraph to include requesting a translator, and added information on where to send copies by regular mail and email.
10 - Appendix 1 - Training Aids	Removed training aids for paper food instruments; revised Full Line Grocery Store information.
11 - Appendix 2 - Forms	Revised and updated all forms, including the WIC Food Item Declaration and Price Survey worksheets for Applicant Vendors.
12 - Appendix 3 - Selection and Authorization	Revised the following: <ul style="list-style-type: none"> The list of required attachments that must be included in the application packet, including a statement about returning incomplete packets. The list for the evaluation process for all Applicants (new, current, and previous). The timeframe to reapply for WIC Authorization from 180 calendar days to 120 calendar days. Business Operations-Full Line Grocery Store requirements.
	Removed History of Compliance from Evaluation Criteria.
13 - Appendix 4 - Participant Access	Revised Participant Access Criteria.
14 - Appendix 5 - Definitions	Revised Definitions to remove all references to paper food instruments and incorporated eWIC-related definitions.

The Vendor Manual is available in a CD format viewable via computer; it is also available online at:

<http://azdhs.gov/azwic/vendors/manual.htm>

REMINDERS

- Changes in POS Systems:** Vendors with integrated point-of-sale (POS) systems must be certified by the Department prior to accepting eWIC transactions. Therefore, when changes are made to the hardware, software, or third-party processor, including payee changes, the system **must be recertified**. The Vendor is required to notify the Department at least thirty (30) calendar days prior to any changes or enhancements to their integrated system.
- Bank Changes:** Vendors who change their bank are no longer required to notify the Department. Vendors must contact their **third-party processor** (integrated POS systems) or **CDP/FIS** (stand-beside terminals).
- Balance Inquiries:** The Vendor shall provide the WIC customer with a balance inquiry when requested. Vendors **shall not** require the WIC customer to make a purchase in order to obtain a balance inquiry.

Incentive Item Prohibition



The Arizona WIC Program, in accordance with federal regulations, prohibits WIC Vendors from offering incentive items* solely to WIC customers in an effort to encourage participants to redeem their WIC food benefits at their store. In addition, the program does not allow Above-50%-Vendors to provide incentive items to WIC Program participants. This means:

- Above-50%-Vendors cannot provide any incentive items to WIC customers.
- Regular Vendors can provide incentive items to WIC customers, as long as the same incentive items are being provided to all customers.

*Incentive items or other free merchandise are defined as: free or reduced price food or other items; cash, lottery tickets; buy one, get one free or buy one, get one at a reduced price; free amounts added to an item by a manufacturer; manufacturer coupons; store loyalty cards; sales and specials for supplemental food; and free or reduced price services except for the minimal customary courtesies of the retail food trade, such as bagging supplemental food for the participant and assisting the participant with loading the supplemental food into his/her vehicle.

Complaint Process

The Arizona WIC Program values our relationship with the Vendor community and strives to ensure the shopping experience is pleasant for both the cashier and WIC customer. We welcome any input you have that may help improve the program.

If you experience an issue or concern with a WIC customer, please do not hesitate to let us know about it. The concerns you report will assist the program in identifying WIC customers, WIC Vendors or WIC clinic staff who are in need of additional training.

Remember, the issues and concerns reported will help to detect and reduce fraud and abuse in the Arizona WIC Program.

The Arizona WIC Program has several convenient ways to report a complaint, fraud, or abuse. WIC Vendors, participants, and WIC clinic staff can report any issue by:

- Visiting: <http://www.azwic.gov> and clicking on "Report Complaints & Fraud"
- Calling toll-free: 1-866-229-6561
- Emailing: azwiccomplaints@azdhs.gov



Reasons Why an Item Did Not Ring Up

- The item is not an approved WIC item - If the item is not an authorized food, it cannot be purchased with an eWIC card.
- The benefit is not available to the customer - WIC food benefits are issued for specific food items based upon the participant's individual needs. For example, if a participant is issued whole fat yogurt, they are not able to purchase low-fat yogurt.
- There are not enough benefits available on the card - The amount of food items are deducted each time the WIC customer uses their eWIC card. When the remaining balance is too low, there may not be enough benefits left to cover the purchase (i.e., there are 11 ounces of cereal benefits left on the card; the customer cannot purchase any more cereal because their benefits will not cover an authorized container of cereal).
- Item is eligible, but not on the APL - Most food items are included in the APL. However, there is a possibility that some items may have been inadvertently missed during the UPC collection. If a food item is NOT on the APL, the WIC customer cannot purchase it. For information on how to request to add new foods to the APL, see next page.

Monitoring Activities

Authorized WIC Vendors are monitored to make sure they understand the program's rules, regulations, and policies. Monitoring activities include, but are not limited to:

- Vendor Site Reviews - on-site reviews to verify compliance for minimum stock and variety of WIC foods, collection of prices, check health permits, etc.
- Compliance Investigations - undercover visits to check for unauthorized food sales, overcharging, treatment of WIC customers, etc.
- Inventory Audits - used to verify that invoice records correspond with actual WIC redemptions.
- eWIC Transaction Monitoring - monitors eWIC transactions to identify possible abuse or fraud.
- Full Line Grocery Store Evaluation - an on-site review to verify that an authorized Vendor carries a specific amount of staple food items.
- Criminal/Civil Background Checks - verifies business integrity for the owners, officers, and managers of new applicants and authorized Vendors.



Violations and Sanctions



Violations that are found during monitoring activities are subject to sanctions. It is important that authorized WIC Vendors become familiar with the Arizona WIC Program's Sanction Schedule (enclosed). These sanctions can range from a written warning letter* to termination and disqualification from the program.

Department sanctions will stay on the Vendor's record for 24 months from the date of the violation, and mandatory sanctions remain on the Vendor's record permanently.

Any Vendor who is disqualified from the Supplemental Nutrition Assistance Program (SNAP) will also be disqualified from the WIC Program. The disqualification will be for the same length of time as the SNAP disqualification and may start at a later date than the SNAP disqualification.

** Unless the Department, in its sole discretion, determines that a warning letter would compromise an investigation.*

Remember: If your store is no longer authorized to accept SNAP, your store is no longer eligible to participate in the Arizona WIC Program as an authorized WIC Vendor.

Vendor Claims

When monitoring activities are conducted and an overcharge violation is found, the Arizona WIC Program may establish a claim in the amount of the full purchase price of each eWIC transaction that contained the overcharge or other errors. The Vendor must pay any claim that is assessed by the Arizona WIC Program. In collecting a claim, the program may offset the claim against current and subsequent amounts to be paid to the Vendor. The Vendor may also be sanctioned for overcharges or other errors in accordance with the program's sanction schedule.

Authorized Foods and the Approved Product List (APL)



Please refer to the Arizona WIC Programs Food List, effective October 1, 2016

The WIC Program selects nutritious foods that provide certain vitamins, minerals, and protein. Specific nutrients include: iron, calcium, protein, vitamins A and C, B vitamins, carbohydrates, antioxidants, and fiber.

The Arizona WIC Programs Food List contains foods that are authorized and provides examples of foods that cannot be purchased. The food list includes a wide variety of food items that will help WIC participants meet their nutritional goals.

The Approved Product List (APL) is an electronic file that contains all approved Universal Product Codes (UPCs) and Price Look Up (PLUs) codes that are authorized by the Arizona WIC Program.

The APL must be downloaded daily to ensure that the Vendor is using the most current list and it is required to scan and identify WIC food items that can be purchased.

The APL will not allow an unauthorized UPC or PLU to be processed. The Vendor cannot sell any item that is not on the APL, override, or substitute products that are not on the APL.

Infant Formula Purchases

The WIC Program recognizes and promotes breastfeeding as the optimal source of infant nutrition. For infants of women who do not fully breastfeed, WIC provides iron-fortified infant formula, including special infant formulas and medical foods when prescribed by a physician.

All WIC Vendors are required to purchase infant formula **only** from a supplier that is listed on the Arizona WIC Program's Infant Formula Suppliers list (Suppliers list). Formula that is not purchased from the Suppliers list will not be counted as part of the minimum stock requirements during monitoring activities (Vendor Site Reviews, Inventory Audits, etc.) and the store will be subject to sanctions.

If a Vendor changes their infant formula supplier, it is their responsibility to notify the WIC Program and provide copies of their invoice records with the new supplier's name, address, and the contracted milk- and soy-based infant formula printed on the invoice.

The Federal Fiscal Year 2019 Infant Formula Suppliers List becomes effective October 1, 2018, and can be viewed at <http://azdhs.gov/documents/prevention/azwic/vendors/wic-infant-formula-suppliers.pdf>

Minimum Stock and Variety Requirements

All authorized WIC Vendors must meet and maintain minimum stock and variety requirements for WIC approved foods. The stock must be on the shelf or stored on site at the store's location. Minimum stock requirements are in place to ensure that the WIC approved foods are available at the store when WIC customers shop.

It is the Vendor's responsibility to ensure that their store has the minimum required amounts at all times. If the Vendor is having issues with their supplier, it is their responsibility to find another supplier to meet the needs of the store.

For your convenience, enclosed is the complete Arizona WIC Program Minimum Stock Requirements for Federal Fiscal Year 2019.

Redeeming WIC Benefits

The Arizona WIC Program relies on its Vendors to ensure that only WIC authorized foods are purchased. When proper checkout procedures are followed, WIC customers receive the nutrients they need to improve their health. The cashiers play an important role in the program, as they are the final step in the WIC process.

When redeeming eWIC transactions, the cashier must know:

- The Vendor's declared store or house brand of milk, eggs, and cheese.
- How to run a balance inquiry if the WIC customer asks for it.
- Which foods are allowed to be purchased with eWIC benefits.
- Benefits are accessed with a Personal Identification Number (PIN) and no additional identification or signature is required.



What is eWIC?

eWIC is the electronic benefits transfer (EBT) for the Arizona WIC Program. WIC benefits are loaded into an electronic benefit account that combines the benefits for all participants in the family into one account. The eWIC card provides access to the family's account and allows the WIC customer to pay for the WIC authorized foods that are purchased.

WIC customers can only purchase WIC approved foods that are issued to them and are included on the Approved Product List (APL). If it is not in their benefits or on the APL, they cannot purchase the item.

Processing eWIC Transactions Using an Integrated System

Not all integrated register systems are the same. Depending on the software developer and maker of the point-of-sale (POS) register system, eWIC transactions may be a little different. The Vendor will process eWIC transactions in accordance with policies outlined in the POS system instructions, which may include, but not be limited to, the following:

WIC customer will:

- Tell the cashier they are using their eWIC card.
- Swipe their eWIC card and enter their PIN during the checkout process to access their benefits (depending on the POS system, this may occur at the start or the end of transaction).
- Review the mid-transaction receipt to ensure all WIC items are listed.
- Verify the amount and agree to the purchase (verbally or by pressing the "Yes" button on the card reader).

Cashier will:

- Scan the WIC food items.
- Identify any item that is not WIC approved or over the cash value amount.
- Allow the use of discounts and promotional specials.
- Review the mid-transaction receipt with the WIC customer.
- Ask the WIC customer to verify the amount and agree to the purchase.
- Provide the WIC customer with a detailed receipt of the eWIC transaction.

Processing eWIC Transactions Using a Stand-Beside System

Vendors who have stand-beside terminals will follow the instructions that were provided to them by the eWIC processor. This may include, but is not limited to, the following:

WIC customer will:

- Tell the cashier they are using their eWIC card.
- Swipe their eWIC card and enter their PIN during the checkout process to access their benefits.
- Verify the amount and agree to the purchase (verbally or by pressing the "Yes" button on the card reader).

Cashier will:

- Scan the WIC food items (**note:** fruits and vegetables are scanned after all other food items).
- Enter the price for each item after it is scanned.
- Identify any item that is not WIC approved or over the cash value amount.
- Ask the WIC customer to verify the amount and agree to the purchase.
- Ensure that the correct total purchase amount is entered for each item purchased with an eWIC card.
- Provide the WIC customer with a detailed receipt of the eWIC transaction.

Regardless of Which POS System the Vendor Uses

The Vendor shall:

- Provide the WIC customer with a balance inquiry when requested.
- Allow the WIC customer to pay the difference between the cash value amount and the actual purchase price (if it is over) using another method of payment (SNAP, cash, or debit/credit card).
- Allow the WIC customer to pay the difference when purchasing WIC foods and non-WIC items in the same transaction (mixed basket).
- Allow the WIC customer to pay for any item that is NOT allowed on their WIC benefits.
- Manually enter the card number **ONLY** when the magnetic stripe cannot be read **and** the card and WIC customer are present.
- Identify which registers are able to process and accept eWIC cards by posting the official Arizona WIC Program lane signage, if not all registers are equipped to accept eWIC transactions.
- Follow the return instructions on the back of the card if an eWIC card is found in their store.
- Ensure food items purchased with eWIC cards are not left at the Vendor's location and retrieved by the customer later.

The Vendor shall **not**:

- Require the WIC customer to make a purchase in order to obtain a balance inquiry.
- Require any type of identification (i.e., driver's license, state ID, passport, etc.).
- Ask the WIC customer to verbally provide or write down their PIN in order to redeem their benefits.
- Keep an eWIC card to run a transaction later or at a different location.
- Keep WIC participants' eWIC cards or any type of records, copies, pictures, etc. (includes handwritten, printed, electronic, or any other media source) of eWIC card numbers and Personal Identification Numbers (PINs) for any reason.
- Override or allow any substitutions by scanning a barcode from another authorized product or by scanning a barcode from a pre-printed sheet.
- Restrict any lane to WIC customers only.