

Rhode Island WIC Program

Operations Manual

The Hon. Donald L. Carcieri, Governor

David R. Gifford, MD, MPH, Director of Health

October 2007

Rhode Island Department of Health

SECTION 1

GENERAL INFORMATION

STATEMENT ON A DRUG FREE WORKPLACE

The Rhode Island Department of Health WIC Program has taken measures to maintain a drug free workplace as part of an effort to maintain a drug free workplace in all state offices. Employees have attended meetings informing them of their rights and responsibilities and of consequences of drug abuse. Employees have also been asked to voluntarily sign and submit to the Office of Personnel a statement that they would not use illegal drugs. See State of Rhode Island Drug Free Workplace Policy.

PREAPPLICATION PACKAGE

1. Pre-application letter
2. WIC Program Information Sheet, FNS-131
3. Application Form
4. Current WIC Program Federal Regulations (deleted for State Plan)
5. Rhode Island WIC Policies For Program Initiation, Expansion and Selection.

Dear

Thank you for expressing an interest to have your agency operate a WIC Program in the State of Rhode Island. A Rhode Island Department of Health WIC Program application package is enclosed. This package consists of the following information:

1. FNS-131, Special Supplemental Nutrition Program For Women, Infants and Children Information Sheet provides a description of criteria for local agencies.
2. Application Form; Information needed to determine if an applicant agency is eligible to operate a WIC Program
3. Current WIC Program Federal Regulations Regulations pursuant to Public Law 95-627 under which the WIC Program operates. Note: Section 246.6, Agreements with Local Agencies, which delineates the responsibilities of a local agency that operates a WIC Program.
4. Rhode Island policies for program initiation, expansion, and selection.

The Rhode Island Department of Health (HEALTH) requires of each agency which desires approval as a local agency to submit a written application which contains sufficient information to enable the HEALTH to make a determination as to the eligibility of the local agency. Within fifteen (15) days after receipt of an incomplete application the HEALTH shall provide written notification to the applicant agency of the additional information needed.

The HEALTH shall notify the applicant agency, in writing, of the approval or denial of its application within thirty (30) days of a receipt of a completed application. When an application is disapproved, HEALTH will advise the applicant agency of the reasons for disapproval and of the right to appeal as set forth in WIC Program Federal Regulations.

The HEALTH shall deny application from local agencies if funds are not available for program initiation or expansion. Such agencies shall be notified when funds become available.

Please contact the HEALTH WIC Program with any questions you have

concerning the information in this package or in completing the application form.

Sincerely,

Ann M. Barone, Acting Chief
WIC Program

(401) 222-4623

**SPECIAL SUPPLEMENTAL NUTRITION PROGRAM FOR
WOMEN, INFANTS & CHILDREN**

US DEPARTMENT OF AGRICULTURE/FOOD AND NUTRITION SERVICE/WASHINGTON, DC
Revised December 1997 FNS-131

The Special Supplemental Nutrition Program for Women, Infants and Children (WIC) provides specified nutritious supplemental foods to pregnant, postpartum, and breastfeeding women and to infants and children up to their fifth birthday who are determined by competent professionals (physicians, nutritionists, nurses, and other health officials) to be at “nutritional risk” because of inadequate nutrition and inadequate income. Funds are made available to participating State health departments or comparable State agencies: to Indian tribes, bands or groups recognized by the Department of the Interior or their authorized representative or to the Indian Health Service of the Department of Health, Education, and Welfare. These agencies distribute funds to the participating local agencies. These funds are used to provide specified supplemental foods to WIC participants and to pay specified administrative costs, including those for nutrition education.

WHAT ARE THE ELIGIBILITY CRITERIA FOR INDIVIDUAL PARTICIPANTS?

Infants, children, and pregnant, postpartum or breastfeeding women are eligible for the WIC Program if they: (1) reside in an approved project area or are a member of a special population; (2) meet the income eligibility standards of the local agency; and (3) are individually determined by a competent professional to be in nutritional need of the supplemental foods provided by the WIC Program. A person is determined in nutritional need for such reasons as anemia, abnormal growth, high risk pregnancy, and inadequate diet. When a local agency no longer has funds to serve additional participants, applicants are placed in one of six nutritional need priority levels in order to assure that those persons in greatest need are placed on the WIC Program as soon as space is available.

WHAT SUPPLEMENTAL FOODS DO THE PARTICIPANTS RECEIVE?

Under the WIC Program, infants up to one year old receive iron-fortified formula, cereal which is high in iron, and fruit juice which is high in vitamin C. Participating women and children receive fortified milk and/or cheese, eggs, hot or cold cereal which is high in iron, and fruit or vegetable juice which is high in vitamin C and peanut butter or dried beans or peas. Women and children with special dietary problems may receive special formula by request of the physician. Breastfeeding women may receive carrots and canned tuna fish.

HOW DO PARTICIPANTS RECEIVE SUPPLEMENTAL FOODS?

WIC participants receive foods from a food delivery system operated by their State Agency, which is responsible for the accountability of the system and its effectiveness in meeting their needs. Systems the State agencies use are: (1) retail purchase systems in which participants obtain supplemental foods through local retail stores; (2) home delivery systems in which food is delivered to the participant's home; and (3) direct distribution system sin which participants pick up food from a storage facility. RI WIC provides food through the retail purchase system.

HOW ARE LOCAL AGENCIES SELECTED?

Each State agency ~~must~~may-rank areas and special populations under its jurisdiction in order of greatest need based on economic and health statistics and may or may not approve new programs in this rank order. When funds are available to open a WIC Program in an area, the State agency selects a local agency in the following order; (1) a health agency which can provide both health and administrative services; (2) a health or welfare agency which must contract with another agency for health or administrative services; (3) a health agency which must contract with a private physician in order to provide health services to a particular category of participant (women, infants, or children); (4) a welfare agency which must contract with a private physician in order to provide health services; and (5) agencies that will provide routine pediatric and obstetric care through referral to a health provider. Such local agencies must have a plan for continued efforts to make health services available to participant at the clinic or through written agreements with health care providers.

WHAT RECOURSE DOES A PERSON HAVE FOR ANY ADVERSE DECISION WITHIN THE WIC PROGRAM?

Each State agency is require to have a fair hearing procedure under which pregnant, postpartum and breastfeeding women parents, or guardians can appeal any decision made by the local agency regarding program participation.

In accordance with Federal law and U.S. Department of Agriculture policy, this institution is prohibited from discriminating on the basis of race, color, national origin, sex, age, and disability.

To file a complaint of discrimination, write USDA, Director of Civil Rights, Room 326-W, Whitten Building, 1400 Independence Avenue, SW, Washington, D.C. 20250-9410 or call (202) 720-5964 (voice and TDD). USDA is an equal opportunity provider and employer. For sex or handicap complaints, contact the State Equal Opportunity Office, One Capitol Hill, Providence, RI 02908.

STATE OF RHODE ISLAND
RHODE ISLAND DEPARTMENT OF HEALTH

AGENCY APPLICATION TO OPERATE WOMEN, INFANTS AND CHILDREN
SPECIAL SUPPLEMENTAL NUTRITION PROGRAM (WIC)

FISCAL YEAR 2008

1. Name of Applicant Agency _____

Address _____

City/Town _____

State, Zip Code _____

Telephone _____

Officials to be responsible for WIC Program

Chief Executive Officer Name _____

Title _____

Medical Director or
Physician on call Name _____

Title _____

Application Contact Person Name _____

Title _____

Agency Tax ID Number _____

2. Name and address of organization sponsoring applicant agency, if any.

3. Sources of funding for local agency, (Private nonprofit organizations must attach documentation of tax-exempt status).

USDA _____	HUD _____	RIDEA _____	Private Nonprofit
USDHHS _____	RI Health Dept. _____	RIDHS _____	Other (specify)
USDOE _____	Local Gov't. _____		

4. Congressional district: _____

5. Will any of the WIC Program health and administrative services be provided through a contractual relationship with another agency(ies), or individual(s)? If yes, please specify.

6. Identify by type and number health professionals who will determine eligibility for WIC Program and authorize supplemental food.

Physician	_____	Number	_____
Registered Nurse	_____	Number	_____
Nutritionist	_____	Number	_____
Health Aides	_____	Number	_____
Pediatric Nurse	_____	Number	_____
Practitioners	_____	Number	_____
Other	_____	Number	_____

7. Health services offered to: (Please check all that apply).

	<u>Women</u>	<u>Infants</u>	<u>Children</u>
Physician	_____	_____	_____
On-Call Physician	_____	_____	_____
Nursing	_____	_____	_____
Home Health	_____	_____	_____
Nutrition	_____	_____	_____
Dental	_____	_____	_____
X-Ray	_____	_____	_____
Occupational Therapy	_____	_____	_____
Physical Therapy	_____	_____	_____
Pharmacy	_____	_____	_____
Other (Specify)	_____	_____	_____

8. Brief description of financial, residential or other socioeconomic criteria applied to determine the eligibility of such individuals for health care including treatment, free or at less than the customary full charge.

9. Medical record data maintained. (Check)

Type	Women	Infants	Children
<u>Height</u>			
<u>Weight</u>			
<u>BMI</u>			
<u>Hemoglobin</u>			
<u>Hematocrit</u>			
<u>Lead</u>			
<u>Immunizations</u>			

10. Proposed geographic areas for WIC Project (attach map to clarify, if needed).

11. Population estimates (WIC Affirmative Action Plan data may be used)

<u>Project Area</u>	<u>WIC Eligible</u>	<u>Total Population</u>	<u>% Unserved by WIC</u>
---------------------	---------------------	-------------------------	--------------------------

*Identify criteria used _____

List all subdivisions within the proposed project area which will be participating in WIC.

12. Data indicating Rates/1,000 of Nutritional Risk Within Program area. (WIC Affirmative Action Plan data may be used as well as RI Kids Count Factbook, and the most recent Vital Statistics Annual Report).

(If data is unavailable, place n/a in space provided).

- | | | | |
|----------|---|---|-------|
| a) _____ | Adult Pregnancies = <u>Pregnancies (ages 20-40 yrs.)</u> | x | 1,000 |
| b) _____ | Teenage Pregnancies = <u>Pregnancies (ages 10-19 yrs.)</u> | x | 1,000 |
| c) _____ | Fetal Mortality = <u>Fetal deaths at gestation (20 wks. Or over)</u>
Live births | x | 1,000 |
| d) _____ | Low birth weight infants = <u>Birth weight less than 5.5 lbs.</u>
Live births | x | 1,000 |
| e) _____ | Infant Morbidity = <u>Sickness under one year of age</u>
Live birth | x | 1,000 |
| f) _____ | Infant Mortality = <u>Death under one year of age</u>
Live birth | x | 1,000 |
| g) _____ | Neonatal mortality = <u>Live births dying under 28 days of age</u> | x | 1,000 |
| h) _____ | Premature rate = <u>Birth between 20 & 36 wks gestation</u> | x | 1,000 |
| I) _____ | Low income persons = <u>Low income persons within program area</u> | x | 1,000 |
- j) Nutritional Anemia
Pregnant or lactating Women
Infants
Children
- | | |
|----------|---|
| 1) _____ | % of Pregnant/lactating women with WIC risk of low hemoglobin / hematocrit levels |
| 2) _____ | % of Infants with WIC risk of low hemoglobin / hematocrit levels |
| 3) _____ | % of Children with WIC risk of low hemoglobin / hematocrit levels |

13. Estimated growth to maximum caseload

Year _____	<u>Women</u>	<u>Infants</u>	<u>Children</u>	<u>TOTAL</u>
July	_____	_____	_____	_____
August	_____	_____	_____	_____
September	_____	_____	_____	_____
October	_____	_____	_____	_____
November	_____	_____	_____	_____
December	_____	_____	_____	_____
Year _____	_____	_____	_____	_____
January	_____	_____	_____	_____
February	_____	_____	_____	_____
March	_____	_____	_____	_____
April	_____	_____	_____	_____
May	_____	_____	_____	_____
June	_____	_____	_____	_____
July	_____	_____	_____	_____
August	_____	_____	_____	_____
September	_____	_____	_____	_____
October	_____	_____	_____	_____
November	_____	_____	_____	_____
December	_____	_____	_____	_____

14. Estimated number average monthly participation of pregnant or lactating women, infants and children by racial/ethnic group in program area.

Participation by Group	Number of Participants			Race /Ethnicity Makeup of Total Population
	Women	Infants	Children	
a) Hispanic or Latino				
b) White				
c) Black or African American				
d) American Indian and Alaska Native				
e) Asian				
f) Native Hawaiian and other Pacific Islander				
g) Some other race				
h) Two or more races				
TOTAL				

15. Describe any past substantiated civil rights problems or noncompliance situations and corrective actions taken.

16. Describe your agency's procedures for handling civil rights complaints.

17. Do any clinic sites or agency offices deny access to any person because of his or her race, color, national origin, age, sex, or handicap?
18. What languages are spoken by residents in the area you will serve? What staff, volunteer or other translation resources are available (specify by language)?
19. Describe your agency's procedures for handling customer service, mistreatment or inadequate/inappropriate treatment/service complaints or grievances.
20. A brief description of method of making supplemental foods available to expected participants.
21. A brief description of any non-WIC supplemental type feeding program for the benefit of pregnant or lactating women, infants or children which is already in operation in the project area. Include an estimate in the number of participants in project target group served, type of food provided, and an explanation of the expected relationship between any such program and the WIC program.

22. Please describe method of providing Nutrition Education, including staffing.
23. Please describe method and source of obtaining dietary assessments, anthropometric and hematological measurement, and eligibility related medical data for each category of applicant.
24. Please describe MIS equipment, software and support to be provided.
25. Please describe measuring equipment, furnishings, space and clerical support to be provided.
26. Identify each location where WIC related services will be rendered and specify services offered at each.

The applicant proposes to implement the described grant program within the proposed budget in accordance with the guidelines established by the Department of Health. The applicant recognizes that any departure from the stated program objectives of this grant or of the budget, as approved, is not authorized and that procedures for modification of this grant, if they become necessary, are provisions of this grant application,

Rhode Island WIC Program**Operations Manual Sec. 1**

or its modifications will be the liability of the applicant. The information furnished in this application is true and accurate to the knowledge of the signer.

Applicant:

(Name of Applying Agency)_____

(Address) _____

Signature:

(Authorized Agency Official)_____

(Title)_____

Date _____

The signature of the official in the local agency who shall be responsible for supervising local WIC Program operation.

S-1 SELECTION OF LOCAL AGENCIES

GOAL

To ensure that local agencies are selected and funded in accordance with the need for Program benefits in an area and with the efficient and effective utilization of administrative and program services funds.

GENERAL

In addition to this policy, the State Agency will employ the provisions of 7 CFR Part 246.5.

This section sets forth the procedures for the selection of local agencies and the expansion, reduction and disqualification of local agencies already in operation. In making decisions to initiate, continue and discontinue the participation of local agencies, the State agency shall give consideration to the need for Program benefits as delineated in the Affirmative Action Plan.

STATEWIDE SOLICITATION OF PROVIDERS - See Goals I, Selection of Local Agencies

INDIVIDUAL AGENCY SELECTION

Application Of Local Agencies

Each agency, which desires approval as a local agency, must submit a written local agency application. Within 15 days after receipt of an incomplete application, the State shall provide written notification to the applicant agency of the additional information needed. Within 30 days after receipt of a complete application, the State agency shall notify the applicant agency in writing of the approval or disapproval of its application.

When an application is disapproved, the State agency shall advise the applicant agency of the reasons for disapproval and of the right to appeal as set forth in paragraph 246.18. An agency whose application is disapproved may not re-apply for a period of one year after the date of a notice of disapproval, unless specifically requested to do so by the HEALTH.

When an agency submits an application and there are no funds to serve the area, the applicant agency shall be notified within 30 days of receipt of the application that there are currently no funds available for Program initiation or expansion. The applicant agency shall be notified by the State agency when funds become available.

Program Initiation And Expansion

- A. The State agency ~~shall~~may fund local agencies serving those areas or special populations most in need first, in accordance with their order of priority as listed in the Affirmative Action Plan and in relation to the local agency priority system. The State may also consider the number of participants in each priority level being served by existing local agencies in determining when it is appropriate to move into additional areas in the Affirmative Action Plan or to expand existing operations in an area. The State agency may also give consideration to the extent of unmet need in areas considered to have high levels of risk factors and poor health factors, such as those identified in the needs assessment study conducted by the WIC and Data Evaluation Divisions.
- B. The State agency may fund more than one agency to serve the same area or special population as long as more than one local agency is necessary to serve the full extent of need in that area or special population.
- C. Local agency priority system. The selection of new local agencies shall consider the local agency priority system, which is based on the relative availability of health and administrative services, in the selection of local agencies. Unless warranted by extraordinary circumstances, an agency may not be selected unless it will provide ongoing, routine pediatric and prenatal care and administrative services:
 - 1. First consideration shall be given to a public or a private nonprofit health agency that will provide ongoing, routine pediatric and obstetric care and administrative services.
 - 2. Second consideration shall be given to a public or a private nonprofit health or human service agency that will enter into a written agreement with another agency for either ongoing, routine pediatric and obstetric care or administrative services.
 - 3. Third consideration shall be given to a public or private nonprofit health agency that will enter into a written agreement with private physicians, licensed by the State, in order to provide ongoing, routine pediatric and obstetric care to a specific category of participants (women, infants or children).
 - 4. Fourth consideration shall be given to a public or private nonprofit human service agency that will enter into a written agreement with private physicians, licensed by the State, to provide ongoing, routine pediatric and obstetric care.
 - 5. Fifth consideration shall be given to a public or private nonprofit health or human service agency that will provide ongoing, routine pediatric and obstetric care through referral to a health provider.
- D. Other standards to be considered in the selection of local agencies include, but are not limited to:
 - 1. The effective and efficient administration of the program.

2. Satisfactory compliance with a Civil Rights Pre-Review.
3. A new agency, if selected, shall not duplicate services to a significant portion of an existing WIC local agency's service area, unless the State agency deems selection will further the standard in 1., above.
4. The applicant agency must demonstrate short and long range viability as to staff, location, facility, equipment, management, corporate situation, finances, and so forth.
5. Whether the agency is convenient for participants as to location, hours and accessibility.
6. Whether the agency has the potential need and capacity to serve a caseload of at least 500 participants, as determined by the HEALTH.
7. Demonstrates, in conjunction with a comprehensive review by State agency staff, the capability, if selected, of complying with applicable standards of the WIC Local Agency Review.
8. The agency must provide all information and documentation requested by the State agency needed to make judgments as to the agency's fitness and readiness to comply with all of the herein listed standards.
9. Whether another agency can operate the Program more effectively and efficiently for a particular geographic area.
10. Whether the State's program funds are sufficient to support an additional agency(s).
11. No local agency may be selected if it is debarred or suspended from entering into contracts or agreements with grantees and subgrantees of federal funds under the terms of 7 CFR Part 3017.

* **SOLICITATION FOR NEW AGENCIES**

Solicitation of Local Agency Providers

In the event the state agency determines it is in the best interests of the Program and its actual or potential clients to contract with additional provider(s) to serve as WIC Local Agency(ies), the Department will issue a Request For Proposals for Agreements for WIC Local Agency services. The RFP will include the following:

1. Performance objectives.
2. Description of service areas and relative need.

3. Proposals to address underserved areas.
4. By reference, the current State Plan and Procedure Manuals and require bidder acceptance of USDA approved revisions to those core documents.

Local Agency Proposals

The local agency proposals should address the information requested in the above areas and acceptance of the requirements set out in the core documents. The proposals should also include:

1. A description of WIC service provider experience.
2. Experience with providing allied programs such as maternal and child health care, immunization, anti-hunger and similar programs.
3. Demonstrate the quality of performance of any WIC services or similar services to date.

Evaluation of proposals

The HEALTH will evaluate local proposals in determining which agencies are qualified to be WIC providers. Such evaluation will include review of the following:

1. The local agency's proposal.
2. Prior WIC Management Evaluation results.
3. Corrective actions taken for WIC exceptions or deficiencies cited.
4. Communications from the public, applicants or participants in the Department's files.
5. Evaluation reports by allied programs.
6. Unmet need in the service area.
7. Size and population of the high risk population.
8. The bidder's financial and managerial stability.
9. The bidder's experience in providing similar health, nutrition, education or financial assistance services.
10. The quality of the bidder's similar services and service and fiscal record-keeping.

11. Compliance with business and professional law, regulations and accepted standards of practice.

Agreement to provide WIC services

The Department will enter into Agreements with those agencies selected to be WIC providers. The following elements will comprise the entire Agreement:

1. The terms and conditions of the Request For Proposal.
2. The contents of the provider's Proposal.
3. Any agreed to additions or modifications to the Proposal.
4. Any Department of Health and/or Administration award document.

Term of Agreement

The Agreement shall be for an initial period and additional renewal periods. The initial period shall be for either two full fiscal years or one fiscal year plus the balance remaining in the year of implementation. For example, if implemented in March, the Agreement would be effective from March to September of that fiscal year and then for the full following fiscal year. The initial period will be followed by three, one year renewal periods. Renewal will be based upon:

1. Review of local agency qualifications (7 CFR 246, Operations Manual Sec. 1, S-2, S-3)
2. Mutual Agreement between the Department and the Provider.
3. Acceptance by the Provider of any change in terms and conditions the State may need to stipulate as a result of changed federal or state rules or changes in the State Plan.

Extension of Existing Agreements

Until completion of any RFP Proposal, evaluation and contracting process, the HEALTH may extend existing Agreements. The extension period will be until notification of each current WIC local agency provider whether it has been accepted for a new Agreement or whether it has not been selected as a provider. In the event that a current local agency is not selected as a provider for the new Agreement, the State and the agency will develop a plan for phasing out of services and transfer of participants to active agencies.

Response to Unacceptable Local Agency Proposals

In the event that a current WIC local agency submits a Proposal which in the judgement of the HEALTH

fails to meet the requirements of the RFP or is evaluated as an unacceptable Proposal or if there appears to be a likelihood that the agency will not be accepted as a WIC provider after the evaluation process, the State agency will advise the local agency as to the deficiencies in its Proposal. The HEALTH may offer suggestions to the local agency regarding how it may revise its Proposal to be acceptable and satisfactory and provide the local agency with a reasonable opportunity to modify its Proposal. The State will set what it determines to be a reasonable deadline by which time the local agency must submit a modified and acceptable Proposal or have its Proposal rejected.

Advertisement of Request For Proposal

The State Agency shall advertise the issuance of the Request For Proposal in a general newspaper of statewide circulation. The advertisement will outline the basic qualifications imposed by the State to be a WIC local agency and inform as to how potential respondents may obtain a copy of the RFP.

The State Agency will also hold a Respondent's Conference at which potential responding agencies may seek additional information and clarification from State representatives to assist them in preparing their Proposal.

S-2 DISQUALIFICATION OF LOCAL AGENCIES

- A. The State agency may disqualify a local agency:
 - 1. When the State agency determines serious noncompliance with Program regulations and the Local Agency Agreement which the local agency has been unable to correct, given reasonable opportunity to do so.
 - 2. When the State's Program funds are insufficient to support the continued operation of all its existing local agencies;
 - 3. When the State agency determines, following a review of local agency credentials, that another local agency can operate the Program more effectively and efficiently;
 - 4. When a local agency fails to meet such standards used in the selection of local agencies described above as are appropriate and applicable; or
 - 5. When a local agency is debarred and/or suspended from participating in any transactions involving federal funds or other assistance under the terms of 7 CFR Part 3017.
- B. The State agency shall notify the local agency of any additional State-established criteria. In addition to any State established criteria, the State agency shall consider, at a minimum:
 - 1. The availability of other community resources to participants and the cost efficiency and cost effectiveness of the local agency in terms of both food and administrative and program services costs;
 - 2. The percentages of participants in each priority level being served by the local agency and the percentage of need being met in each participant category;
 - 3. The relative position of the area or special population served by the local agency in the Affirmative Action Plan;
 - 4. The local agency's place in the local agency priority system; and
 - 5. The capability of another local agency or agencies to accept the local agency's participants.
- C. When disqualifying a local agency from the Program, the State agency shall:
 - 1. Make every effort to transfer affected participants to other local agencies without benefit disruption;
 - 2. Provide the affected local agency with written notice not less than 60 days in advance of the pending action which includes an explanation of the reasons for disqualification, the date of expiration of a local agency's agreement, the local agency's right to appeal; and
 - 3. Ensure that the action is not in conflict with any existing written agreements between the State and

the local agency.

S-3 PERIODIC REVIEW OF LOCAL AGENCY QUALIFICATION

The State agency will conduct periodic reviews of the qualifications of authorized local agencies, through local agency reviews and periodic and special monitoring as warranted. Based upon the results of such reviews the State agency may make appropriate adjustments among the participating local agencies, including the adjustment of caseload and administrative and program services allocations or funding, disqualification of a local agency or non renewal of an agency's local agency agreement, when the State agency determines that another local agency can operate the Program more effectively and efficiently. In conducting such reviews, the State agency shall consider the factors listed in S-2, above, in addition to whatever criteria it may develop. The State agency shall implement the above procedures when disqualifying a local agency.

S-4 PRESENT SITUATION

Currently, there is no area of the state which is unserved.

Without significant additional funding for this state's WIC Program, there are no funds available for administrative funding of additional local agencies. Previous studies have shown that higher administrative costs are associated with increased numbers of small caseload local agencies. It is in the interests of Program efficiency, effectiveness, and stability to maintain the current number of local agencies.

In the event of additional funding, the State Agency may make an assessment and determination as to whether additional agencies are in the interests of the effective and efficient administration of the Program.

LIMITATION OF LOCAL AGENCIES

It is the general policy not to fund local agencies in addition to the number currently operating. This policy is subject to review in the event that funding is increased to an extent which can not be utilized by the current agencies, if actual or potential participants can be more efficiently and effectively served by additional agencies or if it is determined to be advisable to procure specified WIC services or operations from additional providers.

All WIC local agencies must be public or private non profit health agencies or providers, unless an emergency exists, such as the permanent closing of the only WIC agency(s) serving a town or group of census tracts, as determined by HEALTH, with limited transportation to other clinics.

OPERATION OF ADDITIONAL CLINICS

The Rhode Island WIC Program encourages existing local agencies to establish additional WIC sites, as long as they are associated with on-site non profit health care, in areas with demonstrated unmet need.

Establishment of any additional site must be with the prior review and approval of the state agency.

Costs of operation of any such site must be met through the local agency's WIC administrative allocation, or from Non WIC sources.

C-1 CASELOAD ALLOCATION AND ADJUSTMENT**GOAL**

To ensure service to the maximum number of women and children allowed by available funds, while protecting the Program from overspending.

PROCEDURE

1. Each year when funding becomes known, the most current monthly figures, from the preceding period of up to twelve months, shall be used as measures for determining levels of caseload allocation. The period to be reviewed shall be that which in the judgment of the State agency, best reflects current and projected caseload capability.
2. The factors utilized by the federal government in deciding on funding shall be given consideration in determining caseload adjustments as well as such factors as:
 - a. The local agency's demonstrated capacity, and its feasible plan, for implementation of expanded caseload.
 - b. Geographical unmet need.
 - c. Number and/or ratio of participants in each priority level being served by existing local agencies and indications of unserved high risk persons.
3. If necessary to ensure full utilization of funds, any caseload below the assigned range or figure at a local agency can be reassigned to other agencies.
- * 4. If statewide caseload is at less than 98% of allocated level or a local agency is at less than 95% of its allocated level or if funds exist to expand the allocated level, caseload and administrative and program services allocations may be allocated at a partial level plus additional allocation based on actual enrollment or participation.

The state agency may also make such interim adjustments to caseload and/or administrative allocations as needed to carry out the Goal stated above.

5. If an agency fails to carry out all requirements of federal and state law, regulations, policies and procedures or terms of the Local Agency Agreement or to provide all required services to any part of its caseload, the State agency may make such adjustment to caseload and local agency funding allocations as it deems necessary to maintain Program services which meet established requirements and criteria to clients or potential applicants and required administrative activities. Such adjustments may include changing the allocation(s) or reassigning any portion or all of such allocation(s) to another agency(ies).
6. Caseload being reassigned will be given to agencies which are within the assigned range or at the assigned figure, giving consideration to the factors described in 2, above.

7. Each quarter, after a caseload adjustment in accordance with the above, the state will reevaluate the need for additional adjustment. If over or under utilization or spending or other circumstances necessitate a caseload adjustment, current or averaged caseload figures should be used as the basis for adjusting a local agency's caseload.

C-2 SPENDING CONTROLSGOAL

To respond effectively and efficiently to situations where available funds will not support existing or projected levels of spending; to prevent overspending. In recent years, considerable debate has taken place within government about the future of WIC and the final funding level. The normal process for allocating funds has been at times severely altered for WIC and for many other federally funded programs. States have not always had a clear picture of future funding and have had to operate WIC in a very uncertain climate in which the prospects of suddenly reduced funding have been very real.

Because of this, and other factors which affect funding or expenditures, such as food price fluctuations, it is necessary to have a strategy for dealing effectively with situations where overspending is occurring or projected. This may require a reduction in caseload, at all or selected local agencies, or other measures to reduce expenditures. As it deems necessary because of actual or potential overspending, the Rhode Island WIC Program reserves its prerogative to take the following measures:

CONTROL OF FOOD COSTS* A. Curtailing Enrollment

While redetermining food dollar, caseload, and administrative allocations for local agencies, a cessation of certifications/recertifications of participants to the Program or delay of benefit issuance may be instituted if necessary to protect the fiscal integrity of the Program and to minimize the need for terminating participants during certification periods.

Enrollment curtailment should be in accordance with the Priority System to such extent as needed to reduce enrollment of participation, statewide, to achieve the level needed to bring spending to within that afforded by available resources. Available resources may take into account funds for the current fiscal year and such funds reliably anticipated and as can be utilized under carry forward and backspending rules. Prudent management should allow for balancing current and projected participation levels to achieve a reasonable level of stability.

B. Reduction of Costs

When funds are insufficient or there is a danger of overspending, the state agency may reduce food costs by such measures as restricting authorized purchase of more costly food types/brands, containers or forms, if nutritionally adequate less costly alternatives are available, and/or by lowering the prices allowed to be charged by vendors. Federal approval will be sought as required.

C. Termination or Suspension of Benefits

If necessary, mid certification delay, withholding, suspension, or termination of benefits will be implemented in proportion to funding limitations.

D. Reduction and Reallocation of Caseload

Caseloads may be reduced and/or reallocated in accordance with relative need. Such caseload changes will be determined through a multi-factor analysis and procedure:

- (1) Reduction of local agency caseload in relation to unutilized assigned caseload, (Measures ability to maintain caseload).
- (2) Reduction of local agency caseload in reverse order of priorities served. If data is incomplete or unavailable, other measures of higher risk service may be used. (Measures service to high risk)
- (3) Consideration of the Affirmative Action Plan in reverse to determine percent of unmet need and most needy areas and "market share" of each local and then determining the reductions by which locals may reach the new state mean (Measures geographic need). The reverse AAP may be updated by utilizing whatever most current economic or health data or state and local caseload data are available.
- (4) An agency which did not expand with previous expansions cannot be held immune from receiving its share of reductions.

E. Administrative and Program Services Funding-Local Agencies

Funding will be recomputed based on the changed level of funding for the total program and based on each local agency's revised caseload.

G – 1 REVISIONS IN PROCEDURE MANUALS

Manuals

- A. Procedure Manual
- B. State Operations Manual

* Procedure

- A. Each new proposed change to WIC procedures shall be reviewed for approval by the Chief, WIC Program.
- B. When approved by the Chief, the policy shall be enumerated according to placement in the appropriate manual.
- C. Policies - State and Local
 - (1) Policies concerning the internal management of the State agency shall become effective when approved by the Chief.
 - * (2) Policies affecting the participation, benefits, requirements and standards for the public, participants, local agencies or vendors whenever possible, will have a period for comment, in accordance with federal regulations and the State Administrative Procedures Act. This period shall be stipulated when the policy is distributed.
- * D. Policies which revise either Manual or the State Plan, except for technical language changes and error corrections, shall be submitted to USDA/FNS Regional Office for review.
- * E. Once internal, Division, Department and FCS approval is received, the policy should be transmitted to Division of Health Services Regulation for filing with the Secretary of State. Appropriate cover form or memo, shall accompany.
- * F. The submission shall stipulate an effective date, not less than twenty days after filing.
- * G. When printing copies to implement and promulgate, check Yes on the State Publication query on the Printing Requisition.
- H. Once in effect, the new policy shall be considered an integral part of the manual and shall be filed therein.

G – 2 USE OF WIC NAME AND LOGO PROHIBITED

The United States Department of Agriculture (USDA) and the Rhode Island Department of Health (HEALTH) WIC Program do not permit the use of the WIC name, acronym “WIC”, or the national and Rhode Island WIC logos in connection with a business or a commercial product. Such use may be mistakenly taken as an endorsement of the business, or the product by the agencies. USDA’s and HEALTH’s policy is to avoid endorsements, directly or indirectly, of any commercial business or product. Also note, that the WIC acronym and logo are registered service marks of USDA.

Use of the WIC name and the WIC logos is reserved for official use by Program officials, only. Examples include Program issued identification, public notification and outreach purposes. . Attached are copies of FNS Instruction 800-2, and a recent All States Memo stemming from an unauthorized use by Ross Labs for PediaSure.

- Please inform this office of any commercial use of these identifiers.
- Local agencies should also obtain approval from the State WIC office before initiating any public use of these identifiers (see VII, B of the Instruction), or the RI WIC logo.

If you have any questions about the use of the WIC name or logo, contact the WIC Vendor Unit (222-4642 or 4621) or Client Services Unit (222-4622).

Section 2

Eligibility and Enrollment

E-1 VERIFICATION OF PARTICIPANT ADDRESSES

Rev. 3/95

Goal

To maintain a methodical check on the accuracy of participants' addresses, at both local and state level.

Procedure

A. New Participants

1. Community liaison staff will stress the importance of accuracy with local agencies, having local agencies verify addresses (maps, personal checks, objective verification, letters received, rent receipts, utility bills, reliable collateral contacts (must obtain applicant/parent's authorization)). Post Office Box alone is not sufficient.
2. Address verification will be regarded as a standard part of the certification procedure. Primary responsibility for providing evidence is the applicant's.
3. Any mailing to a WIC participant returned undelivered will be subject to further review by State staff for the existence of an address for each participant.
4. At the State WIC office, addresses of new WIC participants may be verified:
 - (a) If address is nonexistent or invalid, State office will contact the local agency in writing listing those addresses found to be unverifiable. The local agency will be instructed to flag the participant's chart, review the address in person with the participant, and either verify the address or make the proper changes to verify the address. The State WIC office will be notified within two weeks of this notification as to the findings of the local agency.
 - (b) If suspension is warranted, the local agency shall send a termination notice to the participant.

B. Existing Participants

1. The State WIC office will produce periodic general mailings of information and support to participants by:
 - (a) Securing addresses by local agencies.
 - (b) Preparing message.

- (c) Securing and addressing envelopes.
2. The State WIC office will specify "Do Not Forward; Return to Sender" on envelope, and
- (a) When returned, alert local agency of incorrect address.
 - (b) Have local agency reach participant (telephone, clinic contact) re: address, and document the contact in person's file.
 - (c) Make a determination for each return: error, new address, "fraudulent address" given by participant.
 - (d) If fraudulent or misrepresentation by participant, have the local agency interview the participant and pursue suspension or removal from the Program, following proper Fair Hearing and Civil Rights procedure.
 - (e) In three months, the local agency shall review the eligibility of the participant as a new applicant. suspension shall be reviewed if a serious health risk may result from Program disqualification.

E-3: FUNDING SHORTAGES - DISCONTINUANCE OF PROGRAM BENEFITS

If the State agency experiences funding shortages, it may be necessary to discontinue Program benefits to a number of certified participants. Such action may be taken only after the State agency has explored alternative actions. If taken, the action should affect the least possible number of participants and should affect participants whose nutritional and health status would be least impaired by withdrawal of Program benefits. The State may discontinue benefits by:

- A. Disqualifying a group of participants; and/or
- B. Withholding benefits of a group with the expectation of providing benefits again when funds are available.

When the State agency elects to discontinue benefits to a number of certified participants due to insufficient funds for a period of time, it shall not enroll new participants during that period.

E-4: THE HOMELESS AND HOMELESS FACILITIES AND INSTITUTIONS

Goal

To assure that WIC participants residing in homeless facilities and institutions derive full benefits from the Program and that such facilities and institutions do not accrue financial or in-kind benefits from any person's participation in WIC.

Procedure

In order to secure WIC benefits and participation privileges for residents of institutions and homeless facilities, directors of such facilities must sign a Statements and Assurances document (see Exhibit A) ensuring that the facility will meet the following three conditions:

- A. The homeless facility or institution must not accrue financial or in-kind benefit from a person's participation in WIC,
- B. Food items purchased with WIC food instruments must not be used in communal feeding, and
- C. No homeless facility/institutional constraints may be placed on the ability of the WIC participant to partake of supplemental foods and all associated WIC services made available to participants by the local WIC agency.

The State agency will periodically provide all local WIC agencies with a complete and up-to-date list of homeless facilities in their vicinity which comply with the three conditions described above and

SECTION 2 Eligibility and Enrollment

which have signed a Statements and Assurances document on file with the State agency.

The State agency will publish a notice annually in a statewide newspaper that includes information on program availability and eligibility criteria, the location of local agencies operating the program, and the three conditions described above. Such notice will also be distributed annually to organizations and agencies serving homeless individuals.

E-5 CONFIDENTIALITY AND DISCLOSURE OF WIC DATA

New 1/04

Goal

To ensure and maintain confidentiality of data collected from and during the WIC certification process from WIC applicants and participants.

Procedure

Disclosure of WIC Data with KIDSNET

- A. KIDSNET has several roles within the RI Department of Health.
1. KIDSNET is the RI Department of Health's pediatric preventive health services information system. It is the centralized repository for select data from the following public health programs administered through the RI Department of Health:
 - a. Immunization Registry
 - b. Lead Poisoning Prevention Program
 - c. Early Intervention Program
 - d. RIHAP (Newborn Hearing Screening Program)
 - e. Family Outreach Program (Home Visiting)
 - f. Newborn Metabolic Screening
 - g. Newborn Level 1 Developmental and Psycho-Social Screening
 - h. WIC Program
 2. The programs disclosing data to KIDSNET (as listed above) are RI Department of Health's public health programs.
 3. KIDSNET tracks the provision of pediatric public health services and assesses the unmet health needs of children in RI.
 4. KIDSNET acts as a reminder system to health care providers and parents, keeping them abreast of upcoming services and offering reminders of missed services.
 5. With parental / guardian consent, KIDSNET may also disclose information to third party entities. Example of third party entities would include:
 - a. Health Care Provider

SECTION 2 Eligibility and Enrollment

- b. Head Start Health Care Coordinator
- c. Lead Center Care Coordinator
- d. School Nurse Teacher

B. WIC Linkage with KIDSNET

WIC Federal Regulations allow the disclosure of information provided by participants / applicants to representatives of public health and welfare programs that serve persons categorically eligible for WIC services. This information may be provided to designated health or welfare program representatives for purposes of:

1. Determining eligibility for programs administered by the recipient organizations,
2. Conducting outreach for such programs.

Select demographic, nutritional and medical information collected in the certification process of WIC infants and children is transmitted to KIDSNET. Public health programs use this information to determine eligibility and provide outreach to eligible WIC families.

C. Authorization for Data Disclosure to KIDSNET

See Appendix 2 for the following documents delineating the chain of confidentiality from WIC to KIDSNET.

1. RI Law *Confidentiality of Health Care Communications and Information Act*, PL 5-37.3-4 (Appendix 2-1)
2. RI KIDSNET Policy Handbook (May 1998) (Appendix 2-2)
3. RI KIDSNET Provider Agreement (Appendix 2-3)
 - a. This Agreement documents a Health Care Providers access to, use and protection of, patient related data obtained from KIDSNET.
4. RI Department of Health Agreement to Share Information with a Third Party (Appendix 2-4)
 - a. This Agreement documents a Third Party's access to, use and protection of, patient related data obtained from KIDSNET.
5. RI WIC Program's WIC Participant Eligibility Agreement (WIC – 5) (Appendix 2-6)

SECTION 2 Eligibility and Enrollment

- a. The Agreement documents the parent / guardian's permission to disclose demographic, nutritional and medical information to KIDSNET (public health programs), the health care provider and public welfare programs.

Parent / Guardian signs allowing release of medical, nutrition and /or demographic information to child's health care provider for coordination of care.

Also allows release of medical, nutritional and/or demographic information to RI Dept of Human Services, (FS, Medicaid, FIP), Dept of Health (Immunization, Early Intervention, Family Outreach Program, Newborn Screening, and Lead Poisoning Prevention Programs), URI (Co-op Extension) for outreach and eligibility determination / coordination of care. For those programs listed under the Dept of Health, the WIC data would be transmitted into the KIDSNET system and access restricted to those limited programs.

6. RI WIC Program's Request for Release of WIC Information to KIDSNET Program (WIC – 101) (Appendix 2-6)

- a. This Release documents the parent / guardian's permission to disclose demographic, nutritional and medical information to select third parties.

Separate from WIC eligibility determination, the parent / guardian may permit or deny sharing of WIC data with the KIDSNET Program which would permit or deny third parties from accessing WIC data. Third parties would be Head Start nurse coordinators and Lead Center caseworkers.

If parental permission is denied, the WIC data in KIDSNET is blocked from all programs except those listed in the WIC – 5 Eligibility Agreement.

7. RI WIC Confidentiality Matrix (WIC – 103) (Appendix 2-7) outlines the public health and public welfare programs, providers and third parties who have access to defined WIC data.

SECTION 2 Eligibility and Enrollment

**Rhode Island WIC Program
Retail Vendor Policies**



Revisions are italicized

Section 3 Appendix - 1

FY 2008 Vendor Policies

Policy V-1: APPLICANT VENDOR SELECTION AND AUTHORIZATION*(Revised 12/05)***GOAL**

To ensure that only vendors which will be a benefit to the RI WIC Program are accepted and maintain their authorization.

PROCEDURE*Revised 2-06*

- A. *Retail grocers, food stores (known as grocers), and registered pharmacies (known as pharmacies) located in the State of Rhode Island may request initial participation as authorized vendors in the WIC Program throughout the year. An application will only be issued to a grocery or pharmacy owner, partner or corporate officer acceptable to WIC. Mobile stores and home food delivery companies are not eligible to be WIC vendors. Persons or entities may also apply up to thirty days before commencing operations of a grocery or pharmacy.*

- B. A Vendor Application Package, consisting of

- a. Letter of Introduction,
- b. Vendor Application Form (WIC-31),
- c. WIC Price List,
- d. Redemption Procedures,
- e. Sample WIC check,
- f. WIC-Approved Foods list,
- g. Vendor Minimum Inventory, and
- h. WIC's Guide to Retailers
- i. Proof of Ownership
- j. WIC Bulletins
- k. Vendor Policy

is sent to the vendor, only.

The applicant vendor returns the:

- a. Vendor Application,
- b. Price List,
- c. Proof of ownership,
- d. Copy of a recent driver's license or other positive photo identification, and
- e. List names of stores, owner, partnership, manager, spouse, clerk

to WIC for review after completion by the vendor.

The establishment owner, partner or a corporate official (provided they have the authority to sign on behalf of the company) must sign the Vendor Application and WIC Price List. The applicant must provide evidence of ownership and/or control, satisfactory to the HEALTH WIC Program, of the operations of the grocery or pharmacy at the location for which the application is being submitted.

- C. For the purposes of the HEALTH WIC Program the terms vendor, applicant or applicant vendor, except as described above, shall refer to the business and any person, firm, corporation, officer, owner or manager or any entity who/which has or has had a controlling or partnership interest in, or managerial control of the business with respect to the business' WIC vendor application or re-application for

Section 3 Appendix - 2

participation in the Program and in compliance with any Food And Nutrition Service (FNS) Program's rules, regulations or procedures.

- D. If the vendor has withheld, misrepresented or falsified any information required by the application process, the application will be denied and/or any subsequent Vendor Agreement relating thereto will be immediately rendered null and void, upon discovery.

If the vendor has participated in any actions which are violations of Program rules or accepted WIC checks prior to authorization, (in accordance with Vendor Compliance, V-4) the application will be denied and/or any subsequent Vendor Agreement relating thereto will be immediately rendered null and void, upon discovery.

The vendor may not be accepted if it has been debarred or suspended from participating in any transactions involving federal funds or other assistance with grantees and sub grantees of federal funds under the terms of 7 CFR Part 3017.

- E. A vendor will not be accepted if it shows potential for risk (see Policy V-2).

- F. FNS and WIC Compliance (Applies to Programs' Compliance in RI or in other states)

1. Unless needed to serve an area (Section S, below), a grocery vendor will not be approved unless the vendor is authorized by the Food Stamp Program under the current ownership. If the Vendor is disqualified from the Food Stamp Program as a result of disqualification from the WIC Program, the Vendor may not reapply until FSP authorization is reinstated
2. (a) A vendor will not be approved if a vendor as a vendor owner, officer, partner, manager or individual:
 - (i) Has not paid in full any fiscal claim, penalty, or fine owed to any USDA or other Federal or State Program or if the Vendor has not corrected any previous violation.
 - (ii) Has committed or been convicted of any violation of or been found in violation of any of the laws and/or regulations, or rules of any USDA or other Federal or State Program, or the terms of any previous Vendor Participation Agreement.

The vendor will not be accepted for from one to six years from the time of the last violation committed, or from the time it was determined the violation had been committed, or prior to the end of any disqualification, sentence, or sanction imposed with respect to that violation; whichever last occurs.

If the sanction was a civil money penalty, or fine or other monetary settlement imposed in lieu of a disqualification or agreed to as part of resolution of a charge of violation of USDA rules, the vendor may not be accepted during the period of time the monetary penalty or settlement is in lieu of, beginning with the date the sanction was imposed.

Section 3 Appendix - 3

Re-applicant(s) must serve this time under the WIC Program before they can be re-approved as a WIC Vendor or such term as consistent with the nature of the act and penalties for a similar act as set forth in Policy V - 4. The HEALTH WIC PROGRAM may accept such a vendor if it deems vendor would be a special benefit to the Program and acceptance to be in the best interests of the Program, and impose an alternative penalty and/or special conditions of participation in lieu of denial of participation.

- (iii) Is owned, in whole or in part, or is managed by any person who has committed or been convicted of any violation of or found in violation of the laws, regulations, or rules, of any above USDA Program in accordance with the above.
 - (iv) Employs any person who has committed or been convicted of any violation of, or found in violation of, any of the laws, regulations, or rules of any USDA Program in accordance with the above, whether such violations occurred in relation to that applicant store while the store was under previous ownership, or any other store where such person committed such violations unless such person is under on-site supervision of a superior during all hours of WIC related activity and is not allowed to take part in any WIC check transactions.
 - (v) Has committed any violation of the laws, rules, or regulations of any USDA Program while under disqualification or other sanction by any USDA Program, or when not participating in such Program; in accordance with Policy V-4, Vendor Compliance.
 - (vi) Where there is evidence of an attempt to circumvent, or assist in a circumvention of, a period of disqualification from any USDA Program or a civil money penalty imposed for violations of the rules or regulations of any USDA Program in accordance with Policy V-4 or Program vendor selection and authorization rules and requirements.
 - (vii) Where there is a likelihood that a former owner, who would not him/herself qualify, still retains direct or indirect ownership in, control over or interest in the business or its operations.
- (b) Re-application/Re- approval of Vendor Agreement - When reliable evidence or likelihood exists of violations of the regulations, rules, or procedures of any USDA Program in accordance with (a), above or Policies V-2 or V-4, such evidence shall be grounds for denial of the WIC Vendor Agreement. The Rhode Island Department of HEALTH WIC Program may deny vendor participation in the Program for a period in accordance with (a), above, or until such time as the vendor is no longer subject to, or under judicial, administrative penalties, sanctions and/or sanction reviews, or other punishment, whichever last occurs. Any of the conditions of (a) above, shall constitute a violation for purposes of re-approval of a vendor even when it has been served under any USDA Program but not under the WIC Program. Applicant(s) or re-applicant(s) must serve this time under the WIC Program before he/she can be re-approved as a WIC Vendor.

Section 3 Appendix - 4

3. The HEALTH WIC PROGRAM may, at its option, enter into a conditional Vendor Participation Agreement when a vendor is pending judicial or administrative finding, decision, or applicant sanction for an alleged violation, or being readmitted following an allegation of violation, or for special authorization needs as provided for in O, below,.
4. Each applicant vendor, including re-applications, will be reviewed for compliance with any current or previous WIC Agreement for the past three years from the date of application or from the termination of the most recent Agreement.

A vendor will not be accepted or renewed if it meets any of the following criteria:

- (a) Is currently suspended or disqualified from any USDA Program for non-compliance, or is under threat of disqualification related to pending charges. This shall not be subject to administrative or judicial review under the WIC Program.
- (b) Committed three violations of WIC Program rules such as would be grounds for a 90 day or less disqualification under the provisions of Policy V-4: Vendor Compliance.
- (c) Committed two violations, and/or was issued two notices of violation, of a type described in Policy V-4: Vendor Compliance, as Violations and Sanction Types A, B, C, D, E, F; or committed serious, deliberate, or widespread violations described under I or J of that policy.
- (d) Received two suspensions or disqualifications during the preceding three years. Such vendors shall not be renewed or approved for participation for from one to three years from the date of termination of their current or most recent Agreement, in accordance with Policy V-4.
- (e) Has been determined to be charging excessive prices, in accordance with Policy V-10.
- (f) If federal regulations for the WIC Program are adopted which change the maximum disqualification or suspension term or standards for vendor authorization the HEALTH WIC Program may modify the terms of disqualification or non-approval for participation in accordance with the standards set forth in the new federal regulations.
- (g) If the WIC Program has reason to believe a change of ownership or control may have occurred and the vendor fails to furnish sufficient proof that a change has not occurred.

G Revised 6/07

If new WIC Vendor is determined to be an “ Above 50% Vendor”, they will not be authorized by WIC.

The “potentially Above-50% Vendor” (PA50%V) peer group will be assigned to applicants who have the potential for total WIC sales to comprise more than 50% of their total food sales.

The “Above 50% Vendor” (A50%V) Peer group will be applied to those Vendors whose total WIC sales comprise of 50% or more of their total food sales.

The redemption histories of all new WIC authorized grocery (ie non-pharmacy, non-farmers market) vendors will be reviewed during the application process. To identify a potential Above 50% Vendor (A50%V) the following information will be considered:

- (a) It the applicant is a new business with no redemption history*
- (b) Recent Food Stamp Program redemption data for the applicant*
- (c) Self reported total gross food sales for the prior year*
- (d) Recent State of RI Monthly Sales & Use Tax Return (Form T-204M)*
- (e) Recent State of RI Quarterly Reconciling for Monthly Filers Form (Form T- 204M-R)*
- (f) Projected WIC food sales, based on WIC’s analysis of peer group food redemption profiles.*

A new vendor with no food sales history or Food Stamp Program sales history will be considered a potential A50%V for the first 6 months of WIC authorization. A new branch of a national chain grocery store will not be considered as a potential A50%V.

During this 6- month period of time, the potential A50%V’s redemptions will be monitored to ensure their reimbursements are no greater than the statewide average price of their peer group, or the maximum allowed price for their peer group (whichever is the lower amount).

Revised 9-11-06

If individual food package redemptions are identified at a higher cost than the statewide average, A50%V stores will be required to lower their prices if they want to maintain their WIC authorization. Concurrently, WIC will review its competitive and its maximum allowed price and make adjustments as needed.

In addition, newly authorized stores identified as potential A50%V, will be given a 6- month probationary period. During this time, monthly redemption data will be reviewed to identify if, in fact, the probationary WIC vendor is an A50%V. If this is confirmed, they will be terminated from the WIC Program.

H. Vendors must be in good standing with all other HEALTH units, such as Food Protection and Sanitation and Board of Medical Licensure & Discipline, as applicable.

I. Added 11/05

Applicants must document and provide proof upon request that infant formula available in their store has been purchased from the RI WIC Authorized List of Infant Formula Providers. In addition, they must agree to only purchase infant formula from sources on this WIC authorized list.

J. Prior to a site visit, the following items will be reviewed for completeness and acceptability in conformance with applicant selection standards and criteria:

Section 3 Appendix - 6

1. Application form WIC-31 completed, WIC Price Sheet, proof of ownership, photo identification
 2. USDA active authorization (required for grocery applicants)
 3. No debarment or suspension
 3. Prior USDA and prior WIC compliance
 4. Food Protection/Board of Medical Licensure & Discipline status
 5. Acceptable prices
 6. No potential for risk
- K. If the vendor is acceptable according to the above criteria and if openings exist in accordance with Q, below, an on site visit is conducted at the location of the applicant store using the Vendor Application Site Visit Form (WIC-32) including WIC food availability, check handling and redemption, willingness to cooperate in vendor monitoring, willingness to fulfill obligations of the Vendor Participation Agreement and prices.
- L. The Vendor applicant must demonstrate that inclusion of the store or pharmacy would prove to be a benefit to the program. The vendor must demonstrate cooperation with Program staff, participants and procedures as well as comprehension and acceptance of Program goals and objectives.
- A Vendor deemed to be a potential for risk (in accordance with Policy V-2) is not considered to be a benefit to the Program.

Revised 2-05

- M. The grocer applicant must stock a *variety of staple foods for sale including fresh, frozen and/or canned fruits and vegetables, fresh, frozen and/or canned meats, dairy products, and grain products such as bread, rice and pasta.* and a minimum inventory and supply of WIC-Approved Foods at competitive prices.
1. A minimum inventory shall be defined as the WIC Vendor Minimum Inventory Requirements in effect at the time:
 - (a) For a grocery or food store, the WIC-Approved Food Groups are milk, cereal, cheese, juice, eggs, infant formula, beans, peanut butter, and infant cereal. For the categories of milk, eggs, and infant cereal, two types are preferred but not required.

Stores authorized to accept checks for Special Infant Formula must maintain the minimum inventory for such products.

Revised 2-06

- (b) *For a registered pharmacy, the WIC-Approved Food groups are exempt formulas and medical foods. **The pharmacy is not allowed to accept WIC checks for standard infant formulas, nor food items.***
- (c) *The registered pharmacy shall obtain and make available within two working days any exempt formula or medical foods requested by a WIC shopper and specified on a WIC check in the amount, form, size and type specified on at least two WIC checks, as presented, provided the product is available to retail pharmacies, at less than or equal to the maximum allowed price for the product.*

Section 3 Appendix - 7

The WIC Office, will make every effort to match checks to packing, but where this is not possible Vendor must break package/case to complete the amount specified on the check.

2. An applicant will not be approved if its shelf price(s) for any WIC-Approved food(s) is excessive as defined in policy V-10. An exception to this policy may be made when a clinic area has fewer than four full line WIC-Approved food vendors, or a city or town less than two, or if the vendor is, or would be, the lowest WIC price store in the area. A clinic area is defined as those census tracts in which a clinic has at least 25% of the participants or in which 10% of its participants reside.

Revised 2-06

3. *Acceptance or denial of grocers will be predicated on a full consideration of the variety of staple foods, minimum inventory of foods, overall needs of the Program, FNS and WIC compliance, prices of WIC foods, need for additional vendors, application data, site visit, benefit to the Program, business integrity, other applicant vendor criteria and the impact of that store's acceptance on the Program's ability to effectively monitor or assess all applicant or authorized vendors.*

Acceptance or denial of pharmacies will be predicated on a full consideration of the minimum inventory of foods, overall needs of the Program, FNS and WIC compliance, prices of WIC foods, need for additional vendors, application data, site visit, benefit to the Program, business integrity, other applicant vendor criteria and the impact of that store's acceptance on the Program's ability to effectively monitor or assess all applicant or authorized vendors

A vendor cannot be accepted or renewed if its potential or likelihood to violate the Program's rules would require special, burdensome or disproportionate monitoring efforts by the Program.

O. Combined Grocery/Liquor Establishments

A grocer vendor will not be accepted if the vendor also sells alcoholic beverages at the same location. In order to be considered as a separate location, any alcoholic beverages must be displayed and sold in a separate physical unit, with no direct in building access between the grocery and liquor sales units. Said units must have separate entrances, no shared entrance, a physical barrier between which prevents access, and registers for each unit and within each unit.

- P. The WIC Program will review applicant vendors on a regular basis. Vendor monitors will plan part of each month, up to 20% of each month's total visits, to schedule applicant vendor site visits so that any applicant can expect an answer within a reasonable period of time.

Applicant site visits may be curtailed *from August to October* at the discretion of the Program Chief to concentrate resources on the Agreement re-application process.

- Q. The WIC Program will review the records of existing vendors each year prior to Agreement re-application. The review will be based upon criteria used for applicant vendors, and information submitted by vendor on re-application forms or otherwise required by HEALTH WIC Program, other information received or acquired by HEALTH WIC Program and other re-application criteria, including all criteria mentioned above. Only vendors who meet all criteria will be re-approved.

1. Re-applications will also be denied if a vendor:

Section 3 Appendix - 8

Revised 2-06

- a. *Redeems fewer than 25 WIC checks in any one-month period on two or more occasions during the consecutive 12-month period preceding the re-application review.*
 - b. *If the vendor's prices are or have been in excess of the maximum price standard (Policy V-10) twice during the consecutive 15-month period preceding the re-application review.*
 - c. If the vendor's completed application and its requirements are not received within the allowed time period and/or due date.
2. Neither the FSP decision to impose a Civil Money Penalty (CMP) nor the HEALTH WIC Program's participant access determination shall be subject to administrative review under the WIC Program.
 3. At the sole discretion of HEALTH WIC PROGRAM, approximately one half (1/2) of vendors not designated as potential for risk may have their Agreements extended for the Federal Fiscal Year. The other half of those not designated as potential for risk may be granted a two year Agreement.
 4. Vendors classified as potential for risk and Vendors whose current authorization has been in effect for less than twenty-four (24) consecutive months prior to July 1, in a given year, will be granted only up to a one year contract. At HEALTH WIC Program's sole discretion, new Vendors may upon review have their contracts extended for an additional year.
- R. Applicant Training
1. Prior to approval/re-approval, all applicant vendors must undergo Vendor Training under the auspices of HEALTH WIC PROGRAM WIC Staff. Such training shall consist of at least an orientation to the purposes and goals of the WIC Program, its capped funding and impact on the number of people served, WIC-Approved Foods, Minimum Inventory requirements, WIC Check redemption procedures, excessive price policies, and other Program vendor policies and procedures as are normally a part of formal vendor training sessions. HEALTH WIC PROGRAM may add such other topics it deems necessary.
 2. In general, these training sessions will take place at the HEALTH WIC PROGRAM, although HEALTH WIC PROGRAM has the prerogative to designate other locations where it deems training would be more efficient or effective
- S. Maximum Number of Authorized Vendors
1. As a rule, the number of authorized retail grocer vendors may not exceed **200** and of pharmacies may not exceed 40. Pharmacy counters in WIC approved stores shall be counted as a pharmacy for the purpose of determining the maximum number of authorized vendors and pharmacy vendors, and whether an opening exists for an applicant.
 2. When it is in the interests of the effective and efficient administration of the Program, an exception may be allowed for a temporary period of time at the discretion of the HEALTH WIC PROGRAM. Such circumstances may include such conditions as the following:

Section 3 Appendix - 9

- a. The vendor would be the only grocer or pharmacy in a clinic area, or a city or town.
 - b. The vendor's prices are significantly below the state average for WIC-Approved foods and the vendor carries at least 75% of the allowed types or brands and usually has in stock sufficient quantities of foods to redeem more than two infant and two non-infant maximum food packages, in addition to the minimum inventory requirements.
 - c. In the case of pharmacies, the HEALTH WIC Program shall consider the following priority system, which is based on the relative price, ability to meet minimum inventory requirements, and participant shopping convenience in authorizing a pharmacy in excess of the maximum number:
 - (i) No store is authorized in an area and the store's prices are more than 10% below the statewide WIC average for special formulas and other WIC foods, the store meets the minimum inventory for all WIC food categories and types and the store stocks four or more special formulas.
 - (ii) No store such as in (i) is authorized in an area and the pharmacy carries four or more special formulas and its prices for special formulas and contract brand infant formulas are more than 10% below the statewide averages.
 3. As needed, the applicant vendors will be reviewed to bring the number authorized up to the maximum allowed level.
 - a. Except as provided for in 2, above, and b, below, and vendors being considered for contract re-approval or extension, the appropriate number of applicants will then be selected for authorization in order of lowest composite food prices for WIC foods, provided fully and correctly completed application and related items have been received by the state WIC office. Price information may be updated as needed, such as more recent redemption reports and vendor price lists.
 4. The WIC Program reserves the right to further limit vendor participation, application and/or application review in order to ensure that effective vendor monitoring and education is maintained.
- T. A decision is then sent to the applicant vendor in writing. If acceptance is denied, the decision notice shall contain the causes for denial and an opportunity to appeal the action by requesting an appeal within 15 days of the date of the notice. Vendors who are denied may be reconsidered according to the following criteria:

1. Vendors denied solely on the basis of sufficient vendors in the state or the local area shall be reconsidered when openings become available.
2. Vendors denied on the basis of violations, sentence, or other sanctions imposed or pending may reapply after the stipulated period.
3. Vendors denied on the basis of previous disqualification or other noncompliance with rules of any FNS Program, or WIC vendor agreement may reapply when the noncompliance sanction period is completed.
4. A Vendor served notice that it does not meet criteria will be considered as a withdrawn application if it does not contact the State WIC office within 15 days of the date of the notice to claim conformance with the criterion. Such a vendor may not reapply for at least 90 days.
5. A Vendor given a final decision of denial on its application may not reapply for at least six months from the date of the decision letter, or for such longer period of time commensurate with sanctions as set forth in policy V-4.

U. Special Authorization

1. The HEALTH WIC Program may solicit vendors to provide such services as are needed and review those who express an interest in authorization and may make a selection based upon the vendors' ability to provide needed services, lowest price, largest selection of foods, and such other indicators of benefit to the Program as are appropriate.
2. Such selections may be made to provide service in a defined area where there is no authorized WIC grocer and/or pharmacy, where particular WIC foods are unavailable, and for other needs.
3. If the number of participants in need of service in an area is twenty or less, the HEALTH WIC Program may limit the number of vendors selected to provide such service in such area to one. This selection may be reviewed at the time of re-application of the vendor agreement and revised selection(s) made, as benefit to the Program indicates.
4. To meet special participant needs vendors may be authorized to provide all services or foods or only certain services or foods, as appropriate, when the need for special services is determined.
5. For foods which are unavailable through retail vendors or which have an average retail price more than 15% above the average price for the food type (e.g., formula), the Program may make such arrangements for the participant to obtain such foods through specialized providers (e.g., low priced retailers, hospital clinics or pharmacies, HEALTH WIC Program center clinics, HEALTH WIC PROGRAM, manufacturers, wholesalers/resellers etc.), based on price and accessibility.
6. The HEALTH WIC Program may offer temporary provisional authorization to prevent disruption of service to participants when an applicant is replacing a store which has recently been a high WIC volume vendor, the ownership and/or management is/are authorized at other locations and the agency determines that the vendor is likely to be and remain in conformance

Section 3 Appendix - 11

with the preponderance of vendor selection and performance criteria and that the vendor's prices for WIC foods are less than 95% of the statewide average according to HEALTH WIC PROGRAM analysis.

7. The HEALTH WIC PROGRAM may authorize a retail grocer to redeem checks for a special formula product designated by the HEALTH WIC PROGRAM. If a WIC authorized store has a pharmacy counter (owned by the same company), it may be authorized to offer any approved WIC special formula and be issued a separate stamp for tracking purposes (If so designated, the pharmacy counter must meet all requirements for WIC pharmacy vendors.). The decision to authorize shall include consideration of whether the store's price for the product is less than that charged by other vendors, using the statewide average or other price measures selected by the HEALTH WIC PROGRAM.
8. The HEALTH WIC PROGRAM may authorize such arrangements for the participant or go out to bid so that the Program may make available such foods through specialized providers (e.g., low priced retailers, hospital clinics or pharmacies, HEALTH WIC Program center clinics, HEALTH WIC PROGRAM, manufacturers etc.), based on price and accessibility. The foods would include, but not be limited to, specialty low volume formula.

Policy V-2: IDENTIFICATION OF POTENTIAL FOR RISK VENDORS

Goal

To focus vendor monitoring efforts on those vendors with the greater potential or likelihood to abuse or err in complying with WIC Program requirements:

I. Indicators

Revised 11/05

Potential for risk vendors are those applicants or participating vendors who demonstrate or indicate the potential or likelihood to violate the Program's regulations, policies, or the terms of the vendor agreement in any manner. The Program will employ such procedures as may be helpful in identifying potential for risk vendors. Indicators of potential for risk or likelihood may include, but are not limited to, the following identifiable quantitative criteria:

- ☐ *high or disproportionate volume,*
 - ☐ *questionable pricing patterns,*
 - ☐ *high cost of redeemed food instruments,*
 - ☐ *sanction points assigned to vendor for violations of WIC rules.*
- B. A history of errors, violations, warnings, notices or sanctions related to any USDA Program, including imposition of a Food Stamp Program Civil Money Penalty or bond requirement for approval to accept Food Stamp Benefits. Vendor, court and administrative records of the WIC Program and the Food and Nutrition Service (FNS) will be reviewed to determine this potential.
- C. Violations of any state, federal or local business or food delivery or government ethics law, or regulation; or violation of any law where the unlawful conduct of the vendor relates to:
- a. the business, the operation thereof or the use of the business premises (including violations of laws or rules pertaining to food, HEALTH WIC Program and sanitation requirements, weights and measures, pricing, packaging, consumer protection, lottery and the like); or to
 - b. criminal behavior related to violence, weapons or illicit drugs or to threat of or committing physical violence; or
 - c. violation of government business conduct rules, or attempts to induce agents of state, local or federal agencies to violate ethics rules or to improperly influence the actions of such an agent; or
 - d. where evidence exists of a likelihood of such behavior, actions or violations.
- D. High or other questionable prices or charges.
- E. Errors in check redemption practices.
- G. Low inventory, especially in relation to level of redemptions.
- H. Complaints received from participants, local agencies, other vendors, or the public.

- I. Reports of vendor errors or violations received during participant surveys of vendor services, or interviews.
 - J. Actual violations, or circumstances leading to the likelihood of violations.
 - K. Ineffective supervision of vendor employees.
 - L. Lack of cooperation with vendor monitoring or vendor education.
 - M. Lack of understanding or support of the purposes, goals or needs for the Program.
 - N. Lack of knowledge or comprehension about program procedures or WIC-Approved foods.
 - O. Lack of cooperation with Program participants, the HEALTH WIC Program, or the US Department of Agriculture.
 - P. The business integrity and reputation of the vendor.
 - Q. Vendor withdrawal from participation, or of an application, following written notification of violation, regardless of any settlement language between the vendor and HEALTH WIC PROGRAM, unless all HEALTH WIC PROGRAM charges are adjudicated as unjustified, unsubstantiated, unwarranted or improper.
 - R. Failure to report involvement of any owner or management personnel of a store, or their immediate relatives, in the operating of any other WIC vendor.
 - S. Failure to respond to the re-application offer by the designated due date for filing of all information.
 - T. Non- return of a previously issued WIC Vendor Stamp.
 - U. Such other relevant factors as may reasonably indicate the likelihood of vendor violations.
- II. Review of Potential for Risk Vendors

When a vendor is identified as a potential for risk, priority is given to use of program resources for case review, monitoring, site visits, review of food instruments redeemed, investigation and other methods.

- A. If review of redeemed food instruments (as defined in Policy V-4,IA1a) reveals actual or suspected errors, overcharges, or other pricing violations or patterns associated with potential violations then appropriate investigative, sanction, claim or penalty procedures will be followed.
- B. Additional site visits may focus not only on all vendor procedures but also on specific actual or potential violation(s).
- C. Additional information may be sought from local agency staff, participants, or others and FNS may be contacted regarding any Food Stamp Program concerns.

- D. Review of vendor records related to inventory, redemption and fiscal operations with regard to the WIC Program.
- E. Available resources for special investigative activities including compliance purchases may be utilized (see items following this Policy).

III. Follow-up Activities

The Potential for Risk vendor will be intensively monitored until such time as compliance with all program regulations and procedures is assured and/or sanctions are implemented. Steps to assure compliance or take sanctions may include but are not limited to the following:

- A. Special education and training at the HEALTH WIC Program, the vendor's location or any other location, given by vendor monitoring or program administrative staff, or other appropriate parties.
- B. Appropriate letters of notice describing the vendor's responsibilities and the penalties for noncompliance.
- C. A written compliance agreement may be required from the vendor for the purpose of the vendor's giving written assurance of future compliance, understanding of his responsibilities and understanding of the penalties for future violations.
- D. Sanction procedures may be instituted as set forth in the Vendor Compliance Policy V-4.

Policy V-3: VENDOR EDUCATION AND TRAINING

Goal

To delineate education and training, both initial and ongoing, of vendors.

Procedure

- A. When a store applies for the WIC Program, a copy of the Allowed Foods List, Redemption Terms, Applicant Minimum Inventory and the "WIC's Guide to Retailers" pamphlet is distributed. This provides basic orientation to the rules and operations of the Program.
- B. Before a vendor is accepted, the vendor owner, or management official acceptable to HEALTH WIC Program, shall attend a vendor training at a time and place designated by HEALTH WIC Program. Such training shall usually be at the HEALTH WIC Program, although another location may be designated.
- C. A vendor monitoring staff person will also visit the store to further explain the Program. This includes check redemption procedures, allowed foods, provisions of the Vendor Participation Agreement, and minimum inventory requirements.
- D. As the allowed foods list changes, or any other vendor related aspect of the Program changes, vendors shall be advised both in writing and during vendor monitoring visits.
- E. As determined by HEALTH WIC Program, vendors shall be required to attend training sessions at the HEALTH WIC Program Department. A vendor may request to be rescheduled up to two times for a particular session. Such request must be received during normal working hours on at least the day preceding a session. The Office of Supplemental Nutrition has the sole prerogative to grant or deny the request.
- F. Failure to attend a complete training session is grounds for termination, disqualification and/or other sanctions in accordance with the Vendor Agreement and Policy V-4.
- G. In their regular contacts with vendors, the monitors will provide additional training.
- H. While investigating complaints or inquiries, or potential for risk, the monitors will educate vendors on an as needed basis.
- I. Written notices to vendors will be distributed as needed. These may include information about Program changes, procedural reminders, vendor sanctions, and education about WIC foods, nutrition, and HEALTH WIC Program. Vendors are required to maintain a file, book, or other readily accessible compilation of such notices.

Policy V-4: VENDOR COMPLIANCE, Violations and Sanctions

Rev.2/21/06

GOAL

To ensure vendor compliance through a policy which provides the HEALTH WIC Program with administrative actions for dealing with WIC vendors (including applicants) or other persons or entities found to be in violation of contract requirements or Program regulations, rules, or procedures.

PROCEDURE**I. GENERAL CONDITIONS**

Potential high-risk vendors will be identified according to Policy 3. Based on that Policy's outlined criteria, authorized high-risk vendors will be ranked. Based on this prioritization, those ranked at highest risk will be investigated prior to those with a lower risk ranking. At a minimum, Compliance Investigations will be conducted at 10% of WIC authorized vendors on an annual basis, based on this prioritization.

When during the course of a single investigation, the HEALTH WIC Program determines that the vendor has committed multiple violations (which may include violations subject to HEALTH WIC Program sanctions), the HEALTH WIC Program shall disqualify the vendor for the period corresponding to the *most serious violation or the total acquired sanction points*. However, the HEALTH WIC Program shall include all violations in the notice of sanction. If a mandatory Federal sanction is not upheld on appeal, then the HEALTH WIC Program may impose a HEALTH WIC Program -established sanction.

The HEALTH WIC Program shall not accept voluntary withdrawal or use non re-approval of the vendor contract instead of disqualification, but shall enter the disqualification on the record.

Prior to imposing a disqualification, the HEALTH WIC Program shall determine, in its sole discretion, and document in the vendor file, whether the disqualification would result in inadequate participant access for all mandatory sanctions (except for conviction for trafficking / illegal sales). This determination will be based on the unavailability of other authorized vendors in the same area as the vendor under review and any geographic barriers to using such other vendors.

If the HEALTH WIC Program determines that a disqualification would result in inadequate participant access, then the HEALTH WIC Program shall impose a civil money penalty in lieu of disqualification, except for the third or subsequent violation [and conviction for trafficking / illegal sales]. The amount of a civil money penalty shall equal the average monthly WIC redemptions for the [six] month period [Explanation - The number of months must be at least six months, but may be more than six months] ending with the month immediately preceding the month during which the notice of sanction is dated, multiplied times 10 percent (.10), and then multiplied times the number of months for which the vendor would have been disqualified, provided that the civil money penalty shall not exceed \$10,000 for each violation, and provided further that the civil money penalty in lieu of permanent disqualification shall be \$10,000. If multiple violations are revealed by a single investigation, the total civil money penalty shall not exceed \$40,000.

If a vendor does not pay, only partially pays, or fails to timely pay a civil money penalty within 30 days of the notice of sanction or for the periods provided in an installment plan, subject to revision for good cause, the HEALTH WIC Program shall disqualify the vendor for the length of the disqualification corresponding to the violation for which the civil money penalty was assessed (for a period corresponding to the most serious violation in cases where a mandatory sanction included the imposition of multiple civil money penalties as a result of a single investigation).

When a vendor, who had previously been assessed a mandatory sanction [except for a conviction for trafficking / illegal sales], receives another mandatory sanction for the same or other mandatory violations, the HEALTH WIC Program shall double the sanction for the second violation. Civil money penalties may only be doubled up to the previously noted \$10,000 / \$40,000 limits.

Revised 2/21/06

The State will notify vendors of initial violation, for violations that require a pattern of occurrences in order to impose a sanction, prior to documenting another violation. However, this notice may be waived if it is determined it would compromise an investigation

Revised 11/05

II. Violations and Sanctions

A point system to record vendor abuses has been developed. Each instance of a violation of Program rules has a set point value and a specific time period during which the points will remain on a vendor's record.

A one (1) year disqualification will be imposed if a vendor accumulates a total of twenty (20) points in a period of twenty-four (24) months or less. Should a Pattern (more than one occurrence) of any offense be determined to exist HEALTH shall impose sanctions and disqualification for a period of time not less than one (1) year and up to permanent disqualification. (See Tables 3A-1, 3A-2, 3A-3 below for Sanction Descriptions and Point Values)

A. USDA Mandatory Sanctions (WIC/ FSP Vendor Disqualification Rule 7 CFR 246.12)

Mandatory Sanctions are those sanctions imposed due to non-compliance with federally mandated policies and procedures regarding the WIC Program, as designated by the USDA. Should a vendor be found in non-compliance of any of these policies the vendor shall be immediately disqualified from the WIC Program.

"Incidence" refers to one "positive" compliance buy, or, in some instances below, to any single occurrence of a violation.

"Pattern" is defined as a minimum of two (2) violations occurring within a six (6) month period.

1. Class 1 Violations - Permanent Disqualification (Federal, Mandatory)

a) Conviction for Trafficking / Illegal Sales

A vendor convicted in court for the crime of trafficking in food instruments or for selling firearms, ammunition, explosives, or controlled substances (as defined in section 102 of the Controlled Substances Act, 21 U.S.C. 802) in exchange for WIC checks will be permanently disqualified, effective on the date of receipt of the notice of disqualification.

2. Class 2 Violations - Six (6) Year Disqualification (Federal, Mandatory)

a) Buying or Selling Food Instruments for Cash (Trafficking) and Illegal Sales

The State Agency will disqualify a vendor for six years for one incidence of trafficking or one incidence of selling firearms, ammunition, explosives, or controlled substances (as defined in section 102 of the Controlled Substances Act, 21 U.S.C. 802) in exchange for WIC checks.

3. Class 3 Violations - Three (3) Year Disqualification (Federal, Mandatory)

a) Sales of Alcohol or Tobacco in Exchange for Food Instruments

The State Agency will disqualify a vendor for three years for one incidence of the sale of alcohol or alcoholic beverages or tobacco products in exchange for WIC checks.

b) Sales Exceeding Documented Inventory

The State Agency will disqualify a vendor for three years for a pattern of claiming reimbursement for the sale of an amount of a specific supplemental food item that exceeds the store's documented inventory of that supplemental food item for a specific period of time.

c) Charging WIC Participants More Than Other Customer or Shelf / Contract Price (Overcharging)

The State Agency will disqualify the vendor for three years for a pattern of charging WIC customers more for supplemental food than non-WIC customers or charging WIC customers more than the current shelf or contract price.

d) Unauthorized Channels

The State Agency will disqualify the vendor for three years for a pattern of receiving, transacting, and/or redeeming WIC checks outside of authorized channels, including the use of an unauthorized vendor and/or an unauthorized person.

e) Food Not Received

The State Agency will disqualify the vendor for three years for a pattern of charging for supplemental food not received by the WIC customer.

f) Credit and Certain Non-Food Items Exchanged for Food Instruments

The State Agency will disqualify the vendor for three years for a pattern of providing credit or non-food items, other than alcohol, alcoholic beverages, tobacco products, cash, firearms, ammunition,

explosives, or controlled substances as defined by section 102 of the Controlled Substances Act (21U.S.C. 802), in exchange for WIC checks.

4. Class 4 Violation - One (1) Year Disqualification (Federal, Mandatory)

a) Unauthorized Food

The State Agency will disqualify the vendor for one year for a pattern of providing unauthorized food items in exchange for WIC checks, including charging for food provided in excess of items listed on the check.

5. Class 5 Violation - Variable Length Disqualification (Federal, Mandatory)

a) Disqualification from the Food Stamp Program

The State Agency will disqualify a vendor, which has been disqualified from the Food Stamp Program (FSP). The WIC disqualification will be for the same length of time as the FSP disqualification and the WIC disqualification may begin at a later date than the FSP disqualification.

The State Agency will disqualify a vendor who has been assessed a civil money penalty for hardship in FSP under 7 CFR 278.6. The length of disqualification will correspond to the period for which the vendor would otherwise have been disqualified in FSP. Such disqualification may not be imposed unless the State Agency has first determined that the disqualification would not result in inadequate participant access. If the State Agency determines that inadequate participant access would result, then neither a disqualification nor a civil money penalty in lieu of disqualification may be imposed.

Revised 11/05

The State will notify vendors of initial violations requiring a pattern of occurrences in order to improve a sanction, prior to documenting another violation. However, this notice may be waived if it is determined it would compromise an investigation.

B. Class 6 Violations - State Agency Vendor Sanctions

The State Agency will impose sanctions, including disqualification, civil money penalties, and fines for violations in addition to those listed under USDA Mandatory Sanctions.

A point system to record vendor abuses has been developed so that each instance of a violation of Program rules has a set point value and a specific time period during which the points will remain on a vendor's record.

A one (1) year disqualification will be imposed if a vendor accumulates a total of twenty (20) points in a period of twenty-four (24) months or less.

The State Agency will impose a civil money penalty (CMP) in lieu of disqualification if, in the determination of the State Agency, inadequate participant access would result if the vendor were disqualified.

1. Sanction Terms and Point Value Tables

- i. 6-Year Disqualification – Mandatory Sanction Violation or 20 Sanction Points accumulated based on a pattern (more than once) of violations within a six (6) month period.*
- ii. 3-Year Disqualification – 20 Sanction Points accumulated within a twenty-four (24) month period based on a pattern (more than once) of violations.*
- iii. 1-Year Disqualification - 20 Sanction Points accumulated within a twenty-four (24) month period with no pattern (more than once) of violations.*
- iv. Mandatory Re-Training – 10 Sanction Points accumulated within a twelve (12) month period.*

Table 3A-1Monitoring or Simulated Shopper Visit

<u>VIOLATION ID</u>	<u>SANCTION POINTS</u>	<u>DESCRIPTION</u>	<u>Points Retained For</u>
1	1	WIC Sign posted	6 months
2	1	Prices posted on shelf or foods (per item)	6 months
3	7	Minimum stock not available	1 year
4	1	Expired dates on WIC Authorized items (per item)	1 year
5	10	Evidence of discrimination	3 years
6	2	Poor sanitary conditions in store	6 months
7			
8	2	ID not checked at register	6 months
9	2	Unauthorized brands purchased	6 months
10	5	Unauthorized amounts purchased	1 year
11	5	Check not signed	1 year
12	5	Check signed before amount is entered	1 Year
13	2	Signatures not compared	6 months
14	2	Cash register receipt not retained	6 months
15	2	No Vendor ID Stamp	1 year
16	1	Food list not at register	6 months
17	20	No Current Food Stamp Authorization	DQ
18	5	Violation of Sanitary Code	1 year
19	20	Check Redemptions from other locations	DQ
20	20	Fiscal Term	DQ
21	20	Violation of Civil Rights	DQ

Table 3A-2COMPLIANCE VISIT VIOLATIONS

<u>VIOLATION ID</u>	<u>SANCTION POINTS</u>	<u>DESCRIPTION</u>	<u>Points Retained For</u>
1	1	WIC Food Prices not posted (per item)	6 months
2	1	WIC Sign is not posted	6 months
3	1	Material, training manual, food lists not at register	6 months
4	2	Discourteous to participants	1 year
5	2	Demands identification other than WIC ID	1 year
6	7	Loses or does not return vendor stamp	2 years
7	2	Refuses to honor valid food instrument	18 months
8	2	Attempts to limit number of food instruments redeemed	18 months
9	4	Submits Price List that is incomplete, incorrect or late	6 months
10	2	Refuses to accept manufacturer coupons for WIC foods	1 year
11	2	Fails to train store personnel in WIC procedures	1 year
12	2	Does not follow proper check cashing procedures	6 months
13	5	Redeems invalid food instrument	1 year
14	5	Fails to attend state Vendor training	1 year
15	4	Fails to submit a Price List when requested	1 year
16	5	Redeems food instrument for non-authorized food brands, quantities, or types within WIC food categories	18 months
17	5	Labels non-authorized brands as WIC approved	18 months
18	5	Does not maintain competitive prices on WIC authorized items	18 months
19	1	Expired dates on WIC Authorized items (per item)	1 years
20	5	Misbranding WIC items	18 months
21	5	Does not maintain a clean and sanitary store	1 year
22	5	Fails to maintain store business hours as specified on application	6 months
23	7	Fails to maintain minimum stock. (Pharmacies fail to provide special formula within 48 hours)	1 year
24	10	Seeks restitution from participants for checks not paid by the State agency or subject to non payment by the State agency	1 year
25	5	Submits false information on Commodity Price List	18 months
26	10	Provides rain checks for food instruments	2 years
27	10	Fails to provide evidence of proof of purchase (invoices) of WIC foods	2 years

Section 3 Appendix - 23

FY 2008 Vendor Policies

Table 3A-3COMPLIANCE VISIT VIOLATIONS (Continued)

<u>VIOLATION ID</u>	<u>SANCTION POINTS</u>	<u>DESCRIPTION</u>	<u>Points Retained For</u>
28	5	Fails to remit payment for overcharges or provide justification for the overcharges, including scanner vs. shelf price discrepancies	2 years
29	10	Discriminates against WIC participants (protected classes)	2 years
30	5	Submits false information on application	1 year
31	10	Counterfeit Stamp	2 years
32	10	Redeems food instruments for foods which are not in WIC food categories	2 years
33	10	Redeems specific contract formula check for other formula	2 years
34	20	Terminates the Agreement without (required) advance notice to the agency as alternative to disqualification	DQ
35	10	Uses stamp on checks redeemed at another store	2 years
36	10	Charges the WIC program for foods not received by the participant	2 years
37	20	Overcharging (Charges the WIC program more than the actual cash value of the items purchased)	DQ
38	20	Fails to pay civil money penalty as scheduled	DQ
39	10	Exchanges food instruments for money credit and/or non food items	2 years
40	20	Circumvents disqualification or civil money penalty through a purported transfer of ownership	DQ
41	20	Food and Nutrition Service Sanction (Food Stamps)	DQ
42	0	Civil Money Penalty (FSP or WIC)	Variable
43	5	Accepted future dated checks	1 year
44	5	Accepted expired checks	1 year
45	5	Accepted previously signed checks	1 year
46	2	Failed to ask/check ID	6 months
47	2	Failed to compare signatures	6 months
48	10	Sold extra amount of food not specified on check	2 years
49	20	Price fixing (Charges WIC customers more than non-WIC customers)	3 years
50	10	Asked shopper to sign before price posted on check	18 months
51	5	Sold non authorized food items	1 year
52	20	Sold non food items	DQ
53	10	Provided Disallowed Incentive Item to WIC customer	1 year

a) **Other Disqualifications**

An additional item that can lead to or extend a disqualification period is:

- (1) The State Agency may disqualify a vendor that has been assessed a civil money penalty in lieu of disqualification by the Food Stamps Program for a mandatory vendor sanction.*

C. Fiscal Claims Against Vendors

1. The HEALTH WIC Program may assess such claim as is appropriate related to any improper redemption in the provision of supplemental foods, in the price charged to the Program on any food instrument(s) (as defined in Policy V-4, IA1a) or for other burden on Program resources. Payment of such claim shall be in addition to any appropriate disqualification, denial or non-re-approval in accordance with this Policy and/or Policy V-1.

Claim may be made for amount paid on any food instrument(s) improperly redeemed or charged and banking, data processing, investigation and reasonable administrative costs incurred by the Department in the course of discovering, calculating, developing, collecting and so forth such claim.

Updated 4/2006

2. *Claims - A reimbursement or payment credit will be initiated if a WIC check is submitted for payment above the current Maximum Allowed Price for that check based on the vendor's peer group. On day 1 the state's banking contractor will reject the check over the maximum allowed price (MAP); on day 2 the check will be reprocessed. During the reprocessing, the vendor will receive an ACH credit for the MAP (minus any associated bank fees assigned to the state WIC office). The vendor agrees to accept this adjusted ACH credit and the payment of any related fees if the price on the WIC check(s) submitted for payment exceeds the current MAP for the vendor's peer group/ subcategory.*

a) Bank fees

If the WIC contract bank rejects a check because a vendor deposited it in violation of WIC redemption rules (other than those outlined in the above section "Claims"), the bank may debit the vendor's account for the amount of the "Returned Check" fee called for in the contract between the bank and the HEALTH WIC Program (note: the fee in 1/99 is \$.85/check). Each month, the bank will total the returned checks by vendor and initiate an ACH debit for the appropriate amount. When vendor receives notice of returned items, vendor may contact the HEALTH WIC Program to show cause why the debit should not be imposed or be reversed.

If the claimed costs exceed the amount improperly charged by the vendor plus the currently \$5.00 service charge, the state shall provide vendor with an explanation of how the amount of the claim was determined.

b) Vendor Dispute

If vendor disagrees with the claim, or the amount of the claim, vendor may request a review within twenty days of the postmark date of the claim. The vendor is entitled to submit any evidence to show why any or all of the claim should not be due, and to meet with the Program's manager of the HEALTH WIC Program's vendor unit to seek cancellation or adjustment of the amount of the claim.

If vendor disagrees with the claim after the above review, vendor may request an Administrative Hearing, within thirty days of postmark date of the HEALTH WIC Program's final decision on the review.

c) Payment of Claim

Subject to any review or appeal as above, failure to pay any portion or all of the money claim according to the schedule determined by HEALTH WIC PROGRAM shall be grounds for disqualification, denial or non re-approval for a period of up to one year for a non-mandatory sanction, or a time which best reflects double the maximum penalty for the related violation or abuse as set forth above unless the vendor pays the full remaining amount due within thirty days of being notified of such a failure. The total period may not exceed one year. The HEALTH WIC PROGRAM may recover the amount of the claim via an ACH debit on the vendor's bank account made by the WIC contract bank.

3. Fines

Fines shall be imposed under Section 23-13-14 of the General Laws of the State, subject to the requirements in N below, in addition to the appropriate administrative sanction in accordance with this Policy and/or Policy V-1.

D. Probation

A previously sanctioned vendor if subsequently authorized as a vendor shall serve a period of probationary authorization for a period equal to the most recent period of sanction, or one year, whichever is greater, and shall be subject to such special conditions imposed by HEALTH WIC PROGRAM such as termination for any offense with a 15 day warning or opportunity to correct, termination prior to hearing, additional monitoring, reporting and training requirements, price or volume restrictions, etc. This provision is subject to appeal.

E. Concurrent violations

Should a site visit, a complaint, investigation and/or an analysis determine two or more concurrent Class 1, 2, 3, 4 or 5 violations of WIC Program rules, the prescribed penalties as delineated above shall be to assess the most severe violation. Class 5 (state violations) shall be determined by the accumulation of sanction points.

F. For all Mandatory sanctions, the HEALTH WIC Program shall not accept voluntary withdrawal or use non re-approval of the vendor contract instead of disqualification, but shall enter the disqualification on the record.

III. GENERAL STATE CONDITIONS

1. The HEALTH WIC Program shall impose sanctions, including disqualifications, civil money penalties, and fines for violations for which there are not any mandatory sanctions.
2. A disqualification period *shall not be less than one year (1/05)* for all of the violations investigated as part of a single investigation.
3. A civil money penalty or fine shall not exceed \$10,000 for each violation, and shall not exceed

Section 3 Appendix - 26

\$40,000 for all of the violations investigated as part of a single investigation.

4. The HEALTH WIC Program shall determine the amount of a civil money penalty or fine “in the same manner as for mandatory sanctions; see item 3 under the General Conditions for Mandatory Sanctions”. Fines and civil money penalties shall become due for payment with “the same timing as for mandatory sanctions; see item 4 under the General Conditions for Mandatory Sanctions”, and, if such payment is not made, the HEALTH WIC Program shall disqualify the vendor for the length of the disqualification corresponding to the violation for which the civil money penalty or fine was assessed.
5. The HEALTH WIC Program shall not impose a civil money penalty based on an FSP civil money penalty.

IV. ADMINISTRATIVE ACTION

A. Evaluating the Violation and Sanction Term

When a vendor has committed more than one Class 1 through 5 violations for which this Policy stipulates different penalties the vendor shall be disqualified for whichever term is longest, in relation to the terms specified for the violation(s) committed.

Penalties based on Class 6 violations are determined by the total number of sanction points accumulated.

With respect to any sanction for which a specified term is set forth, the program administrator may make a determination other than the stipulated maximum term called for. In making this determination the administrator may consider factors that include, but are not limited to:

1. Whether the violation was an error committed or omitted in the performance of required procedural activities (ex: "misreading" an issue date although the date was looked at).
4. Previous sanctions - If state sanctions have once or twice before been imposed, a third sanction, for any violation(s), non-mandatory sanctions, additive up to one year
3. The extent of prior warning and opportunity for corrections of non-mandatory sanctions.
4. The extent of vendor education.
5. The extent of potential risk the practice holds for compromising the HEALTH WIC Program/nutritional effectiveness of the Program and/or its fiscal integrity.
6. Except for Class 1 through 5 violations that carry mandatory sanctions, the number and severity of the violation(s) under review, including a pattern of violations, based on the current violations and/or a history of previous violations.

7. Vendor cooperation in the monitoring, education, investigation, sanction, or correction process; in responding to requests for action or information; both in the current instance as well as in the past; or willingness to comply in the future.
8. Hardship to participants if the vendor is disqualified (See C, below).
9. Any other factors relevant to the efficient and effective administration of the Program.
10. If the vendor continues to violate Program rules following notice of disqualification, the disqualification period shall be extended by the period of the time the vendor remains in violation or continues to violate Program rules, in addition to the sanction period stipulated in Violations and Sanction Types, above, for the additional violations.

B. Sanction Steps

1. *Initial discovery takes place and if there is a problem, a notice of violation will be issued, sanction points will be assessed and a warning letter issued. The warning letter will include a time frame in which compliance is expected. An effort is made to provide educational assistance to the vendor to correct the problem.*
5. *The vendor shall develop a plan of correction acceptable to HEALTH WIC PROGRAM at this time. The vendor is made aware that a subsequent review will be made to see if the problem has been resolved.*

Revised 11/05

6. *The State will notify vendors of initial violations requiring a pattern of occurrences in order to impose a sanction, prior to documenting another violation. However, this notice may be waived if it is determined it would compromise an investigation*
7. Sufficient or insufficient compliance by the vendor is determined at the end of the time period stated in the final warning.
8. If the subsequent review reveals that a problem still exists, *sanction points will again be assessed. Based on the number of sanction points accumulated the appropriate sanction will be applied*
9. *Based on the number of sanction points, the vendor may be disqualified from participation as a vendor.*
10. The disqualification is implemented by notice to the vendor, by demanding return of the store's WIC vendor stamp, and/or by notifying the bank not to honor WIC checks deposited by the disqualified vendor.

A minimum of 15 days advance notice of the effective date of the action shall be provided to the vendor. Notice shall be in writing and contain notice of the action and the causes for and the effective date of the action, and notice of the opportunity to appeal the actions (if applicable) and the time period for requesting an appeal.

Exempt from the above notification requirement are permanent disqualifications based on convictions for trafficking and/or illegal sales; in those two instances, the disqualification is effective upon the vendor's receipt of the disqualification notice.

11. Disqualification of 1 year or less - At the end of the disqualification period, the vendor must notify the HEALTH WIC Program that the vendor is in compliance with all requirements. Upon verification of vendor compliance by the HEALTH WIC Program, the vendor may be restored to participating status if the time period is within the same fiscal year. If this does not occur until the following fiscal year, the agreement will terminate and vendor will be required to re-apply.

If the vendor fails to demonstrate compliance at the end of the disqualification period, disqualification shall be extended by the period of time set forth under Violations and Sanction Types, above, up to a period not exceeding one year.

12. Disqualification of more than 1 year - The vendor's Participation Agreement shall be terminated, and the Food Stamp Program (FSP) Field Office notified of such. The vendor shall not be reinstated until after he reapplies and is found by the HEALTH WIC PROGRAM to meet all applicant vendor criteria. Depending on the nature of the violation (particularly a mandatory disqualification), WIC Program disqualification may result in a FSP disqualification up to the same period and not subject to FSP administrative and judicial review (Section 278.6(e)(8) of FSP Regulations).
13. The vendor may be required to immediately refund or pay any related claim (see K., 2, above), separate and apart from any other warning or sanction activities. Failure to immediately pay the claim shall be grounds for disqualification of up to one year, in the absence of review and/or appeal, or following a review and/or appeal deciding in favor of a claim.

C. Inadequate Participant Access

Prior to disqualifying the vendor, the HEALTH WIC Program shall determine, in its sole discretion, and document in the vendor file, whether the disqualification would result in inadequate participant access for all mandatory sanctions (EXCEPT IN THE CASE OF A THIRD VIOLATION OF A MANDATORY SANCTION OR ITEMS LISTED IN IA, PERMANENT DISQUALIFICATION, ABOVE,). This determination will be based on the unavailability of other authorized vendors in the same area as the vendor under review and any geographic barriers to using such other vendors. Any determination of participant access shall consider the following and such additional factors as may be relevant:

1. Whether there are other vendors in the area who can provide the WIC-Approved foods as described in Policy V-1 Vendor Applicant Selection.
2. Whether the access is no less than the access or inconvenience the affected participants experience in securing any other essentials or non-essentials of life.
3. Since it is likely that vendors who violate the Program are not providing participants with the appropriate nutritional benefits of the Program, or are diverting funds from other needy persons, the period of disqualification set forth in this policy is the preferred sanction, unless the conclusive weight of evidence is to the contrary.

4. That violators divert legitimate WIC related business from those vendors who adhere to Program regulations.
5. That when the violation is such that it also involves participation by participants/payees, the HEALTH WIC Program and nutritional benefits and the integrity of the Program itself are severely compromised.

If the HEALTH WIC Program determines that a disqualification would result in inadequate participant access, then the HEALTH WIC Program shall impose a civil money penalty in lieu of disqualification, except for the third or subsequent violation [and conviction for trafficking / illegal sales]. The amount of a civil money penalty shall equal the average monthly WIC redemptions for the [six] month period [Explanation - The number of months must be at least six months, but may be more than six months] ending with the month immediately preceding the month during which the notice of sanction is dated, multiplied times 10 percent (.10), and then multiplied times the number of months for which the vendor would have been disqualified, provided that the civil money penalty shall not exceed \$10,000 for each violation, and provided further that the civil money penalty in lieu of permanent disqualification shall be \$10,000. If multiple violations are revealed by a single investigation, the total civil money penalty shall not exceed \$40,000.

- a. If a vendor does not pay, only partially pays, or fails to timely pay a civil money penalty within 30 days of the notice of sanction][the periods provided in an installment plan, subject to revision for good cause, the HEALTH WIC Program shall disqualify the vendor for the length of the disqualification corresponding to the violation for which the civil money penalty was assessed (for a period corresponding to the most serious violation in cases where a mandatory sanction included the imposition of multiple civil money penalties as a result of a single investigation).
- b. When during the course of a single investigation, the HEALTH WIC Program determines that the vendor has committed multiple violations (which may include violations subject to HEALTH WIC Program sanctions), the HEALTH WIC Program shall disqualify the vendor for the period corresponding to the most serious mandatory violation. However, the HEALTH WIC Program shall include all violations in the notice of sanction. If a mandatory sanction is not upheld on appeal, then the HEALTH WIC Program may impose a HEALTH WIC Program-established sanction.
- c. When a vendor, who had previously been assessed a mandatory sanction [except for a conviction for trafficking / illegal sales], receives another mandatory sanction for the same or other mandatory violations, the HEALTH WIC Program shall double the sanction for the second violation. Civil money penalties may only be doubled up to the previously noted \$10,000 / \$40,000 limits.
- d. When a vendor, who had previously been assessed two mandatory sanctions [except for a conviction for trafficking / illegal sales], receives another mandatory sanction for the

same or other mandatory violations, the HEALTH WIC Program shall double the sanction for the third violation. The HEALTH WIC Program shall not impose a civil money penalty in lieu of disqualification for the third mandatory violation. A fourth or subsequent violation shall be treated in the same manner as the third; the sanction for the fourth or subsequent violation shall be doubled and civil money penalties shall not be substituted for disqualification.

- e. The HEALTH WIC Program shall not provide prior warning that violations were occurring before imposing mandatory sanctions.

D. Prosecution

A vendor who commits fraud or abuse of the Program is subject to prosecution under applicable federal, state, or local laws.

E. Delegation

The HEALTH WIC Program may delegate, refer, or assign activities related to prosecution, collection of claims, monitoring, or investigation of vendors to any other party qualified and or/empowered to perform such activities.

F. Appeal of Sanctions

Federal Appeal Conditions

1. The vendor may appeal the denial of an application for authorization or if, during the course of a contract, the vendor is disqualified or any other adverse action is taken, except that expiration of the contract and the HEALTH WIC Program's participant access determination for a mandatory or HEALTH WIC Program violation shall not be subject to administrative appeal.
2. Disqualification of a vendor from FSP may result in disqualification from WIC. Such disqualification from WIC shall not be subject to administrative or judicial appeal under the WIC Program. A WIC disqualification based on an FSP civil money penalty is subject to appeal, although not with respect to the participant access decision; also, the appeal of the reciprocal WIC disqualification may not challenge the FSP decision to impose the civil money penalty.
3. Disqualification from the WIC Program may result in disqualification as a retailer in the Food Stamp Program. Such disqualification may not be subject to administrative or judicial review under the Food Stamp Program
4. Except for disqualifications based on convictions for trafficking / illegal sales, which shall be effective on the date of receipt of the notice, the HEALTH WIC Program may take adverse action against the vendor 15 days after the HEALTH WIC Program provides the vendor with written notice.

When a food vendor's participation is adversely affected by any other HEALTH WIC Program action it may appeal the action under the provisions of policy A-2 Administrative Appeal to HEALTH WIC Program Decisions.

As noted above, except for disqualifications based on convictions for trafficking or illegal sales, which shall be effective on the date of receipt of the notice, the HEALTH WIC Program may implement the sanction or other adverse action following the fifteen day notification period, and not postpone the action until a hearing decision is reached. The state may consider such factors as participant inconvenience, potential for continuing harm to the program, vendor history of violations, previous decisions in similar cases, information provided by vendor and other factors the state considers relevant to the case.

The HEALTH WIC Program may at its option offer the opportunity for a vendor so affected to meet with the HEALTH WIC Program in informal conference, separate and apart from any appeal procedure. At such a conference a vendor may have the opportunity to present any information that the decision was in error, that there were extenuating circumstances, or that there are additional factors to be taken into consideration in determining or reversing the sanction. Such requests or convening of such informal conference shall not impede or delay any administrative appeal process unless such delay is determined to be in the interests of the Program by the HEALTH WIC Program.

- G. Once the sanction is upheld, the Regional Office and the Food Stamp Program shall be notified within 15 days.

Policy V-5: VENDOR MONITORING VISITS

Goal

To provide a regular pattern of visits to vendors to monitor their compliance with the laws, rules and procedures of the WIC Program.

Procedure

I. Regular Visits

A. The vendor monitoring staff shall regularly schedule monitoring visits each week.

8/99

1. Primary emphasis shall be on potential for potential for risk visits.

2. A list of vendors needing monitoring visits will be drawn up based on V-2, Selection of Vendors for Monitoring, and other considerations and time since last visit.

B. All visits shall be recorded on a Vendor Site Visit Report (WIC-33)

C. If needed, review WIC-related inventory, pricing, redemption, deposit or other records to establish the facts about any possible violation.

D. At each visit, the availability of WIC allowed foods shall be recorded on a Vendor Inventory Review (WIC-34A).

E. Any problems noted shall be discussed with the vendor at the conclusion of the visit. The Vendor and the WIC representative shall develop a plan of correction. A time frame shall be stipulated for compliance.

F. In the event of improperly completed checks, immediate steps should be taken. Missing prices should be recorded. The vendor should record his minimum price, unless he can document otherwise. Contact a Program supervisor if in doubt. A "stop payment" can be placed if a check is not/cannot be corrected.

G. Any complaints about a particular vendor shall be discussed during any monitoring contact.

H. Any failure to comply shall be noted and brought to the attention of the Asst. HEALTH WIC Program Administrator.

- I. Each day, the Asst. HEALTH WIC Program Administrator shall review all vendor contact record forms and discuss necessary follow-up with Monitoring Staff.
- J. All forms shall be retained in the vendor's file.
- K. Site visits for applicants shall be regularly scheduled, up to 20% of each month's site visits. If feasible, visits should be made within two weeks of the receipt of a correctly completed application and recorded on a vendor Application Site Visit Form (WIC-32).

Applicant site visits may be curtailed during August, September and October at the discretion of the Program Chief to concentrate resources on the Agreement renewal/reapplication process.

L. Documentation

- 1. All visits shall be noted on the Vendor Monitoring Log (WIC-28) during the visit and signed by the vendor staff person and the person in charge of the store at the time. The following codes will define the type of visit:
 - S - Periodic site visit or education visit.
 - CB - Call back; to follow-up on questions arising from a site visit.
 - P - Problem; additional visits related to complaints, possible deficiencies or violations, or other problems.
 - A - Application visits related to the store's request to be a WIC authorized vendor.
 - O - Other; miscellaneous visits to deliver or pick up materials or items, answer minor questions (if no WIC-33 completed)).
- 2. On the first working day of each month, total that month's visits on the WIC-28. The logs will be maintained by month.

II. Additional Investigations

Any probable violations should be followed up with, as appropriate, such activities as:

- 1. Review of checks redeemed.
- 2. Interviews or surveys of participants, local agency staff, other vendors, or other parties.

3. Follow-up on-site visits.
4. Compliance investigations.
5. Inventory audits.

Such activities may be conducted by state agency staff; independent consultants, investigators, or aides; or referred to other agencies of the HEALTH WIC PROGRAM or to other state agencies, as appropriate and available.

Policy V-6: PARTICIPANT OR LOCAL AGENCY COMPLAINTS REGARDING VENDORS

Goal

To provide a mechanism to transmit and respond to complaints about vendors.

Procedure

- A. Any complainant or complaint, except from another vendor, shall be referred to the HEALTH WIC Client Services Unit. Local agencies should complete and forward a Vendor Question/Complaint Form with full details, including how to contact the complainant. The local agency may call in addition to sending the form.

Obtain as much of the following as possible:

1. Date, what occurred, store staff involved.
 2. Checks involved, if any
 3. Signed statement by complainant (i.e., ask complainant to sign completed form.)
- B. The Client Services Unit shall forward the complaint form to the Vendor Unit Supervisor. The Supervisor shall assess the merits of the complaint and plan follow-up with vendor monitors.
- C. If a complaint is verified the vendor and vendor monitoring staff person will immediately develop a plan of correction. All occurrences shall be noted on a Vendor Contact Record form.
- D. Failure to comply with the plan of correction may result in a warning letter or a sanction.
- E. A pattern of complaints may also be considered by the state agency as grounds for a warning letter or sanction.

Policy V-7: VENDOR REPORTS ON PARTICIPANTS CHOOSING NON-WIC FOODS

Goal

To provide a mechanism for dealing with participants who attempt to buy non-WIC foods.

Procedure

- A. When a vendor notices that a participant has chosen non-allowable food items to purchase with WIC checks he should:
 - 1. Ask a participant to exchange non-allowable food items for foods listed on the WIC Allowed Foods list.
 - 2. Write down the participant's name, date of selecting wrong foods, WIC ID number and local agency, as well as the types of non-allowable food items she was trying to purchase.
 - 3. Call the Rhode Island Department of HEALTH WIC Program and relate the incident as it occurred.
- B. At this point the Rhode Island Department of HEALTH WIC Program WIC staff liaison person for the local agency in question will:
 - 1. Call the local agency and report the incident as told by the vendor, naming the participant and types of food that the participant had incorrectly chosen.
 - 2. File a report on the incident at the Rhode Island Department of HEALTH WIC Program
- C. The local agency will then:
 - 1. Flag the chart of the participant in question, with recount of the incident.
 - 2. At the next check pickup the participant will be referred to the nutritionist or nurse for an education session that covers the following information:
 - a. What occurred, and where, in a tone such that the participant is given the benefit of the doubt. (For instance: It was reported that you tried to purchase such and such with your WIC checks; since these are not allowable WIC foods, we feel that perhaps you did not get the appropriate education concerning the list-or, perhaps you lost your list ... here is another one...).

- b. Attempt to discover the reason for non-WIC food choice (ex, food intolerance, lack of knowledge?).
 - c. Go over the list category by category naming allowed items.
 - d. Then tell why each food was chosen and why it is important for the participant to purchase it.
 - e. Ask if the participant has any questions and answer them.
- D. The state liaison would then do a follow-up call with local to see what occurred, and so record on the same report originated earlier.
- E. A determination will be made of the participant's intention and the severity of any actual Program violation. The local agency will take appropriate additional measures (warning letter, suspension) if warranted.
- F. Other participant redemption violations will be handled in a similar manner.

Policy V-8: VENDOR MINIMUM INVENTORY REQUIREMENTS

Goal

To ensure that each authorized WIC vendor maintains a sufficient minimum inventory of WIC Allowed Foods.

Procedure

Revised 2-06

- A. *For each food group, the vendor shall maintain a minimum inventory according to the WIC Vendor Minimum Inventory Requirements in effect at the time. WIC grocery vendors need to maintain a minimum inventory based on the WIC-39G requirements, while WIC pharmacy vendors need to maintain a minimum inventory based on the WIC-39P requirements.*
- B. The minimum inventory must be comprised only of foods designated by the HEALTH WIC PROGRAM as WIC ALLOWED or Contract Brand.
- C. The HEALTH WIC PROGRAM reserves the right to exclude excessive priced, damaged, outdated, unsanitary or contaminated foods in calculating inventory levels.
- D. For purposes of determining compliance with this Policy, the HEALTH WIC PROGRAM representative shall consider only such inventory as displayed, shown in shopping areas or shown by on-site store staff during the time of a monitoring visit. The foods must be reasonably accessible and available for vendor monitoring review and for WIC customer purchase at the time of the monitoring visit.
- E. Failure to comply with the WIC Allowed Foods List and Minimum Inventory Requirements shall be noted as a deficiency when a store is surveyed.
- F. If the store is a pharmacy, they are only allowed to accept checks for specialty formulas.
- G. Grocery stores authorized to provide special formula products must maintain the minimum inventory quantities for said products.
- H. Vendor applicants shall be required to comply with the WIC Allowed Foods List and such minimum inventory as required by Vendor Applicant Selection Policy V-1.

Policy V-9: MONTHLY SUMMARY - VENDOR STATUS

Rev. 8/99

Goal

To record changes in vendor status and the accomplishment of each step in that process in order to insure vendor participation is in accord with related regulations and procedures.

Procedures

- A. When any change in vendor status is anticipated or accomplished, record the vendor name and the nature of the change under the correct heading on the WIC-29.
- B. Business Change - Record any changes in ownership, name, or location by listing the date. The "Comments" column should describe the nature of the change.
- C. There is a group of columns related to sanction/termination activities. Record the date and reason each activity takes place and note pertinent comments in that column.
- D. Four columns pertain to adding vendors to the Program. Record the date of each step in the appropriate column.

"Add" pertains to the date the Agreement is completed by both parties.
"Stamp" pertains to the date of stamp delivery.
- E. Record vendors being investigated by state or federal agency(s) with dates, notes, and comments.
- F. Maintain separate sheet(s) for each month.
- G. On the first working day of each month, total the activities for that month.

Policy V-10: PRICE STANDARDS AND PEER GROUP CLASSIFICATIONS*Revised 6/07***Goal**

To ensure that Program food funds are utilized for the maximum benefit to eligible persons, by preventing excessive charges by vendors.

Policy*Added 11/05*

Excessive price standards for vendors are based upon comparative prices of each vendor in relation to prices charged to WIC by other WIC vendors in the same peer group. It is the responsibility of the vendor to set prices that are not unduly higher than prices charged to WIC by other vendors in the same peer group. An evaluation of prices shows that geography does not play a significant role in price variation across the state. RI WIC excludes prices from above-50%-vendors from the calculation of average/competitive, and maximum price calculations.

Procedure*Revised 6/07*

- A. Peer Group Classification of stores - WIC vendors shall be classified according to the total value of yearly food sales for grocery vendors (WIC and non-WIC foods) and the number of stores in the chain (if a local vs. national chain). Stores will be grouped as follows:**

Type of Business

<u>Grocery Vendors</u>	<u>*Total value of yearly food sales for grocery vendors (WIC and non-WIC)</u>
Peer Group 1	
Small Grocers	Less than \$500,000* 1-2 cash registers
Peer Group 2	
Medium Grocers	\$500,000 up to \$3,000,000* 3-5 cash registers
Peer Group 3	
Small Local Chain or	\$3,000,001 to \$20,000,000*
Large Independent Store	6 + cash registers
Peer Group 4	
Large National Chain /	Over \$20,000,001*
Extra Large Independent Store	
Peer Group 5	

Commissary (military)

*Peer Group 6
Farmers Market*

*Peer Group 7
Independent Pharmacy*

*Peer Group 8
National Chain Pharmacy*

*Peer Group 9
Current Above 50% Stores*

*Vendors whose total WIC sales
comprise more than 50% of their total
food sales.*

*Peer Group 10
Potential Above 50% Stores*

New Stores with no data to analyze

Added 6/07

RI vendor peer groups classifications are established based on a combination of factors such as Vendor size, total volume, food and non food sales, WIC volume, square footage of store, number of cash registers, Type of store etc.

B. Competitive Pricing of WIC Allowed Foods

Prices reported, posted or charged for WIC foods shall not be excessive, as compared with those vendors within their peer group, or of other Rhode Island WIC vendors.

1. Competitive / Average Price (CAP) Revised 6/07

The Competitive / Average Price (CAP) is established for each WIC Approved food item for each vendor peer group. The CAP is the average price that WIC will pay for any WIC food, food group, combination of foods, WIC food package(s) or check type(s), (regardless of type, brand, weight or volume provided).

Each peer group's CAP (excluding the A50%V) is based on:

- i. The average amount charged for that food item by authorized WIC vendors in the Vendor's assigned peer group, and/or,*

- ii. *The average amount of accepted prices submitted on the vendor's price surveys by authorized WIC vendors in the Vendor's assigned peer group, and/or,*
- iii. *The manufacturer's 75 case wholesale price list for infant formula x 115%,*
- iv. *Or a combination of the three methods, to obtain the least expensive price.*

To ensure cost neutrality, and competitive pricing, the prices derived from the A50%V Peer group price surveys and redemptions will be excluded from the calculation of the CAP.

The CAP for vendors in the A50%V Peer group will be set at the statewide average for WIC allowed food items and WIC food instruments as determined by statewide redemption data and price survey data. To ensure cost neutrality and competitive pricing, the prices derived from the A50%V Peer group's price surveys and redemptions will not be included in the calculation of statewide averages.

Maximum Allowable Prices (MAP)

Revised 6/07

1. *A Maximum Allowable Price (MAP) is established for each WIC Approved food item for each peer group. The MAP is based on each peer group CAP plus a factor to reflect fluctuations in the market place.*
2. *Periodically, vendor's redemption patterns will be analyzed for the rate of redemptions near or at the MAP. Those vendors with a pattern of inflated food prices that is higher than other retailers / peers will be given an opportunity to reduce their prices. If they choose not to reduce their prices, the store will not be authorized by WIC, and rejected because of high prices.*
3. *For applicants, the determination of excessive pricing may be based upon their submitted WIC Price Sheet, vendor redemptions and / or other methods of estimating or projecting the applicant's charges for WIC foods if authorized.*

Added 6/07

The federal regulations require state agencies (RI) to collect vendor applicant's current shelf price at the time of application. The intent of this provision is to ensure that all vendor applicants, whether new applicants or current vendors, submit the same type of price information so that RI WIC may objectively consider the prices a vendor applicant charges as compare to other vendor applicants. Rhode Island, Department of Health, WIC program requires that all vendors participating in the WIC program submit a price list on a semi-annual basis.

3. Incentives*Added 11/05*

- A. *WIC does not allow vendors to provide incentive items or other free merchandise (except food or merchandise of nominal value) to WIC shoppers unless the vendor can provide proof that the incentive items were obtained at no cost to the vendor.*
- B. *Acceptable Incentive Items would be:*
 - a. *Merchandise obtained at no cost to the vendor and provided to participants without charge, or sold to participants at or above cost (subject to documentation),*
 - b. *Food or merchandise of nominal value (ie, having a per item cost of less than \$2)*
 - c. *Food sales and specials which:*
 - i. *Involve no cost, or only a nominal cost for the vendor*
 - ii. *Do not result in a charge to a WIC food instrument for foods in excess of the foods listed on the food instrument.*
- C. *This applies to for-profit vendors for which more than 50% of their annual food sales result from WIC sale (ie, "Above- 50%-Vendors.") or new vendor applicants likely to be "Above-50%-Vendors.*

Policy V-11: VENDOR PAYMENT PROCESS

Goal

To provide a consistent procedure for reimbursing vendors for WIC checks accepted which cannot be processed; to ensure accountability through recording and documenting of such transactions; and to decrease the incidence of improper redemption procedures.

Procedure

Subject to the following procedures, the vendor shall have an opportunity to correct or justify an actual or alleged overcharge or error, or defend against a HEALTH WIC Program charge or claim for alleged overcharge or error. Only if the HEALTH WIC Program is satisfied with the correction or justification, then it may provide payment or adjust the payment to the vendor accordingly. The HEALTH WIC PROGRAM may deny any reimbursement if overcharge or errors are not sufficiently justified, corrective action not taken, or overcharges or errors are repeated.

General

Revised 11/05

- A. *No check will be considered for reimbursement unless the check, request for reimbursement and acceptable justification and explanation are received at the WIC Office, HEALTH WIC PROGRAM, not more than 30 days after the "Last Day to Use" printed on the check. If the bank has rejected the check, it must be submitted to the State WIC Office within 30 days of the date it was rejected by the WIC contract bank.*

If the check is paid, there is a \$5.00 handling fee deducted from any reimbursement if a check was improperly accepted or completed by vendor.

Only a limited number of checks will be reimbursed for any vendor. Repeated submissions will not be honored. The State WIC Office will use a cut off number related to the amount of vendor's volume. Once the cut off reached no more reimbursements to that vendor will be honored.

Vendors will be billed by WIC for the bank-handling fee of \$.85 per check.

Under no circumstances should a vendor request or accept cash payments from WIC participants for WIC foods, rejected WIC checks or un-deposited, improperly handled WIC checks.

RI WIC Program's Rejected Check Submissions Instructions

<u>REJECT REASON</u>	<u>WHAT THE VENDOR SHOULD DO</u>
<i>*No Vendor Stamp</i>	<i>Stamp and re-deposit in the vendor's bank</i>
<i>Illegible Vendor Stamp</i>	<i>Vendor should re-stamp the check so that it is legible and redeposit it in the vendor's bank before the check expires. If the Vendor Stamp is worn out, contact the State WIC Office for a replacement stamp.</i>
<i>Invalid Vendor Stamp or Multiple Vendor Stamps</i>	<i>Vendor will not be paid</i>
<i>No Signature</i>	<i>Vendor will not be paid</i>
<i>Expired</i>	<i>Vendor will not be paid</i>
<i>Future Dated</i>	<i>Vendor will not be paid</i>
<i>Excessive Dollar Amount</i>	<i>If the State WIC office reimburses the vendor for a WIC check, it will be based on the MAP item prices for that vendor's peer group. The vendor may lose this money.</i>
<i>Improperly Altered Price Illegible Price</i>	<i>Will consider paying only if alteration occurred when vendor was attempting to correct a pricing error. If the State WIC office reimburses the vendor for a WIC check, it will be based on the MAP item prices for that vendor's peer group.</i>
<i>Price Missing</i>	<i>Vendor will not be paid</i>
<i>Altered Signature</i>	<i>Vendor will not be paid</i>
<i>Void/Stop payment</i>	<i>The vendor should submit to the State WIC Office; with receipt for any bank fee. May be reimbursed if not on Stop Payment Notice and vendor identifies who redeemed it. The vendor may lose this money.</i>
<i>Previously rejected Already Paid Other</i>	<i>Vendor will not be paid</i>

B. *Checks exceeding the Maximum Allowed Price (MAP)*

Revised 6/06

An ACH reimbursement or payment credit will be initiated if a WIC check is submitted for payment above the current Maximum Allowed Price for that check, based on the vendor's peer group.

On day 1, the state's banking contractor will reject the check exceeding the MAP. On day 2 the bank will reprocess the check. As a result of this reprocessing, the vendor will receive an ACH credit for the MAP (minus any associated bank fees assigned to the state WIC office). The vendor agrees to accept this adjusted ACH credit and the payment of any related fees if the price on the WIC check(s) submitted for payment exceeds the current MAP for the vendor's peer group.

Policy V-12: CHANGE OF VENDOR OWNERSHIP

Rev.10-16-01

Goal

To evaluate each "change of ownership" to determine if there is a continuity of the business, management and personnel at the store.

I. Policy

A. The retail store shall notify the WIC Office in advance if there is a modification or change of ownership, change of operations and/or control to be the subject of a determination of a "continuity of the business" and shall provide to the HEALTH WIC Program all information requested by the HEALTH WIC Program necessary for the proper review of the transaction. All information provided by the retail store at the request of the HEALTH WIC Program will be kept confidential. Failure to notify in advance will result in immediate termination of the Vendor Participation Agreement and will jeopardize the new application. (Vendor Participation Agreement, IB5).

B. Continuity of the business, for purposes of this policy, is defined as:

1. Change of a single proprietorship to a partnership or corporation where the original sole proprietor remains a partner or shareholder with at least a 45% interest in the new partnership/corporation.
2. Change in a partnership by adding partners where the original partners still maintain at least a 45% interest in the new partnership.
3. Change in a partnership by loss of one or more partners. This would include conversion of a partnership to sole proprietorship through loss of one or more partners, where the one of the original partners still maintains at least a 45% interest in the business. In the case of a change to a sole proprietorship, one of the original partners must have 100% interest.
4. Incorporation of an existing partnership where the original partners still maintain at least a 66% interest in the corporation.
5. Corporate mergers or buy-outs where the original corporation is merged with another or becomes a subsidiary.
6. In reviewing B4 and B5, the HEALTH WIC Program may deny the retail store a determination of "continuity of the business" even though it meets all other criteria identified in this policy if the HEALTH WIC Program determines that the change in the

structure of the business was for an inappropriate reason. In reviewing the purpose for which the business structure was changed, the HEALTH WIC Program may review the following circumstances regarding the transaction to justify the denial:

- (a) Under capitalization;
 - (b) Failure to adhere to corporate formalities;
 - (c) Substantial intermingling of corporate and personal affairs;
 - (d) The use of the corporate form to perpetrate fraud; and
 - (e) Any other circumstances relevant to the determination of the appropriateness of the transaction.
- 7. Appointment by the Court of a Receiver to oversee the assets and operation of the Vendor.
- 8. Appointment by the Court of an Executor to oversee the assets and operation of the Vendor.
- C. Continuity of management and personnel is defined as when a majority of the management and personnel in the store that deal with the WIC policy and procedure and WIC transactions will continue to be employed in the same position under the new ownership structure.
- D. Instances where there is no continuity of the business as defined in B will be considered a "modification/change of operations/ownership/ control, etc."; the WIC agreement is immediately considered null and void and the procedures described in Policy V-1 will be implemented or hardship procedures described in C., below will be followed if pre-notification of the change of ownership is received.
- E. Instances where there is a continuity of the business, management and personnel will be considered a "modification of ownership" rather than a "change of ownership" and will be processed as follows:
 - 1. The "new" business entity will be permitted to continue to transact WIC food instruments (as defined in Policy V-4, IA1a) maintained.
 - 2. Additional review or training of the "new" proprietary person(s) will be required.
 - 3. The appropriate signatory authority of the "new" business entity will be required to sign a new agreement and a Certification of Prospective or Modification of Store Ownership form (WIC-56), a Certification of Prospective or Modification of Store Ownership - Court Appointed Receiver (WIC-56A), or a Certification of Prospective or Modification of Store Ownership - Probate Court Appointed Executor (WIC-56B), signifying their continued intent to conform with WIC Policy and Procedures.

4. The vendor number will change and the modification of the ownership will be transparent to WIC participants and clinic employees.
- F. Instances where there is a continuity of the business but no continuity of management and personnel will be considered a "modification of ownership" and will be processed as follows:
1. The "new" business entity will be required to undergo training before being able to continue transacting WIC food instruments (as defined in Policy V-4, IA1a).
 2. Arrangements will be made to forward participants to alternate stores until the "new" business entity receives training.
 3. The appropriate signature authority of the "new" business entity will be required to sign a new agreement signifying their continued intent to conform with WIC Policy and Procedures.
 4. The "new" business entity will be placed on probationary status for six months during which time the store will be reviewed to ensure continued compliance with WIC Policy and Procedures.
 5. The vendor number will not change, however, there will be service disruption until the appropriate training is held. In such instances training will be expedited to the extent feasible.
- II. Procedure
- A. The "old" and "new" business entities must notify the HEALTH WIC Program vendor unit of reported/identified change/modification of retail store operation and/or ownership, as soon as identified.
- B. The HEALTH WIC Program will determine appropriate status of change/modification of operation/ownership based on this policy.
- C. When the HEALTH WIC Program is informed that an authorized WIC retail store plans to change operation/ownership, as described in D, above, and the HEALTH WIC Program determines Inadequate Participant Access (not inconvenience) would occur, the HEALTH WIC Program may:
1. Instruct the owner to schedule a store review and application pickup date.
 2. Conduct review or data scheduled and complete new store paperwork with written justification for Inadequate Participant Access. The HEALTH WIC Program will review the prospective store's application package in an expedited manner. If the

prospective store-owner's application package is approved by the HEALTH WIC Program, the store will be provided Probationary Authorization only. A follow-up unannounced probationary review will be required within 6 months of the change of ownership to insure that the new store ownership is continuing to adhere to all WIC Selection and Limitation Criteria.

- D. The HEATH WIC Program will complete follow-up action as required.

Policy V-13: RI WIC LICENSED / AUTHORIZED INFANT FORMULA SUPPLIERS

Added 11/05

Goal: To ensure that infant formula purchased by WIC shoppers in WIC authorized stores has been obtained from licensed / authorized sources.

- I. An annually updated listing of licensed infant formula providers will be maintained by the State WIC Office. This listing will be comprised of:*
 - A. A listing of the Primary Infant Formula Suppliers:*
 - 1. This “Primary List “ is generated from the WIC Vendor Application forms. Vendors are required to list the source(s) of their infant formulas. The source is compared to the retail and wholesale food vendors currently licensed in RI by the RI Department of Health. If the source is actively licensed in RI, they are considered a licensed / authorized infant formula supplier for WIC vendors and added to the Primary List.*
 - a) The Primary List will be provided to each WIC vendor on an annual basis.*
 - B. A current Comprehensive listing of the RI Department of Health licensed retail and wholesale food vendors.*
 - 1. The “Comprehensive List” is composed of all retail sales and wholesale distributors currently licensed by the RI Department of Health, Division of Food Protection.*
 - a) The Comprehensive listing will be available upon request.*
- II. All WIC Vendor Applicants must demonstrate that the infant formula sold to WIC participants has been provided by an approved infant formula supplier on the above lists.*

Section 4

Supplemental Foods

SUPPLEMENTAL FOODS

(Goals - IV, Procedures - 420)

B-1: SELECTION OF WIC ALLOWED FOODS

GOAL

To ensure that supplemental foods provided are good sources of nutrients lacking in the diet of the target population, contain food costs and administrative burdens and take into account the different nutritional needs and food preferences of participants.

PROCEDURE

Once per year, or as needed for the efficient and effective operation of the WIC Program, as determined by the Program Chief, the allowed foods will be reviewed for inclusion of additional items and removal of items which no longer meet federal and state criteria. The decision to include or exclude any item(s) will be made by the Program Chief. To be included, foods must meet the following criteria:

Acceptance as an allowed food will be based upon reasonable determination of whether or not the food promotes the effective and efficient operation of the Program including such factors as nutrient composition, relative cost, product availability, appropriateness to the operations of the food delivery system, the purpose, goals and objectives of the Program, and the nutrition, health and well-being of participants. Foods must meet the requirements specified for supplemental foods in Federal WIC Program rules as well as other criteria described in this Policy.

Food products must have been on the market in Rhode Island, statewide, for at least one year, at the time of the review, be available statewide and not include artificial sweeteners.

Single serving or individual portion packages, containers etc. will not be allowed. Cereal packages must contain at least thirteen (13) ounces, net weight and cheese packages must contain at least twelve (12) ounces, net weight. Only the lowest price brand of milk and eggs available at each vendor will be allowed for purchase with WIC checks (eg. generic or store brand or lowest price label brand).

The product packages should not contradict the Program's goals of positive nutrition and health practices, nor should promotional messages. If a product is a WIC allowed item or is being considered for inclusion, the front or most prominent side of the package must be clearly labeled in a manner that permits it to be distinguished by most participants from similar products which are not, or are not being considered for inclusion as, WIC allowed foods.

Products which no longer meet federal or state selection criteria may be removed from the WIC Allowed Foods List, as soon as practicable.

Certain high priced types, or brands or packages (some percent above the average price for the type,

as determined by the state agency) may be removed from the allowed list or denied inclusion. As long as at least one food from a food package group is approved, the Rhode Island WIC Program is under no obligation to approve additional foods.

Section 6

Financial Management

Section 6-1

FINANCIAL MANAGEMENT
(Procedures Sec. 600)

Description of Financial Management System

11/99

Letters of Credit

The Rhode Island Department of Health is notified of the amount of funds available by Letter of Credit. This figure usually represents one quarter (1/4) of the State's yearly allocation, plus or minus any amount of reallocation. This approved funding level can then be drawn upon to fund the WIC Program for the succeeding quarter. The Automated Standard Application for Payments (ASAP) system is used to initiate drawdown of funds.

Monies are requested on a projected need basis according to the daily collected balance report as reported to Financial Staff of the WIC Program by the contracted bank. This report is used to eliminate excess cash on hand by the State Agency. A direct wire transfer is performed to transmit monies from the Federal Reserve Bank to the contracted bank for deposit. Once completed, the drawdown request is receipted via computer with the General Treasurer. A corresponding adjustment is performed each month to offset the cumulative amount of state receipts of these funds transfers with their expenditure at the bank.

Local Agency Allocations

The Rhode Island Department of Health WIC Program provides each of its local agencies with a quarterly allocation based upon assigned caseload that represents the maximum quarterly reimbursable expenditure for each agency. Allocations may be adjusted in relation to caseload maintained, as directed by the RIDH.

Allocations are made in accordance with Goals I, and VI, other provisions of this Section, and the Local Agency Agreement.

The Rhode Island Department of Health WIC Program requires the local agencies to submit a monthly WIC Actual Expenditure Report, supported by two additional reports: 1) Staff Time for Nutrition Education and Nutrition Services and Administration; 2) Monthly Nutrition Education Expenditure Report, and Monthly Nutrition Services Administration Report (See Procedure Manual, Section 612 for description of use of reports). These reports are used by the RIDH as a monitoring tool to observe how WIC monies are spent. Reimbursement to local agencies will be made upon review and approval by the RIDH for allowable costs reported on a monthly basis, in relation to

Rhode Island WIC Program

caseload actually maintained.

Operations Manual Sec. 6

All local agencies have been instructed that documentation must be kept for NSA Costs being charged. Ongoing assistance and monitoring of reporting procedures is provided via telephone and/or site visit conferences between RIDH and local agency WIC staff.

All local agencies have been instructed by Health department staff on the purpose of Federal Management Circular FMS-74-4, "Cost principles applicable to grants and contracts with State and local governments." The intent of this circular is designed to provide the basis for a uniform approach to the problem of determining costs and to promote efficiency and better relationships between grantees and the Federal Government.

Disbursement Procedures

Local Agencies

Local Agencies are reimbursed to cover one month's operating costs. No monies are disbursed to local programs to cover food or food delivery computer system costs; both these costs are handled centrally by the State.

Reimbursement is made on a monthly basis by the state on an invoice voucher. The RIDH WIC Program prepares the invoice voucher after verification of the charges being requested has been done. This form is signed by the proper designated authority in the Health Department's Division of Management Services, logged into a computer billing system, and then processed through the state Division of Accounts and Control, which in turn processes the voucher to the General Treasury Department, where the check is completed and mailed out to the vendor.

* State Computer Costs

The computer services are rendered in-house on a DOS 80586 microcomputer with a backup PC. Access to state mainframe files (fiscal and RI Dept. of Human Services) is provided through the state Office of Information and Data Processing which is presently providing the WIC Program with access to the Johnston mainframe. Charges for these services are processed on State Form A-12T (Services Rendered) by IDP. No actual check or cash disbursements are being made within the State. Transfer of charges or expenditures are made directly to the established WIC account.

Bank Contract Costs

Method of reimbursement is described under "Food Delivery System."

Outstanding Obligations

Federal requirements mandate the reporting of outstanding obligations. Funds are maintained to

Section 6-3

Rhode Island WIC Program

Operations Manual Sec. 6

ensure that payment can be made when these obligations are redeemed. At the State level, administrative costs are reported on a modified accrual basis according to State Agency policy.

In addition, outstanding food obligations are available through the automated check reconciliation system and are reported on a monthly accrual basis to the Regional Office on Form FNS-498, WIC Monthly Financial and Program Status Report.

Management and Program Income

Administrative interest income earned on funds held by the WIC bank is deducted from the bank's monthly service charge for the system maintenance.

Food Rebate Funds See Goals VI,

Indirect Cost Rate

The WIC Program is required to pay indirect costs, on state office operating expenses in accordance with the federally approved indirect cost rate.

Nutrition Education Costs - State Agency

The RIDH has its Nutrition Education Program directed by a State WIC Nutrition Coordinator. In addition to salary, funds are set aside at the State level for printing of nutrition education materials, for purchase of films, texts, and equipment, for a portion of the state office administrative salaries for monitoring of nutrition education and for travel and other costs.

These total expenditures plus nutrition education expenditures at local agencies are budgeted to amount to at least one-sixth of total administrative funds. The state fiscal staff monitor expenditures on a monthly basis to ensure the one-sixth requirement is met.

Nutrition Education Costs - Local Agency

The RIDH has developed a format for documenting that one-sixth of administrative funds is spent on Nutrition Education activities as delineated in the Federal regulations. These regulations now require all staff funded through WIC to perform periodic time studies that illustrate time devoted to the major WIC activities. Technical assistance is available to local agencies to assist them in documenting nutrition education and other costs. These forms have been integrated into the reports submitted by local agencies (see Procedure Manual, Sections 613 & 614 for description of use of reports).

Breastfeeding Promotion Costs

Rhode Island WIC Program

Operations Manual Sec. 6

The RIDH has earmarked funds at the state level for a Breastfeeding Promotion Program directed by the State WIC Nutrition Coordinator. Allowable breastfeeding costs include, breastfeeding aids, salaries and benefits for training, education and development, a portion of state office administrative salaries for the monitoring of breastfeeding promotion, travel and other costs.

Total state and local agency breastfeeding expenditures are a budgeted amount in addition to the 1/6th nutrition education expenditure requirement. RIDH's breastfeeding budget is determined based on the number of pregnant and breastfeeding women in the state, as a percentage of the number of pregnant and breastfeeding women in all states. The state fiscal staff monitors expenditures on a monthly basis to ensure breastfeeding funds are expended.

Breastfeeding Promotion Costs - Local Agency

The RIDH has developed a format for documenting local agency salaries for time spent on breastfeeding promotion and for other breastfeeding activities. The state fiscal staff tracks breastfeeding expenditures using the monthly and annual expenditure reports submitted by the local agencies.

Allocation Standards

Presently, WIC NSA funds are allocated to local agencies on the basis of assigned caseload but are adjusted in relation to an agency's maintenance of enrolled caseload as directed by RIDH. In the event of an agency's failure to maintain caseload as directed, payments may be reduced or withheld. The agency may be held liable for any over expenditures, in food or administrative costs, related to such failure. Future payments to the agency may be reduced to offset the amount of any claim.

If there is a danger that statewide caseload conversion earnings will be insufficient to support allocated levels allocations may be made at 90% assured and the balance allowed for caseload actually maintained between 90% and 100% of allocation.

Nutrition Services and Administration Funding Procedure

As part of the WIC State Plan development process each year, the RIDH establishes a State Plan Committee to provide an opportunity for WIC local agencies to participate in the development of the State Plan. The committee generally includes a representative sample of local agencies; large and small, rural and urban and of diverse organizational makeup. These locals also represent a range of racial/ethnic groups. This committee reviews the area of local agency administrative and program services funding as well as other aspects of Program functioning.

The state agency has also been guided by the considerations of previous state plans and public hearing comments on the method of administrative funding procedure. The criteria considered were:

Section 6-5

Rhode Island WIC Program

Operations Manual Sec. 6

Type and ratio of staff needed to serve the estimated numbers of participants. The number of participants served by the Local Agency. Salary variations of personnel among Local Agencies. The types of equipment needed to be purchased for certification.

Local agency costs incurred for providing bilingual services and material. Costs related to special population groups.

Costs related to demographic composition. Costs related to financial and in-kind resources and other program funds available to local agencies. Costs related to caseload activity levels.

The advantage of a "negotiated" determination of administrative funding for local agencies has been extensively considered. Although a "negotiated" administrative funding theoretically can address on a very individualistic basis the needs and capacities of local agencies, the problem of applying a fair standard acceptable to all locals is a very prohibitive concern. It has been decided, therefore, to forego a negotiated determination, in favor of a more objective formulation.

After consideration of the above, the RIDH has determined that the allocation to each local agency will be predicated on the assigned caseload with total administrative funding allocated by the following formula:

$$\begin{array}{rcl} \text{Total Number} & & \text{Admin. Cost} & & \text{Quarterly} \\ \text{Of Assigned} & \times & \text{Allocated per} & = & \text{Admin.} \\ \text{Slots} & & \text{Enrollee} & & \text{Allocation} \\ & & & & \text{per Quarter} \end{array}$$

In addition to the assigned number of slots, and related administration allocation, the state may permit an agency (ies) to enroll additional persons and may reimburse the agency (ies) on the basis of persons enrolled. In order to ensure service to the number of persons permitted by available food funds, the state agency may make adjustments to a local agency quarterly caseload and/or administrative and program service allocations, and/or may limit reimbursement in relation to caseload actually maintained.

Recovery of Vendor Claims

The state agency shall retain funds collected by the recovery of claims assessed against food vendors or funds not paid to food vendors as a result of reviews of food instruments prior to payment. The State agency may use ~~up to 50 percent of~~ these funds for administrative and program services purposes, provided that the base amount from which the percentage may be taken is not established until after the vendor has had opportunity to correct or justify the error or apparent overcharge. The State agency shall not transfer any such funds from its food account to its administrative and program services account until after the vendor has exercised this right, if the vendor chooses to do so. After such funds have been transferred, the remainder shall be used to pay food costs. When these funds are used for administrative and program services purposes, the State agency shall report such expenditures to FNS through routine reporting procedures.

Section 6-6

Rhode Island WIC Program

Operations Manual Sec. 6

6/99 *Money received by the State as a result of civil money penalties or fines assessed a vendor and any interest charged in the collection of these penalties and fines shall be considered as program income.*

The state agency shall maintain documentation to support the level of funds retained under this paragraph by the State agency for administrative and program services purposes.

Backspending and Carry-Forward

Backspending

The state may, at its option, expend state or federal funds allocated to the state agency for food costs incurred in the preceding fiscal year.

Carry-Forward

The state agency may, at its option, carry-forward a portion of the state or federal funds allocated to the state agency for food costs and for administrative costs in any fiscal year, and to expend funds carried forward in the immediately following fiscal year.

Any backspending or carrying forward of funds under this policy shall be in conformance with federal and state law, regulation and administrative instruction.

Basis of Accounting

The State of Rhode Island uses a modified accrual basis of accounting. Monthly administrative outlays for the RIDH WIC Program are taken directly from the state's central accounting system, RISAIL and are listed by payee, account number, voucher number and payment amount.

A review of outstanding obligations is conducted on a monthly basis and reported on the WIC 798 report.

Proposed Budget

The proposed budget will be submitted no later than thirty days after the state's annual grant level, including any negotiated amount, is announced. The USDA budget format will be used.

AUDITS (Goals - VI, Procedures - 622)

Goal

Section 6-7

To assure the financial integrity of WIC Program operations and to use audit reports as a basis for formulating guidance and directions issued to local agencies in the area of financial management.

Background

In order to comply with Federal WIC Regulations, Section 246.20 which mandates audits of State and local agencies every two years, the following audit procedures have been followed:

The Rhode Island Department of Health WIC Program, as well as three of the local agencies, were audited by the State Bureau of Audits during FY 78, and the Rhode Island Department of Health received approval on this audit. However, due to other personnel commitments, the State Bureau of Audit was unable to audit the remaining eleven local agencies. Therefore, M.D. Oppenheim & Co. performed the financial audit of these eleven agencies. Audit findings were received 8 June 1979. Audit findings were forwarded to the USDA Regional Office.

The findings of the audit were transmitted to the local agencies and corrective actions were taken as planned. The Rhode Island Department of Health performed followup visits to verify that corrective actions were taken and were adequate to prevent recurrence of the findings. This was accomplished during periodic program monitoring by the State Agency.

Peat, Marwick, Mitchell, and Co., an independent certified public accounting firm, performed an audit of the State Agency for FY 78. Corrective followup was implemented as appropriate.

The same accounting firm also audited the following local agencies: Women & Infants Hospital, Memorial Hospital, Blackstone Valley Community Action Program, Allen Berry Health Center (satellite of Providence Health Center), East Providence Community Health Center (satellite of Self-Help, Inc.) and Bristol Health center (satellite of Self-Help, Inc.). Corrective plans were implemented.

In fiscal year 1981, a financial and management audit was performed by the firm of Hague and Federico for Fiscal Year 1980 for the State Agency and the following eleven local agencies:

- Chad Brown Health Center
- Cranston Community Action Program, Inc.
- Health Services, Inc.
- New Visions for Newport County, Inc.
- Providence Ambulatory Health Care Foundation, Inc.
- St. Joseph Hospital
- Tri-Town Family Health Center
- Warwick Community Health Center
- Wood River Health Services

Rhode Island WIC Program

Operations Manual Sec. 6

To assist and prepare each local agency for audit requirements, a copy of "Audit Guide 8270.13" was distributed to each agency prior to the audit process.

Results were forwarded to the appropriate agencies. Technical assistance was provided by State staff and corrective measures were implemented.

Site visits were made to all local agencies to assist fiscal personnel in the area of financial management. A copy of the Federal Management Circular FMC-74-4; "Cost principles applicable to grants and contracts with State and local governments", was given and reviewed with each local agency fiscal person. Guidance was also provided for preparation of the annual budget and monthly expenditure reports.

In fiscal year 1982, a financial and management audit was conducted for fiscal year 1981 for the State agency and the following local agencies:

Blackstone Valley Community Action Program , Inc.
The Memorial Hospital
Providence Ambulatory Health Care Foundation, Inc.
Self-Help Inc.
Tri-Town Family Health Center
Warwick Community Action Health Center
Washington County Health Center
Women & Infants Hospital of RI

Single Audit Act

Under this Act, WIC has been audited annually since FY83, on a rotating basis, by the State Office of the Auditor General and the Bureau of Audits. Findings have been addressed as necessary.

Annually, the state agency reviews the organization-wide audit report of each local agency for significant findings having a bearing on WIC and for compliance with the requirements of the local agency agreement and OMB Circulars A-110, A-122, A-128 and A-133 and regulations 7CFR3015, 3016, and 3017 Said circulars have been provided to local agencies for guidance.

Future Audits (See Goals, VI)

Financial Records

The State Agency works with each local WIC agency to establish uniform financial procedures to provide sufficient documentation for Program costs reported on their monthly expenditure reports and a clear audit trail for purposes of accountability.

Section 6-9

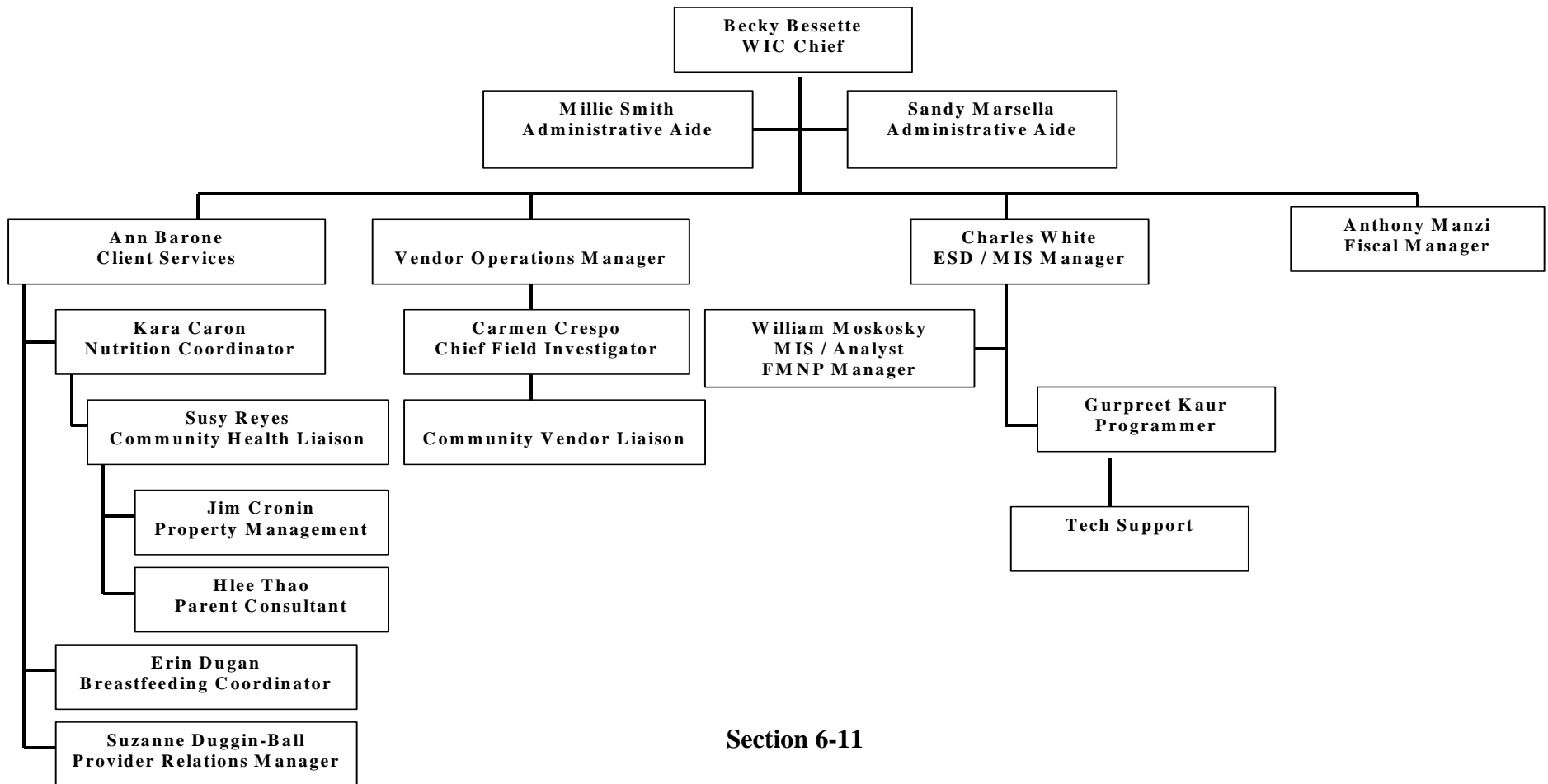
Audit Exceptions

In the event it becomes necessary to reclaim funds as a result of audit findings, several methods are employed as appropriate. The amount of the claim may be withheld from payments to the local agency. If this procedure cannot be used, the local agency is required to submit a check in the amount of the claim. If the local agency refuses to comply, the matter is turned over to the Office of the Attorney General to seek claims action against that agency.

All prior Federal Fiscal Year reclaim amounts will be returned to FNS. Payment will be made either directly from local agency to FNS (documented to SA) or by transfer through the State or by offset. Details would be worked out by between FNS and SA.

Division of Family Health

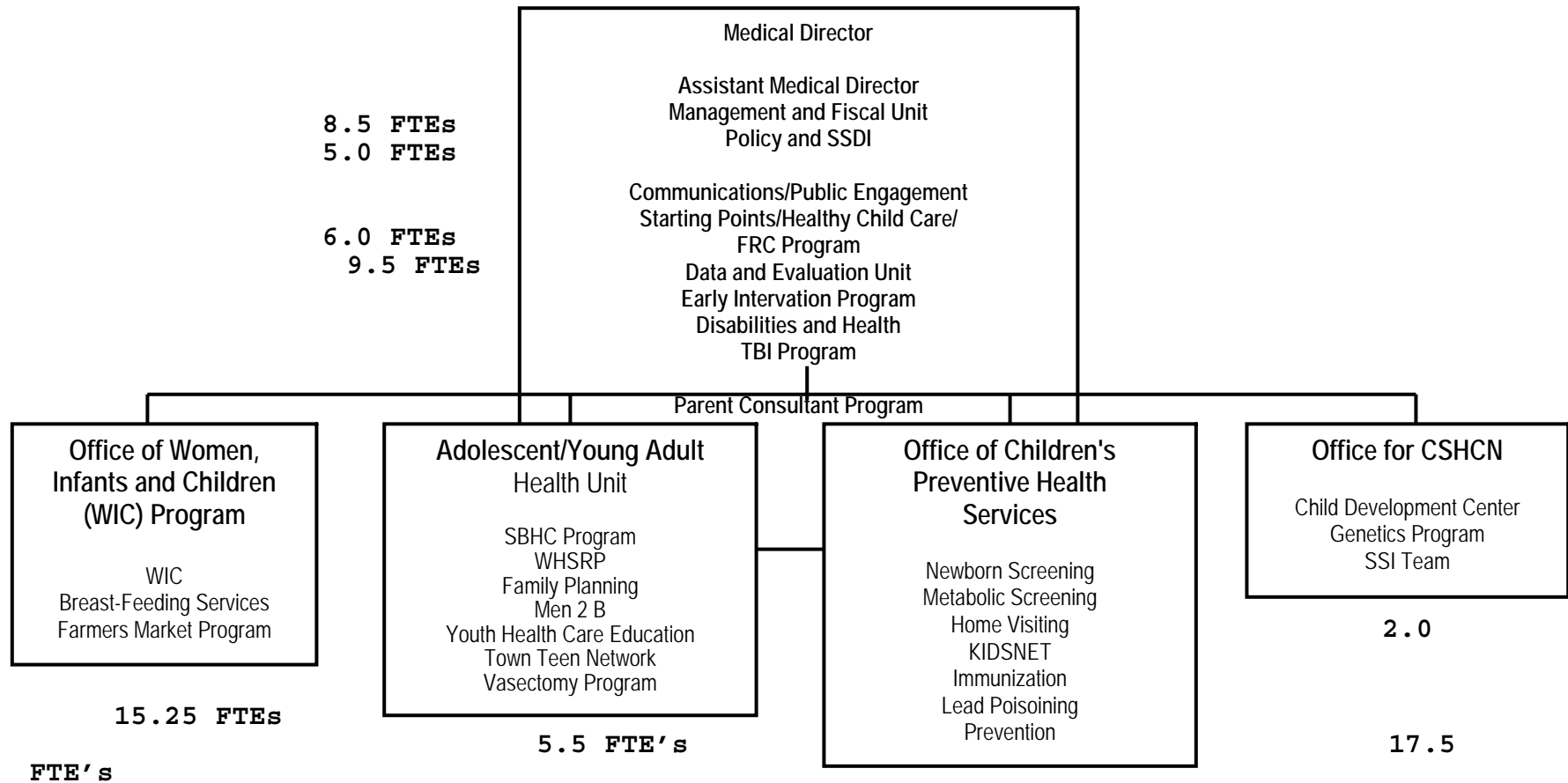
RI WIC PROGRAM ORGANIZATION CHART



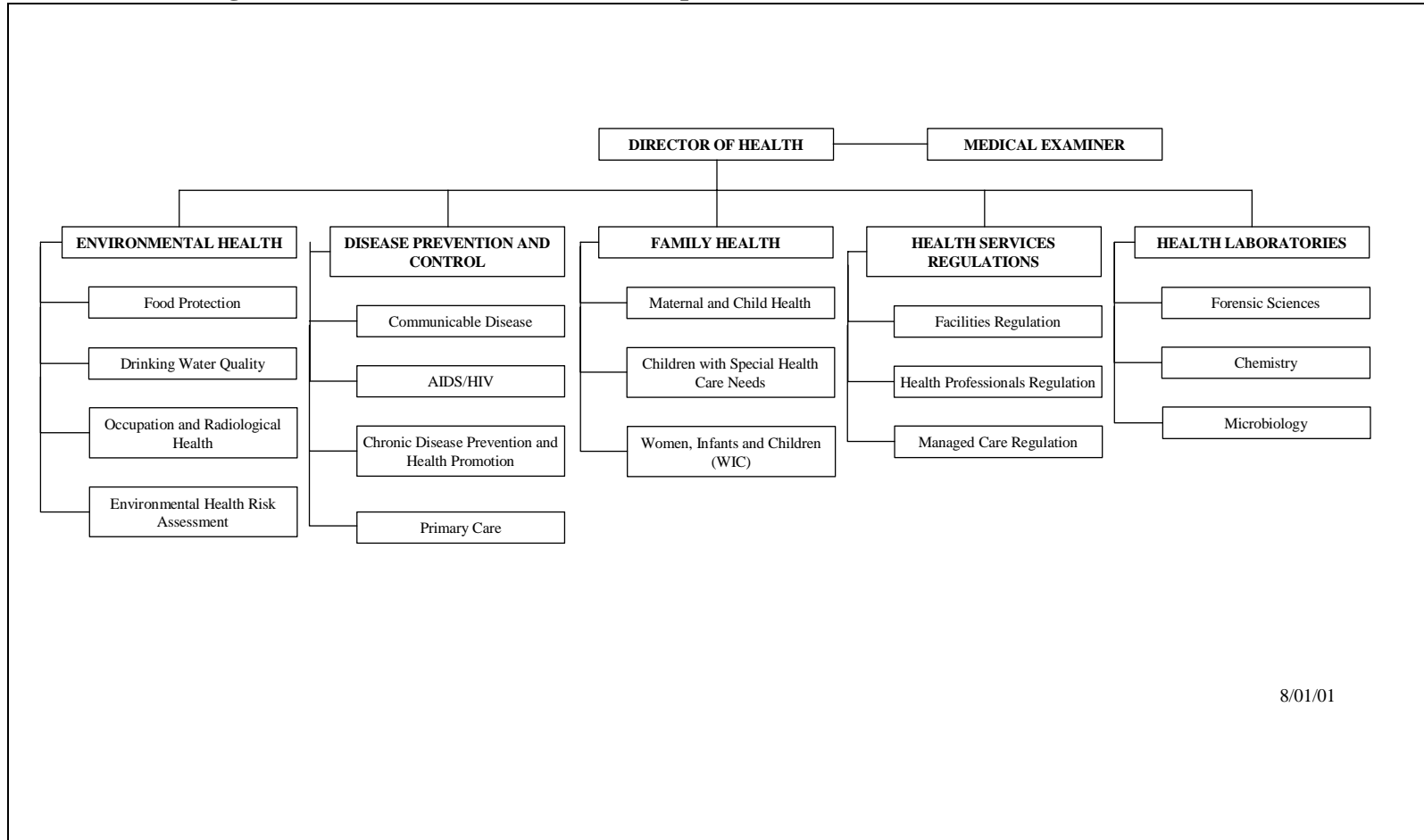
Section 6-11

Rhode Island WIC Program

Operations Manual Sec. 6 Office of the Medical Director



**RHODE ISLAND DEPARTMENT OF HEALTH
ORGANIZATIONAL STRUCTURE - Fiscal Year 2004**



8/01/01

State Staffing Resources

Position and Description of Duties

Chief - Responsible for the overall direction, implementation, and coordination of the WIC Program.

Health Policy Analyst (State WIC Nutrition Coordinator) - Responsible for relationships with local agencies and monitoring compliance with regulations; for supervision of community liaison, Parent Consultants and Program Nutritionist (see SPHPS); for outreach and coordination with health and human service agencies and for educational programs and materials and community relations; responsible for developing and evaluating the Nutrition Education Plan; for reviewing and ensuring development and implementation of local agency nutrition education plans and for providing consultation, training, and resource materials to local agencies in all aspects of WIC nutrition and nutrition education.

Sr. Public Health Promotion Specialist (.5 FTE) - Assists the State WIC Nutrition Coordinator, especially in areas of nutrition services monitoring, local staff training and education, developing client educational materials, and recruitment and retention; serves as the State WIC Breastfeeding Coordinator.

Community Health Liaison - Maintains regular and frequent contacts with local agencies to explain and review WIC procedures and to evaluate local agency program operations; conducts outreach activities and fosters relationships with allied professionals and organizations; interviews WIC participants to obtain feedback concerning program services and operations.

Contract Breastfeeding Consultant (.2 FTE) - Assists the Public Health Nutritionist in carrying out breastfeeding promotion and support activities.

Asst. Health Program Administrator (Food Delivery/MIS) – Responsible for fiscal, caseload, and program data and reporting; coordinates with state computer system; responsible for in-house computer system; organizes and oversees or supervises work of data processing and distribution staff.

Principal Systems Analyst - Assists the Asst. H. P. A./Data Operations and Planning; Performs system enhancements, hardware and software maintenance, support and troubleshooting to state and local WIC staff; programs new data reports and modifications; identifies problem areas in system operations; prepares instructions and guides for users and provides training to users.

Asst. Health Program Administrator - Responsible for vendor selection, authorization, monitoring and education: investigations and sanctions and supervises staff involved in conducting vendor related activities. Prepares food expenditure reports and forecasts; and manages the Farmers Market Nutrition Program.

Sr. Public Health Promotion Specialist - Responsible for financial management, operations and reporting state agency level fiscal operations; records, monitors and reconciles expenditures; prepares federal and state fiscal reports; manages procurement and Office equipment needs.

Rhode Island WIC Program

Operations Manual Sec. 6

Management Services Chief - Special Projects (.5FTE) – Conducts local agency financial audits, assists in financial management activities; completes special projects in financial analysis, clinic productivity and procedures review.

Fiscal Clerk (.5FTE) - Prepares financial reports and reviews financial reports and records of local agencies; processes local agency reimbursement claims; provides technical assistance to local agencies in preparing fiscal reports; responsible for procurement and payment requisitions, invoices and vouchers; and perform filing activities and fill supplies.

Chief Field Investigator - Carries out vendor monitoring and education activities; evaluates vendor applicants; investigates complaints about vendors; monitors participating vendors and develops corrective measures as appropriate; identifies high risk vendors and organizes vendor investigations. Provides interpreting and interviewing services in the Spanish language; maintains relationships with Hispanic organizations, persons and community.

Community Vendor Liaison - Maintains regular and frequent contacts with vendors to explain and review WIC procedures and to monitor their WIC operations; investigates complaints, provides training, fosters relationships with vendor community

System Support Specialist III - Works directly with local clinic WIC staff in relation to operating the QWIC PC computer system; provides training, oversight and "Helpline assistance; accounts for WIC checks "voided" at local agencies; coordinates delivery of materials and checks to local agencies and generates computerized vendor reports; conducts computer/FI security portion of annual agency evaluations; responsible for inventory management.

Property Management and Control Officer - Responsible for location, whereabouts, condition and inventory of all property purchased with WIC or Department funds; arranges repair or replacement; fills clinic orders for forms, educational materials and supplies and assists with vendor field visits.

Administrative Aide (1.6) - Perform clerical and secretarial tasks including word processing and filling agency supply requests; support for vendor monitoring activities.

FISCAL PROCEDURES AND CONTROLS

COST MONITORING

SF-1: AVERAGE CHECK PRICE MONITORING

Goal

To monitor the average value of a WIC check on a daily basis.

Procedure

A. Financial Services Management Corporation (FSMC) reports daily and the following data are obtained.

- (1) Rhode Island WIC Program balance of funds on hand at bank.
- (2) Number of checks redeemed to date for the specific month.
- (3) Dollar amount of the number of checks redeemed to date for the specific month.

B. To derive the cost per check the following derivation is performed:

\$ amount of the # of checks redeemed

of checks redeemed to date
for the specific month

- C. Once the cost per check is derived, the amount is charted on a spreadsheet maintained by the Assistant Health Program Administrator.
- D. Any abnormal rise (except for the first eight days of the month) shall be reported to the Chief, WIC Program.
- E. A significant increase may require revision of food cost projections.

* SF-2: MONTHLY COMPUTER CHECK RECONCILIATION REPORT

Goal

Verification of the Monthly Computer Check Reconciliation Report with the monthly bank statement.

Procedure

A. Monthly Computer Check Reconciliation

1. Add next month's redemption total plus reporting month's redemption total plus one month's redemption total plus two month's prior redemption total. To this amount subtract the prior month's redemption charge to the reporting month.
2. This amount should equal the "Value of Checks Redeemed" total reported on the Monthly Computer Reconciliation Report.
3. To the "Value of Checks Redeemed:" total add the amount of dollars expended on the "Unmatched Check redemption report." This total should correspond with the amount reported on the fiche total of the monthly bank statement.
4. See attached forms A, B, C for example. Add figures from Form A redemptions: $a + b + c + d$ - Form C, line e = Form B, line f.

B. Monthly Bank Statement

1. Verify the return credits and credit memos listed on the bank statement.
2. Utilizing the bank statement total
 - Less: Return credits
 - Less: see Credit Memos
 - Less: see Debit Memos
 - Less: Credit Memo next statement
 - Plus: Debit memos next statement
 - Equal: Fiche total

3. Fiche Total
 Less: Unmatched Redemption Total
 Equal: Total derived when Monthly Check Redemption Report was verified

4. See attached Form D:
 Add: Line g
 Minus: Lines h, i, j and k
 Plus: Line l

 Equal: Line n

 Line m Fiche total
 Minus: Form A, l line n

 Equal: Form B, line f

*** SF-3: METHOD FOR ESTIMATING WEEKLY
FOOD EXPENDITURES**

Goal

To transmit an appropriate amount of funds to Financial Management Services Corporation (FSMC) to cover food check disbursements.

Procedure

1. This procedure utilizes the month-to-date expenditures at FSMC to determine the rate of Rhode Island WIC Program spending.
2. Daily, the month-to-date figure for the check redemption is received from FSMC via FAX transmission.
3. This total is then divided by the number of banking days to arrive at an average daily expenditure.
4. The amount is divided by 5 to derive an average weekly rate of spending.
5. A direct wire transfer is performed, if required, to transmit adequate funds to FSMC.

**SF-4: METHOD FOR PROJECTION OF FISCAL YEAR
FOOD EXPENDITURES**

GOAL

To accurately project utilization of food grant to provide direction for caseload management, policy, and strategy.

PROCEDURE

A. Determination of Monthly Projection

1. On the Rhode Island WIC Program microcomputer, the projection spreadsheet is called up by logging in as "peter" and then selecting item "2" on the menu.
2. The previous months final obligations are input at the middle of the month along with the value of the checks deobligated for that month. Also the prior month's average check price is entered. The current month's average check price to date is placed by the figures received from phone calls to the contracted bank. These are placed in the positions on the spreadsheet.
3. The closed out month's final redemptions are placed in the final expenditures locations.
4. Based upon these data, the program derives an estimated figure for the month's redemptions.
5. Each quarter, the last six months of closed out rate or redemptions and percentage change data are run on a linear regression to reflect any extraneous factors affecting the rate of redemption.
6. Each year the annual food budget award is placed in the cell under the first month on row 61 so that the monthly allotment and variance can be computed.

B. Projecting Balance of Fiscal Year Expenditures

1. On the Rhode Island WIC Program microcomputer, the projection spreadsheet is called up by logging in as "peter" and then selecting item "P" on the menu.
2. The closed out totals and the current estimates are then placed in the model for projecting for the rest of the fiscal year. In addition, the average caseload for each month and the participation must be entered. The model then extrapolates an expected balance based upon the inflation rate and caseload estimates that are entered.

SF-5: CHECK RECONCILIATION STATEMENT - MONTHLY REPORT

Goal

To reconcile each check to participant to tell if cashed, voided, or unclaimed and the date cashed or deobligated.

Procedure

- A. Staff will take the reconciliation performed by the computer.
- B. Staff will visually scale for checks redeemed at greater than sixty days from date of issue.
- C. Staff will compose letter to go to the FSMC, advising them of these checks which were not refused as described by the agreement of the State of Rhode Island and FSMC.

SF-7: WIC PROGRAM ANNUAL CLOSEOUT REPORT (FNS 227)

Goal

Beginning with the preparation of the FY94 WIC Annual Closeout, the RI State WIC Program will access the electronic FNS-227 spreadsheet, as informed by FNS.

Procedure

- A. Utilize requirements as established by FNS effective February 1994.
- B. Refer to fiscal year instructions and information papers for completing the WIC Program Annual Closeout Report.

SF 7A: MONTHLY FINANCIAL AND PROGRAM STATUS REPORT (FNS-798)

Goal:

Revised 11/03

Beginning August 1994, the WIC Monthly Financial and Program Status Report (FNS-498) was utilized by accessing the on-line State Cooperative Data Exchange (SCDEX) System. Beginning in FY 2001 the FNS-498 was replaced by the FNS-798 report, which is accessed in the same manner.

Procedure:

- A. As outlined by FNS, NESF-062-4
- B. Utilize the state agency user manual, which provides descriptions and detailed instructions for the Special Nutrition Programs Integrated Information System (SNPIIS).

CASELOAD MONITORING

SF-8: CHARTING - CASELOAD MONITORING

Goal

Revised 11/03

To maintain a daily count of local agency caseloads.

Procedure

- A. The MIS Unit runs the caseload report from WEBS. This determines a calculated caseload (number of Active participants beings served at an agency and/or specific clinic) by calculating the actual current caseload by adjusting the previous caseload figure (adding any new adds, reinstates, and subtracting terminations, transfers).*
- D. This calculated caseload is utilized for monitoring purposes.*
- E. If a local agency exceeds its caseload, the Client Services Manager will speak to the local agency coordinator to request prompt reduction of the excessive caseload and inform the Chief, WIC Program.*

SF-9: MONITORING OF NUMBER OF ADMISSIONS TO PROGRAM

Revised 11/03

Goal

To track the level of admissions to each local clinic.

Procedure

- A. On a daily basis, WEBS will generate a report, by local agency, which will calculate the number of admissions which were added to the Program during the particular time frame.*
- B. The total admissions to the Program are charted for each cycle by the MIS Manager.*
- C. Any abnormal patterns shall be reviewed by the MIS and Client Services Managers and the Chief, WIC Program.*

SF-10: COMPLETION OF FNS-798 Report –(MONTHLY PARTICIPATION CALCULATIONS)

Revised 11/03

Goal

Required Federal report.

Procedure

A. *Number of Participants*

This data is generated by WEBS by the MIS unit and automatically entered in to the 798 Report.

SF-11: (RESERVED)

SF-13: Allocation of State Office Salaries and Fringe Benefits

GOAL

To establish a reliable and accurate method of allocating personnel costs according to function and purpose.

Procedure

Semiannually, the supervisory staff of the Rhode Island WIC Program meet with the Chief of the WIC Program to determine the rates to be used to allocate state office salaries of the Program to three activities, namely, Administration, Food Delivery and Nutrition Education. This is done for each individual position and includes supervisory positions. These rates are then listed on the WIC-57, rates For Allocation of State Office Salaries (Appendix).

When these individual rates are determined they are applied to salaries for each of these positions. When this is completed for each of the positions, the amount of salaries assigned to each activity is totaled and a total rate is computed for Administration, Food Delivery and Nutrition Education, respectfully. Allocation of salaries is recorded on the WIC-58, Allocation of State Office Salaries.

The total nutrition education rate, is applied to monthly state office salaries and is used for the WIC Monthly Financial and Program Status Report (Form FNS-798). Along with this, the actual monthly fringe benefit rate is applied to this amount.

All rates are also used for other federal reports when allocation of state office salaries is required.

**SF-14: NONPROCUREMENT OF GOODS AND SERVICES
FROM ENTITIES DEBARRED OR SUSPENDED**

Goal

To ensure a system for nonprocurement of goods and services from entities debarred or suspended under 7CFR Part 3017.

Procedure

In compliance with the requirements of 7CFR Part 3017 the state agency will before entering into any contracts or agreements require that applicable entities certify that they and their principals have not been debarred or suspended. The state agency will also review the Nonprocurement List distributed by the General Services Administration and not enter into a contract or agreement with any entity on the list, for the appropriate period of time.

SF-15 Capital Equipment Acquisition and Inventory Control

Goal

To ensure appropriate management of procurement, logging and tracking of capital equipment.

Procedure

A. Procurement

1. The request is originated from a WIC staff person on a Departmental Requisition (MS-14).
2. The Administrative Aide routes the MS-14 to the Chief for approval, files the pink copy in the fiscal files under the appropriate budget object code and fiscal year (with the name of the originator in the upper right-hand corner), and forwards the other copies to Management Services.
3. Once the Purchase Order is awarded, the Administrative Aide gives a copy to the originator and files the original with the pink copy.
4. Once the equipment arrives, the originator checks the order for accuracy, completeness, and lack of damage.
5. The originator then initials the bill or gives a note to the Administrative Aide to process payment.
6. The Administrative Aide completes the Purchase Order and fills out a Report of Equipment Acquired and Traded In (A-59). The P.O. and A-59 are forwarded to Management Services, and a copy of the A-59 is given to the Senior Administrative Aide.

B. Inventory Control

1. The Senior Administrative Aide logs the equipment on the WIC Computerized Inventory System from the A-59. If the equipment is to be located outside of the office, the originator completes a WIC-17 for each item and gives it to the Senior Administrative Aide. The WIC-17, after entry is then filed in the agency's inventory folder.
2. The Senior Administrative Aide tags the equipment with the Rhode Island WIC Program inventory tags. These numbers are also logged on the computer.
3. When the state inventory tags are received, the Administrative Aide gives the Senior Administrative Aide the tags which are affixed on the equipment and logged in the computer.
4. When items are acquired by the Local Agency, the WIC-17 is filed in the agency's inventory folder and a copy given to the Senior Administrative Aide for entry on the system.

C. Transfer of Equipment

Rhode Island WIC Program

Operations Manual Sec. 6

1. When any equipment is relocated to an agency, returned from an agency, or relocated in the office, the Senior Administrative Aide must be notified with a copy of the WIC-17. As a courtesy, the originator should also be informed.
 2. The Senior Administrative Aide logs the transfer on the computer and notes the changes on the file copy of the WIC-17.
 3. If the equipment will no longer be at the original Local Agency, a copy of the original WIC-17 will be made and put in the folder of the new agency.
- D. Retirement or Disposal
1. The agency will notify the Rhode Island WIC Program office prior to the disposal of equipment. If approved, the Senior Administrative Aide notes the retirement on the computer system.
 2. If the equipment has a state tag, the Senior Administrative Aide asks the Administrative Aide to prepare an A-60. This is placed in the state or agency inventory folder with the other paperwork.

Added 11/2006

SF - 16

Tests and Provisions – Disposition of Food Instruments

Purpose

To ensure: The reconciliation of all food instruments (within 150 days) issued under the WIC Food Benefit Program (WIC) are in compliance with the Federal regulations governing the accountability of all issued Food Instruments.

Policy

Food Instruments which the local agency (LA) has in its possession which have been issued and are unusable, or which were issued to a participant and returned to the clinic unusable/unwanted shall be appropriately coded in the system as “voided”. Redeemed Food Instruments must be identified as one of the following: (1) Voided / Issued, (2) Lost/Stolen, (3) Expired, (4) Duplicate, (5) Unmatched. All redeemed Food Instruments will be reconciled to issued Food Instruments on a one- to-one basis.

Procedures

Reconciliation

The Rhode Island WIC Program, accessing WEBS and banking reports, will utilize a series of monthly reports that provide complete tracking for every check issued. These include:

Bank Transaction Listing: *Lists each check cleared by the bank during the processing month, date cleared, dollar amount and transaction code.*

Bank Exception Report: *Identifies checks that cannot be reconciled to the issue records either because the check number is not recognized as currently valid, or because the check was not identified as voided/issued, lost/stolen, expired, duplicate or unmatched. These checks are researched to determine their final disposition.*

Closeout Reconciliation Report: *Provides a one-to-one reconciliation report that shows, at a detailed check level, the disposition of each check that was created during the month being closed out.*

Checks Rejected by the Bank Report: *Lists detailed data of checks rejected by the bank during the screening and prepayment audit.*

In addition, the state WIC Office receives check image records of all checks processed during the month. This combination of reports and check images allows the WIC Program to track every check and determine its final disposition. (See attached reports).

added 11/2006

SF – 17 Management of Equipment Acquired with Federal Funds- Property Management

Purpose

To assume Compliance with Sub-part C of 7CRF Part 3016

Policy

The Local WIC Agencies will maintain complete accountability and security for all equipment purchased with WIC Program Funds, (computer, printers, etc.) placed in their care. The Local WIC Agencies will be held financially responsible for all equipment lost, damaged, or stolen.

Procedures

All equipment purchased by the State WIC Program will be inventoried on the WIC computer data base system.

- > *Once a year a physical inventory will be conducted of equipment purchased with WIC Program Funds and placed in custody of the Local WIC Program.*
- > *The inventory will be reconciled with the property records to verify the existence, current utilization, and continued need for the equipment. Any discrepancies between quantities determined by the physical inspection and those shown in the accounting records will be investigated to determine the causes of the differences.*
- > *Any loss, damaged, or theft of equipment will be investigated by the Local WIC Site and fully documented.*
- > *Stolen equipment will be reported to the State WIC Office as soon after it is discovered as missing as possible. Phone call reports should be followed up in writing including a copy of a police report.*

Equipment Inventory

- >> *Documentation of expenditures more than \$5,000.00 will be sent to DOA Inventory Control. Inventory Control will assign an equipment number and add the item to the DOA Inventory Listing. An equipment number tag will be forwarded to the location of the equipment and permanently affixed to the item.*
- >> *A computerized inventory listing is printed semi-annually for each equipment location showing all equipment numbers, equipment description, cost, date acquired, and the funding source which purchased the equipment.*

Section 7

Monitoring

7

**Monitoring
(Goals-VII, Procedures-700)**

M-1 Local Agency Monitoring

Goal

Ensure the quality and integrity of the WIC operations of each local agency and to develop corrective actions.

Procedure

The State agency for the WIC Program, administered by the Rhode Island Department of Health, is required by Federal regulations (7CFR Section 246.19) to conduct biennial and continuing reviews of local agency WIC programs. The State agency is required to establish evaluation and review procedures and to document the results of these procedures. The purpose of each local agency review is to arrive at a comprehensive assessment of all aspects of the local agency WIC Program, including compliance with the requirements of the local agency agreement and Program procedures such as certification, notification, nutrition education, civil rights compliance, accountability, financial management, food delivery, coordination with other programs, outreach, and fair hearings.

The effective monitoring of local agency operations includes consideration of many kinds of communication and interactions between State agency and local agency. These include staff visits, telephone contacts, written correspondence, formal and informal meetings involving members of the respective staffs, and on-site fiscal reviews, both periodic and as needed, as well as operations records.

Biennial Agency Review

The "biennial local agency review" is one specific vehicle for monitoring the local agency. The review is conducted according to these procedures:

Procedures

- A. The review format is organized according to major areas of WIC functioning. Within each area are questions designed to assess local agency functioning as compared to contractual and procedural requirements and to Federal regulations.
- B. The State agency will contact the local agency chief administrative officer and local WIC staff to mutually establish a time for the team to conduct an on-site review. A visit will begin with a discussion of the

purpose, format and procedures to be followed.

- C. At the established time, the review team will meet with the local agency WIC staff to go over the areas covered in the review format and secure answers to the questions. Review team members will utilize a combination of discussion with local agency staff, observation of local agency procedures, review of local agency records, and participant interviews, in securing the information needed for the review.
- D. The local agency review process is intended to be a way to identify both strengths and weaknesses of the WIC Program. The review team will conduct the process in a constructive, objective, and professional manner that will result in information that is useful to the local agency. In the course of the review, the team will be sensitive to local needs and deficiencies, and endeavor to suggest feasible corrections and improvements.
- E. If the agency corrects a deficiency before the review visit(s) is completed, the reviewer will decide whether to delete the deficiency, note its correction, or cite the deficiency. Such a decision would be based on the thoroughness and permanence of the correction.
- F. At the completion of the local agency review, the review team will meet with the local agency administrator (and other staff at the administrator's discretion) in an exit conference, giving a verbal summary of findings and recommendations.
- G. Following the exit conference, the WIC State agency will submit a letter to the local agency administrator presenting a formal statement of review findings and recommendations. Positive program aspects, as well as areas in need of further attention to meet contractual, procedural, and regulatory obligations, will be listed. Technical assistance and counsel will be offered to the local agency as needed for the establishment of plans of correction.
- H. Within thirty (30) days of the letter of review findings, the local agency executive director must submit to the State agency a response to the findings, including specific plans of correction and projected dates of implementation (and dates of corrections that have already been made).
- I. The state agency may accept and approve the plan of correction or require revisions in accordance with regulatory, procedural, and contractual requirements.
- J. The local agency review, including plans of correction and follow up findings, will be kept on file in the State agency, and will be used as a reference for the next review.
- * K. At the option of the State Agency the local agency review may be conducted more frequently than biennially if needed to determine the quality and effectiveness of agency operations, implementation of corrective actions, etc.
- L. *The state agency shall require local agencies to establish management self evaluation systems to review their operations and those of associated clinics or contractors.*

Format and Content

The local agency review format is organized according to functional areas. The content of the questions within each area reflects specific contractual, procedural, or regulatory obligations. In answering the questions, an objective basis is established to arrive at a fair judgment of the local agency's performance and compliance with requirements. State agency and local agency staff will also begin to determine mutually acceptable solutions to problems.

M-2 WIC Participant Interviews

Revised 10 / 97

Introduction

State staff or WIC Parent Consultants interview a sample of participants at each local agency in order to obtain participant input into all aspects of the operations of the WIC Program.

Definition - "Participant" may refer to potential, active, or former participants, applicants or denied applicants.

Procedures

- A. Local agency staff should assist state agency liaison staff in scheduling participant interviews and coordinating the interviews with other required participant visits.
- B. A representative sample of foreign-speaking participants should be arranged, if possible, including arrangements for translation resources.
- C. The interview is for Program improvement purposes and is, therefore, voluntary and not associated with Program eligibility. Local agencies should, however, seek to arrange for participant comfort and cooperation.
- D. As appropriate, the state liaison will bring issues, complaints, or questions on behalf of participants to local agency staff which should be responded to and followed up as appropriate.

Follow-up

- A. The appropriate local agency person will be notified of any matters to be jointly evaluated and resolved, or plans made for resolution. Depending on the complexity of the issue, further follow-up may be required.
- B. In the event of evident or possible health, social, or nutritional problems and needs local staff should work with the liaison to advise the participant of appropriate resources or of referral sources. Local agency resources should also be enlisted.

Related Local Agency Activities

The participant interview process is most efficient and effective when performed through the cooperation of the local agencies. Local agencies, then, will:

- A. Assist in participant random selection and notification.

- B. Confirm any scheduled appointments with the participants just before their visit.
- C. As available, provide interview facilities which allow for comfort and privacy. Assist with language interpretation, if needed.
- D. Follow-up with recommendations and solutions worked out with the liaison and the state agency.
- E. Submit appropriate reports to the liaison as requested, if follow-up is extensive in scope or time.

M - 3 Monitoring: Segregation of Duties

Implemented 1/97

Goal

Ensure compliance with Segregation of Duties (SOD) procedures, thereby reducing the opportunity for any one individual to both perpetrate and conceal errors or irregularities in the normal course of his or her duties during certification / recertification of WIC participants.

Procedure

Local WIC Agencies are responsible for determining program eligibility, the amount of benefits received, and the actual distribution of WIC checks. Segregation of duties at the local agency level is important so that no individual performs both the intake/eligibility determining function, the nutritional risk assessment/food package assignment function and check printing functions.

The State Agency will review SOD procedures submitted by local agencies. SOD compliance will be monitored through a variety of mechanisms including the biennial program / fiscal management evaluation process, during local agency site contacts (ie, supply deliveries), site visits, and as indicated (follow-up, reports received, etc...). A minimum of two SOD visits will be made yearly at each WIC local agency. (WIC - 90 form 1/97)

Section 9

Public Input and Notification

Section 9 -1

IX

PUBLIC HEARING PROCEDURES

(Goals-IX)

- A. A notice of the public hearing is published as a display advertisement in newspapers having an aggregate statewide distribution.
- B. Letters are sent to local agency directors, state health, financial aid, and social welfare department directors, medical societies, all Department of Health division chiefs, and other interested persons regarding the public hearing.
- C. Statements may be submitted regarding the proposed State Plan to the Director of Health in writing prior to and after the public hearing.
- D. The Rhode Island Department of Health Auditorium is utilized for the hearing. This location is accessible to the public by means of public, as well as private, transportation.
- E. A public hearing officer is appointed to preside and a stenographer records the proceedings.
- F. The hearing room is equipped with a public address system.
- G. Persons may register at the entrance to the hearing room.
- H. A written record of the proceedings will be obtained and summarized in the State Plan volume submitted to USDA.

Appendix Section 7
Local WIC Agency Program and Financial Monitoring

Form	Information
-------------	--------------------

Forms related to Local WIC Agency Financial Management Review

SFME	Financial Management Review Format
------	------------------------------------

Forms related to Local WIC Agency Program Management Review

WICme.1	State Office Chart Review
WICme.2	Anthropometric/Hematological Procedures
WICme.3	Clinic Chart Review
WICme.7	Agency Coordinator Interview
WICme.8	Nutritionist Observation/Evaluation
WICme.9	Clinic Observations
WICme.10	Participant Survey
WICme.A	Rhode Island WIC ME Checklist

ME-1

Date: _____
WIC Site: _____
Reviewer: _____
Cert Start Date: _____
WIC HH ID: _____
Type of Charts: _____

Rhode Island WIC Management Evaluation

State Office Chart Review

YES NO Comments

Appropriate Food Package			
Growth Chart Makes Sense			
SOAP Notes appropriate			
General Notes			
Blood work recorded appropriately			
High Risk/SNEC documentation			
Linked infants			
Linked households			
Premature Infant Risk Appropriately Assigned			
Health history accuracy			
Demo tab overview			

Rhode Island WIC Management Evaluation

Anthropometric/Hematological Procedures

	Yes	No	N/A	Comments
Scales Calibrated				
Scales Balanced (WIC-86)				
Weights Correctly Measured (Observe 3)				
Height Board Mounted Correctly				
Heights Correctly Measured (Observe 3)				
Lengths Correctly Measured (Observe 3)				
Microcuvette Inventory Accurate (WIC-86)				
Blood Work Coordinated with Providers				
Area Clean/Sanitized				
Hazardous Waste Receptacle				
Disposable Gloves Used				
Alcohol Wipe Used				
Stick Technique Acceptable				
Second Blood Drop Used for Screening				
Waste Discarded Appropriately				

ME-3

Date: _____
WIC Site: _____
Reviewer: _____

Rhode Island WIC Management Evaluation

Clinic Chart Review

Correct Incorrect Comments

Reapplication Notice			
WIC –5			
Termination Notice			
Proof of Pregnancy			
Special Formula Documentation			
Level 5 Formula Log Signatures			
Proxy			

ME-8

Date: _____

WIC Site: _____

Reviewer: _____

Rhode Island WIC Management Evaluation

Nutritionist Evaluation

CPA: _____ Part. Category _____

Area of Observation	Comments
Limits interruptions; ensures confidentiality: introduces self	
Is prepared for appointment (reviewed record, ht/wt, blood)	
Explains purpose/length of visit; makes sure they are acceptable to client	
Ask if participant has immediate questions or concerns	
Asks open-ended questions	
Listens attentively and acknowledges concerns; allows participant to respond and ask questions	
Uses non-verbal signals to encourage participant to continue (nods, etc), maintains eye contact	
Spends minimum of time writing or focusing on the computer	
Determines dietary, social and medical history before initiating counseling	
Discusses participant driven topics	
Nutritionist encourages participant to discuss/explain any relevant issues and counsels accordingly	
Avoids too much/complex information; uses appropriate language level	
Nutritionist facilitates participant's action for change using critical thinking and reflective listening	
Provides accurate and culturally-appropriate information and education	
Shows respect for participant; does not impose value judgments	
Plans and explains follow-up nutrition	
Makes appropriate referrals, has referral list at desk	

Date: _____
 WIC Site: _____
 Reviewer: _____

Rhode Island WIC Management Evaluation

Observations

Task	Satisfactory	Comments
SOD observations		
SNECS		
Explain Basic Program Information		
Explain Supplemental Program		
Explain ID Folders and Check Use		
Explain WIC Allowed Foods		
Explain Sanctions for Program Abuse		
Explain Reasons for Termination		
Issue WIC Checks (Check ID Folder)		
Check Storage Secure		
Hardware Storage Secure		
And Justice for All Poster in Place		
Clinic Environment has Positive Nutrition Messages		
Clinic Environment Supports Breastfeeding		
Clinic Hours/Late Policy Posted		

ME-A

Date: _____

WIC Site: _____

Reviewer: _____

Rhode Island WIC Management Evaluation

Checklist

Item

Completed Comments

ME-1 State Chart Review		
ME-2 Anthropometrics/ Hematology		
ME-3 Clinic Chart Review		
ME-7 Coordinator Interview		
ME-8 Nutritionist Observations		
ME-9 Observations		
ME-10 Participant Survey		



Rhode Island WIC Participant Survey

1. When you called to make a WIC appointment, you were able to get one within:

☐ 1 week ☐ 3 weeks
☐ 2 weeks ☐ 4 weeks or more

2. Did the WIC staff treat you in a friendly and respectful way?

☐ Yes ☐ Somewhat ☐ No

3. How long did your last WIC certification appointment take to complete, including wait time?

☐ Less than 30 minutes
☐ 30-45 minutes
☐ 45-60 minutes
☐ More than 60 minutes

4. If you are late for your WIC appointment, do you have to reschedule?

☐ Yes ☐ No

5. Are the WIC office hours convenient for you?

☐ Yes ☐ No

6. Did the WIC staff explain the WIC Rights & Responsibilities to you?

☐ Yes ☐ No ☐ Not Sure

7. Did the WIC staff teach you how to use your WIC checks at the store?

☐ Yes ☐ No

8. Please rate your understanding of how to use the WIC checks.

☐ Excellent ☐ Good ☐ Fair ☐ Poor

9. Did the grocery store staff treat you in a friendly and respectful way?

☐ Yes ☐ Somewhat ☐ No

If not, please explain:

10. Did the WIC Nutritionist talk about topics that were useful to you?

☐ Yes ☐ No

11. If you are pregnant, has a WIC staff member talked with you about breastfeeding?

☐ Yes ☐ No ☐ Not Sure

12. What is the easiest way for you to learn?

☐ Written handouts ☐ Internet class
☐ Groups or classes ☐ Videos
☐ Individual private session

13. Please give an example of a healthy change that you and/or your family have made since coming to WIC.

14. Were the WIC staff able to answer all your questions?

☐ Yes ☐ No

If not, what was not answered?

15. Would you recommend this WIC site to a friend?

☐ Yes ☐ No

Why or Why not?

16. Please rate your overall experience at this WIC site.

☐ Excellent ☐ Good ☐ Fair ☐ Poor

Please write any additional comments you may have:

VOLUME 3 of RI WIC STATE PLAN
STATE OPERATIONS MANUAL

TABLE OF CONTENTS

1.	GENERAL INFORMATION	<u>Page</u>
	Statement on a Drug Free Workplace	1- 3
	Local Agency Pre-application Package	1- 4
	S-1 Selection of Local Agencies	1- 19
	S-2 Disqualification of Local Agencies	1- 25
	S-3 Periodic Review of Local Agency Qualification	1- 27
	S-4 Present Situation	1- 27
	C-1 Caseload Allocation and Adjustment	1- 28
	C-2 Spending Controls	1- 30
	G-1 Revisions in Procedure Manual	1- 32
	G-2 Use of WIC Name and Logo Prohibited	1- 33
2.	ELIGIBILITY AND ENROLLMENT	
	E-1 Verification of Participant Addresses	2- 2
	E-3 Funding Shortages - Discontinuance of Program Benefits	2- 4
	E-4 The Homeless and Homeless Facilities and Institutions	2- 4
	E-5 Confidentiality and Disclosure of WIC Data	2- 6
3.	FOOD DELIVERY SYSTEM	
	Description of System	3-2
	FD-1 Lost or Stolen Check Procedures	3-6
	<u>Operation of the Retail Vendor Management System</u>	3- 10
	Vendor Participation Agreement	
	V-1 Applicant Vendor Selection & Authorization	3- 2
	V-2 Identification of High Risk Vendors	3- 13
	V-3 Vendor Education and Training	3- 16
	V-4 Vendor Compliance	3- 17
	V-5 Vendor Monitoring Visits	3- 39
	V-6 Participant or L.A. Complaints Re. Vendors	3- 42
	V-7 Vendor Reports on Participants Choosing Non-WIC Foods	3- 43
	V-8 Vendor Minimum Inventory Requirements	3- 45
	V-9 Monthly Summary Vendor Status (WIC-29)	3- 46

TABLE OF CONTENTS (CONT'D)

Page

V-10	Excessive Price Standards	3- 47
V-11	Vendor Payment Process	3- 49
V-12	Change of Vendor Ownership	3- 52

4. SUPPLEMENTAL FOODS

B-1	Selection of WIC Allowed Foods	4- 2
B-2	WIC Allowed Food List	4- 4

5. OUTREACH AND COORDINATION (See State Plan Sec. V., Procedures Sec. 500)

6. FINANCIAL MANAGEMENT

Description of Financial Management System	6-2
Audits	6-10
State of R.I. Support Services & WIC Program	6-13
Program Administration	6-15
State Staffing Resources	6-17

Forms

Cost Monitoring:

SF-1	Average Check Price Monitoring	6-19
SF-2	Monthly Computer Check Reconciliation Report	6-20
SF-3	Method for Estimating Weekly Food Expenditures	6-22
SF-4	Method for Projection of Fiscal Year Food Expenditures	6-23
SF-5	Check Reconciliation Statement - Monthly Report	6-25
SF-6	Manual Check Register - Cycle Report	6-26
SF-7	Annual Closeout Report ((FNS 277)	6-27
SF-7A	Monthly Financial & Program Status Report (FNS-498)	6-28

Caseload Monitoring:

SF-8	Charting - Caseload Monitoring	6-29
SF-9	Monitoring of Number of Admissions to Program	6-30
SF-10	Completion of FNS-187 Monthly Participating Report	6-31

	<u>Page</u>
SF-11 Purchase Document Flow	6-32
SF-12 Annual Participation Report	6-33
<u>Expenditures:</u>	
SF-13 Allocation of State Office Salaries and Fringe Benefits	6-34
SF-14 Non-procurement of Goods and Services from Entities Debarred or Suspended	6-35
SF-15 Capital Equipment Acquisition and Inventory Control	6-36
7. MONITORING	
M-1 Local Agency Monitoring	7-2
M-2 Participant Interviews	7-10
M-3 Monitoring Segregation of duties	7-12
8. CIVIL RIGHTS AND APPEAL PROCEDURES	
Civil Rights Compliance	8-1
Appeal Procedures:	
A-1 Fair Hearing Procedure	8-10
A-2 Admin. Appeal of State Agency Decisions	8-25
9. PUBLIC HEARING PROCEDURES	9-1

ME-7

Rhode Island WIC Management Evaluation
Agency Coordinator Interview

Date: _____
WIC Site: _____
Reviewer: _____

Question	Response	OK	Comments	Follow up Needed
Has the LA WIC program received any complaints of Civil Rights Violations since the last review?				
Was the complaint forwarded to the USDA, FNS, or State Equal Opportunity Office?				
How do you deal with complaints?				
Discuss the fair hearing process.				
What are your procedures when dealing with warnings/sanctions?	Counseling session, documentation, filed			
What in-service training was provided to your WIC staff this year? Civil Rights Training?				
How is new WIC staff trained?				

WIC Site: _____

Question	Response	OK	Comments	Follow Up Needed
Do you feel adequately trained and knowledgeable about RI WIC policies and procedures?				
What determines competence for practice of new WIC staff?				
How much time is scheduled for each certification appointment?				
What is the clinic's policy for seeing walk-ins, late appointments, or early arrivals? Is the policy posted?				
When are participants referred to other WIC sites for service?				
Does a participant have to be physically present for WIC certification/recertification?	Yes or waiver code			
What are your procedures for adjunctively eligible participants?	Medicaid, Katie Becket, Food Stamps			
Are your hours accommodating to working schedules? How?				

WIC Site: _____

Question	Response	OK	Comments	Follow Up Needed
What was the last quarterly NS rate?				
Are translators available for non-English speaking participants?				
How does your WIC agency coordinate with Health Care Providers in sharing anthropometric, blood work, immunization, and lead screening data?				
When is the Health Care Provider Medical Information Sheet given to WIC participants?				
How long is height and weight data valid for certification?				
How often is blood work required for participants?				
How often are proxy forms updated?				

WIC Site: _____

Question	Response	OK	Comments	Follow Up Needed
How are participants who violate WIC regulations handled? How documented?				
Who is in charge of ordering, receiving, and inventory of check stock?				
What happens when checks are reported lost/stolen?				
Where are WIC checks opened/unopened stored?	Secure location			
What are your check proration procedures?	Late pick-up, abuse/fraud, override with special formulas or agency error. Coordinator/Nutritionist approve overrides only.			
What are your check inventory procedures?	Frequency: Staff Responsible:			
What are the procedures for transfer participants in and out of your clinic? (WIC 118)	Sign confidentiality statement, complete proxy form. If transferring out, call new WIC agency to help set up appointment.			

WIC Site: _____

Question	Response	OK	Comments	Follow Up Needed
Does the WIC agency staff reflect the population you are serving?				
Do in-house developed materials have a non-discrimination clause?				
Are there any policies/practices that limit, deny, or result in unequal treatment in participation or employment because of a handicap?				
How does staff handle participants who are hearing/vision impaired?				
How often has QA been performed? How are results utilized? (Obtain copies)				

I attest that the responses from this interview are accurate and true to the best of my knowledge.

Coordinator Signature _____ Date _____

State Staff _____ Date _____