

**SECTION III**

**Food Delivery System**

Refer to WIC Procedure Manual Section 300  
WIC Operations Manual Section 3

## Goals 2002 Section III Food Delivery System

**Goal: To operate a Food Delivery system which fosters Program efficiency and effectiveness, especially in maintaining enrollment records, issuing benefits, paying vendors, reconciling food instruments, maintaining accountability and controls, providing management information for the administration of the program, and vendor management.**

### *Food Delivery System Contracts*

#### **Objective 1: Continue efficient and effective banking services.**

Evaluation: Financial Management Services Corp (FSMC) was awarded the recent banking services contract and the release of a competitive RFP.

Plan: Evaluate changes in banking needs related to the upcoming PARTNER's EDS project.

### *Automated Data Processing*

#### **Objective 2: Continue to evaluate and enhance MIS as a management tool.**

Evaluation: MIS software development contract was awarded to PDA, Inc. Software modules under development include fiscal management, vendor management and caseload management.

Plan: Continue in development process. Implementation, testing, and rolling out the new software will continue through 2002. Present to USDA and NERO the 5 year strategic MIS plan which will focus on replacement of the local clinic software and hardware.

### Conversion and Upgrade of Entire System Needed

#### Problem

Installed in 1991 -1992, the central software were obsolete versions no longer supported by the maker. Nightly communication of check and participant data are sometimes incomplete, requiring later reconstruction. System functionalities for vendor and fiscal management assurance of program integrity and assessment of participant data are rudimentary and labor intensive and many functions now deemed essential are lacking.

#### **Objective 1: Complete the System Conversion and Replacement Plan**

Plan: Continue work with PDA Software, Inc. in the development and implementation of vendor, fiscal, and caseload management software modules.

### *Management Tools - Financial Reporting*

## **Goals 2002 Section III Food Delivery System**

### **Objective 1: Define and implement enhanced management tools related to financial reporting.**

Evaluation: Financial reports and other analytical tools continue to be difficult to generate in a non-integrated MIS.

Plan: Continue work with PDA Inc. on the development and implementation of new vendor, fiscal and ad hoc reporting modules to streamline, improve and support program integrity, efficiency and effectiveness.

### ***Local Agency Clinic Data Processing***

### **Objective 1: Optimize the use of the QWIC MIS with clinic operations.**

Evaluation: Local agency staff turnover requires constant and continued technical assistance related to efficient patient flow, and maximum productivity of staff .

Plan: Continue to utilize the Patient Flow Analysis Study to help support efficient and effective patient services at agencies. Monitor efficiencies and provide technical assistance during routine and management evaluation site visits. Monitor the appointment times.

### **Objective 2: Strengthen MIS capabilities in tracking non-participation, and redemption rates for local agencies.**

Evaluation: No reports currently track no-show, void and nonredemption rates by site.

Plan: Work with PDA Inc. to develop summary tracking reports, general and specific, for each clinic and statewide. Continue working with clinics to develop tools they can use for reminding participants( if necessary), such as mailing labels, calling lists, etc. Monitor change in rates. Work with agencies as needed to develop alternative strategies.

### **Objective 3: Limit access to check printing to a limited number of staff, and limit the check printing capabilities of certifying staff whenever possible.**

Evaluation: Check issuance assessments done completed as part of the management evaluation process. For FY '01, two of seven WIC agencies were cited for failure to maintain segregation of duty (SOD). Additional site visit reviews were conducted to monitor segregation of duties.

Plan: Continue review of checks for issuing personnel; security of check stock; corrective action as needed. Provide technical assistance re: SOD implementation.

### ***Operation of the Retail Vendor Management System***

## **Goals 2002 Section III Food Delivery System**

**Goal: That all authorized participating WIC vendors will be a benefit to the efficient and effective administration of the Program, in particular with regard to their charges for WIC purchases, provision of authorized foods, service to participants, and cooperation with the goals of the Program and its vendor monitoring procedures.**

### ***Vendor Selection and Authorization***

**Objective 1: Maintain the current number of authorized WIC vendors (XXX grocers and XX pharmacies).**

Evaluation: Actual vendors as of 9/30/01 were 200 grocers and 29 pharmacies.

Plan: Continue applying clear and specific selection criteria to ensure the lowest cost/most accessible vendors are enrolled, unless the need for special authorization warrants a enrollment above the maximum.

### ***Implementation of Federal Proposed Rule – Food Delivery Systems***

**Objective 1: Prepare for Implementation of the new food delivery rule revised Section 246.4(a) of the Federal WIC Regulations.**

Evaluation: The original implementation date of the Food Delivery Systems Rule was set for February 27, 2002. The new implementation date is set for October 1, 2002.

Plan: Most new provisions of the federal rule have already been incorporated into the State Plan, vendor agreement and vendor policies and procedures. Revisions are being made to the vendor policies and procedures document for FFY2002 to ensure that necessary revisions based on the rule are included.

### ***Vendor Management***

**Objective 1: Implement an automated procedure to flag and track high risk and potentially high risk WIC vendors.**

Evaluation: Existing systems of analysis may not detect all patterns of potential abuse.

Plan: A Rhode Island specific Vendor Risk Management System based on current RI risk criteria and additional criteria (based on other states' successful strategies) has been developed for implementation in FFY2002. A module in the comprehensive vendor system upgrade will identify and track high risk or potentially high risk Vendors.

### ***Vendor Education and Training***

**Objective 1: Promptly train new vendors, and provide refresher training as needed to existing vendors.**

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**Evaluation:** In February, 2001, statewide vendor training sessions were conducted in conjunction with the launch of new WIC-approved foods. All active vendors were required to attend one of six sessions offered at these special training sessions. A review of training and visit records also shows 27 vendors received at least one on-site training/monitoring visit. A total 24 new vendor applicants attended formal training with post training tests at HEALTH

**Plan:** Continue training sessions at Health for applicant and existing vendors. Increase the number of one-on-one on-site training/monitoring visits and investigate alternative training methods.

### ***Excessive Price Limits***

**Objective 1: Utilize the new vendor MIS module to identify potential overcharges among stores.**

**Evaluation:** The current method by which potential high priced vendors are identified is labor intensive and requires significant resources. Automatic tracking capability will be included in the new MIS system to be delivered in FFY2002.

**Plan:** The MIS system for vendors includes a number of tools to determine excessive pricing and price fixing. A peer group analysis is one of the key components of the process and will allow more specific analysis of price data. Additionally, the system will be capable of automatic generation of invoice letters in order to recover identified overcharges.

**Objective 2: Enhance use of a maximum price pre-edit by check type to deny payments, thus increasing vendor collections.**

**Evaluation:** Check prices by FI type and vendor peer group were monitored to determine the reasonable maximum price/check rejection cutoff. Rejected checks were returned to vendor. Vendor must justify price and HEALTH determined allowable reimbursement.

**Plan:** Enhancements to the MIS Vendor Management Module will allow for price analysis to be performed by check type within vendor peer group in order to adjust maximum check value within peer groups. (Operations Policy V-10 and V-11).

### ***Store Monitoring***

**Objective 1: Conduct a minimum of twelve investigations, at least two of which should be on non-high risk vendors.**

**Evaluation:** Two 20 hr./week contract employees were added to perform compliance visits in FFY2001. Additional contract employees will be engaged in FFY2002 in order to carry out these activities.

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Plan: Utilize new vendor analysis reports to flag potential vendors for compliance investigation.

### **Objective 2: Increase staff time for vendor compliance investigation management**

Evaluation: Vendor compliance investigators need training and assistance related to effective investigation and collection of critical evidence.

Plan: Prepare a training and investigation procedures manual for new investigators.

### **Objective 3: Maintain routine monitoring at 30 percent of vendors.**

Evaluation: A total of 118 on-site visits were performed in FFY2001

Plan: Continue routine visits and test new technology as part of the vendor monitoring activity.

## ***Federal/State Information Sharing***

### **Objective 1: Coordinate with Northeast Regional Office (NERO) and Food Stamp Program (FSP) to improve notification of administrative/disqualification actions for WIC and food stamp authorized vendors.**

Evaluation:

Plan: Utilize electronic mail notifications and use of federal STARS computer system to track federal actions relating to Rhode Island vendors.

## ***Community Relations***

### **Objective 1: Maintain a positive dialogue with the retail vendor community through the WIC & RI Food Dealers' Association Vendor Task Force.**

Evaluation: The RIFDA has provided valuable feedback and communication on issues related to Program rules and regulations and special initiatives by WIC involving the vendor community.

Plan: Continue quarterly meetings with the R.I. Food Dealers' Association and establish agenda for discussion. Keep informed of areas of mutual interest and concern.

### **Objective 2: Maintain periodic communication with Newport County vendors selected for participation in the PARTNERS EBT Pilot Project.**

Evaluation: Vendors in the Newport County area have been visited and contacted regarding information updates on the pilot project and its timeline.

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Plan: Visit each store in FFY2002 to provide educational training and updates for the manager and/or staff relating to implementation of the EBT Pilot Project.