

# Implementing WIC EBT

Meeting Federal Mandates and Improving WIC Programs





The changes imposed by the Healthy, Hunger-Free Kids Act of 2010 and the upcoming 2020 mandate are daunting but necessary.

The Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) is a vital federal program that provides nutritional food prescription benefits, nutrition education, and other services to women, infants, and children under 5 years of age. WIC is federally funded by the USDA and administered by 90 WIC agencies in all U.S. states and territories as well as Indian Tribal Organizations, with services provided at a variety of clinic locations including county health departments, WIC clinics, community centers, hospitals and schools.

WIC also gives participants access to a number of resources, including health screening, nutrition and breastfeeding counseling, immunization screening and referral, substance abuse referral, and more.

Unfortunately, administrative complexities can get in the way of a WIC program's mission. While all states now use Electronic Benefits Transfer (EBT) to disburse several types of government benefits, many WIC programs still require participants to appear in person at an office to collect paper checks or vouchers commonly referred to as food instruments. While participants must visit the clinic regularly for health checkups and other services, any newly identified allergies or other changes to the prescribed food package requires an additional visit to the clinic for an at-risk population that very often has transportation challenges.

Furthermore, some states issue separate checks for each recipient and each time period, so a head of household might leave an office with a dozen or more checks. The benefits are based on a nutrition prescription developed by a licensed WIC nutritionist or dietician aimed to mitigate health risk factors like low maternal weight gain or hypoglycemia and bolster dietary needs. Checks are also issued for specific items in specific quantities and any benefits not redeemed in a single transaction are lost.

These WIC transactions are often stigmatizing for program participants because WIC and non-WIC items must be separated in the checkout line and the cashier must manually write each item and its price on the food instrument. This is time-consuming and inconvenient for both the cashier and the participant, but especially upsetting for a young mother as the checkout line grows behind her with impatient customers.

For example, under the current system in some states, a woman must first go to a WIC agency or clinic to pick up her WIC paper check(s). Then she goes to a WIC approved retailer where she calculates the approved items and quantities that match-up to the checks she's been given. At checkout she has to separate her WIC-qualified items like milk, eggs and bread from the rest of her purchase, requiring two separate transactions. If the woman's WIC transaction totals less than her full benefit amount, she loses the rest of her benefits for the month. To avoid lost benefits, the mother must buy for the entire month in one shopping trip and somehow keep perishable items like milk and fresh fruits and vegetables from spoiling over the course of the month.

But changes to this process are underway. A federal mandate issued in 2010 requires all WIC programs must be fully EBT operational by 2020. This may be the largest system implementation tackled by WIC agencies in recent memory requiring not only the integration of an EBT solution, but very often a replacement of the eligibility system as well. In this paper we will explore the mandate and the benefits it brings to programs and WIC participants. We will also address EBT implementation challenges and discuss tips for agencies, including minimizing implementation costs and selecting the right system.

## Big Changes For WIC Programs

The changes imposed by the Healthy, Hunger-Free Kids Act of 2010 and the upcoming 2020 mandate are daunting but necessary. Many of the nation's 90 WIC agencies are currently implementing or EBT operational, but there is much work to be done including improving existing operations to meet both changing needs and needs that could not be identified until EBT became operational. However, amidst all the challenges, the Healthy, Hunger-Free Kids Act will bring a host of positive changes to WIC EBT programs including:

- Dramatically increased convenience for participants. All the benefits of electronic payment cards apply – increased security, theft/loss protection, speed of benefits delivery, etc. A single household account with one or more associated cards can be used for multiple participants in a family and provides the ability to spread redemptions throughout the month versus needing to redeem the entire prescription in a single transaction.
- Big benefits behind the scenes for states. Benefits for the state include streamlined program administration enabling faster settlement, accurate reporting, approved product compliance, effective cost containment, and more efficient special infant formula ordering and distribution.
- Streamlined operations for retailers. WIC EBT means automatic tracking and processing of these transactions instead of the manual, error-prone, time-consuming process of handling paper at participating grocery stores. This results in more accurate redemptions and faster settlement.
- Reduced administrative costs. While cost reduction is not necessarily the primary goal of this modernization, many states with electronic WIC solutions have seen an overall reduction in cost due to program efficiencies and reduced program fraud.

In 2008, Conduent and the Michigan WIC program worked together to implement the nation's first online WIC EBT project which serves as a national model for other state WIC programs. Its 260,000 participants are using the WIC EBT card to access and redeem benefits just as they would with any other type of electronic tender, increasing convenience and more importantly eliminating the stigma commonly associated with using paper food instruments at checkout.

The authorized WIC vendors are also paid faster and the amount of clerk training required is significantly reduced. Because the system automatically validates approved items, errors are caught at the checkout lane instead of weeks later in an audit when a food instrument is rejected by the state and must be revised by the retailer before resubmitting.

In addition to WIC, Michigan has since expanded the original program to include a summer food program which enables school age children to receive supplemental nutrition via a WIC EBT card during the summer when school is out and they are not receiving meals at school. These successes and innovations have been included and expanded with new state implementations and has generated new ideas and features such as farmer's market enablement, configurable solutions, and data warehouse with business intelligence tools to measure program success, create ad hoc reports, and combat fraud.

## Implementing WIC EBT

Among the abundant benefits to WIC EBT, there are also several challenges WIC agencies must overcome to meet mandate guidelines by the 2020 deadline. For starters, the basic online WIC solution is fairly standard but many states have specific issues they are trying to address with their WIC EBT implementation. These issues may relate to any number of nuances, including:

- How they currently issue benefits
- How their WIC organization is structured
- Limitations of their management information system (MIS)
- The nature of the state's geography
- Regional nutritional differences

Funding for implementation is another challenge. In most cases, upfront implementation costs for WIC EBT programs are funded by the Food and Nutrition Service (FNS) technology grant, but some states are finding the funding insufficient. In order to pay for an adequate solution for their program, some states are restructuring their funding proposals so that all implementation costs fall under the "cost per case month" (CPCM). The CPCM falls under another Nutrition Services and Administration (NSA) grant that covers all staffing, food costs, and other administration expenses. In doing this, however, states end up increasing the financial strain on their NSA grant through a higher CPCM.

To reduce the impact to the CPCM while still procuring a solution that meets the specific needs of their program, WIC agencies can implement the Conduent Connect Processing Solution for WIC. Because this is a full feature and highly configurable core solution with an established codebase, upfront development costs are less, and configurable functionality components allow the solution to be tailored to each state's individual needs. This allows an agency with limited funds for implementation to procure a complete and full featured WIC EBT solution at a lower cost.

Additional benefits of a core WIC EBT solution include:

- EBT conveniences: Full EBT functionality including a direct circuit from a state's data center to Conduent data centers. This configuration significantly improves the stability of the connection ensuring the WIC Connect system is available when needed and provides a higher level of security ensuring data is never exposed to the open web.
- Customization: Such a configurable solution provides agencies with the flexibility to choose the functionality that meets their needs since most functionality can simply be enabled or disabled. This includes mail-order infant formula, multiple approved product lists, data warehouse with analytic tools, and many other features.
- Fast implementation: A core solution can be implemented in as little as nine to 12 months.
- FNS approved: Standard FNS approved interfaces and functionality.
- Streamlines work with vendors: Vendor integration, certification, and enablement including training materials.
- Cost sharing: A core codebase in a configurable solution means that any enhancement implemented by another WIC agency is available to all other agencies through a simply configuration change. This makes for a much more effective user group in a true cost sharing environment.
- Controlled pilot testing: Separate user acceptance testing (UAT) and third party processor (TPP) environments with support for retail certification in parallel with state testing. This allows retail testing and certification to be performed against the WIC environment without impacting or interfering with testing between the MIS and EBT environments.
- Top notch support: All required deliverables, training, and support from a fully staffed and highly experienced project team including account manager, implementation manager, quality assurance manager, test manager, system architect, development lead, and customer engineer.

## Starting With the RFP

Another way to minimize costs for state specific needs is to structure the RFP/ requirements in a way that allows vendors flexibility in how they meet the specific requirement. In other words, describe 'what' is needed and allow the vendor to propose 'how' to meet the need. This allows the EBT processor to propose innovations and efficiencies the WIC agency may not be aware are possible. Simply adding technology to an existing process often leads to inefficiency re-engineering the process with technology can not only improve efficiency, but also the effectiveness of the activity.

For example, Oklahoma WIC uses a new award-winning mail-order formula solution to efficiently handle the issuance and redemption of special or medical infant formula. Previously, even in an EBT solution, special formula orders were manually placed by phone and vendors were paid using the ACH Payment Request function. This process is cumbersome and because the ACH Payment Request is not a redemption, it results in incomplete redemption data in the system. However, by allowing flexibility in the solution approach, Conduent was able to work with Oklahoma WIC staff to design and implement an innovative solution that automates what was a manual process and provides Oklahoma effective tools for managing special formula issuance, redemption, and shipping.

The WIC Connect solution accommodates the special formula order complexities and automatically records transaction data. Oklahoma WIC now fulfills mail-order formula needs easier, faster, with quicker settlement, accurate reporting, and efficient ordering and distribution. They are a leader and innovator with other programs aiming to replicate their success through similar implementations. Had they been more restrictive in their requirements, the ability to develop such an innovative solution would not have been possible.

Key "dos and don'ts" to keep in mind when structuring an RFP

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Do:

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Include all the "must haves" in the RFP. The cost is lower to implement functionality at the beginning than it is to add it later on.

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Spend time defining the specific reports that are needed in EBT, especially those related to FNS reporting.

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For innovations, non-standard tools or optional functionality, include a section for both specific optional offerings and any optional offerings the EBT processor would like to describe. Pricing for these optional items can be done separately so they don't impact the overall cost and can be selected à la carte, so you only pay for those that are implemented.

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Be aware of other RFPs released in the same time period. Responding to multiple RFPs requires significantly more resources and could result in a vendor having to pass on an RFP due to lack of resources and time.

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The changes WIC EBT brings will improve an entire program for WIC agencies, clinics, vendors and participants.

Key “dos and don’ts” to keep in mind when structuring an RFP, continued

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Don’t:

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Repeat the same requirements in multiple areas.

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Request functionality that may not be needed. Attempting to replicate a paper process in an electronic environment results in inefficiencies.

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Include requirements in your RFP simply because they were included in a RFP you’re using as a guide. Adding functionality that isn’t needed will drive up costs.

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Rush the process. Be sure to provide enough time to receive a quality response and the opportunity for vendors to put their best response together.

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It’s also best to include some pricing guidance in the RFP so a pricing structure can be determined that fits funding needs. For example, if a state has federal funding for system implementation the RFP should clarify that all implementation costs should be included in the upfront fees and only the cost of ongoing operations should be included in the CPCM. Since the CPCM comes out of the state NSA grant, it is better in the long run to use as much federal implementation funding as possible up front so agencies can achieve the lowest CPCM pricing ongoing. This can also be effective by scoring your implementation and CPCM pricing separately with different scoring weights.

### WIC EBT in Action

The changes WIC EBT brings will improve an entire program for WIC agencies, clinics, vendors and participants. Just like the WIC programs mentioned earlier, these benefits are already being realized in several programs across the country.

Another example includes the Virginia WIC program – one of the largest programs in the country serving 145,000 participants each month. The agency saw the federal mandate as an opportunity to transform its issuance and redemption process. Since EBT also often requires updates to the program MIS, the VA WIC program implemented a new state agency model (SAM) system and started issuing WIC benefits via EBT at the same time.

By moving to an online system, VA WIC participants automatically receive benefit updates and changes electronically. Participants can also spread out redemptions throughout the month instead of having to redeem the entire check at one time. The online system increases conveniences for the state too, enabling faster settlement, accurate reporting, approved product compliance, effective cost containment, and more efficient special infant formula ordering and distribution. This was also the first simultaneous MIS and EBT statewide rollout and was completed over the course of three months rather than the originally scheduled six months.

Vermont's WIC program is also realizing WIC EBT benefits when processing its more than nine million food redemptions annually. Previously, VT WIC participants received benefits twice a month from contracted home delivery vendors, and used a WIC-branded SNAP EBT card to access their WIC cash value benefits for fruits and vegetables. With the transition to an online solution, training and education was conducted so participants and retailers – who weren't previously involved in WIC and EBT programs – could learn how to use the new system.

The Vermont WIC program also simultaneously implemented the Mountain Plains SAM MIS and started issuing WIC benefits via EBT. By moving from a home delivery process to an online system, participants receive benefits electronically; a very simple, cost-effective and seamless process. Participants also have consistent and flexible access to their benefits and the freedom to choose which WIC approved items they want for their family.

## Improve WIC Programs

Transitioning to WIC EBT does more than digitize inefficient processes; it's an opportunity to improve the entire process from start to finish. The 2020 mandate comes with some challenges but states that have already implemented WIC EBT, especially online solutions, have seen dramatic improvements.

States can obtain a cost effective, full feature solution to improve WIC programs that can be implemented in as few as nine months by simply:

- Reviewing the core solution offerings available requesting information and demonstrations from the vendors.
- Tracking those offerings back to their agency's specific requirements and noting any gaps that are present.
- Creating an RFP based on their core solution needs, filling in any gaps with requirements for specific functionality.

By finding a partner to review the details of a core solution and identify where needs differ and which configurable functionality is right for a program, the process is more manageable. Conduent has produced a true innovation with WIC Connect with a highly configurable solution with expansive functionality at a value cost.

Our expertise helps agencies implement the right solution at the right price to improve a WIC program for agencies, clinics, vendors and participants. We would love the opportunity to provide additional information or an in person demonstration. If you are interested in learning more or scheduling a demonstration, simply send an email to [WIC@conduent.com](mailto:WIC@conduent.com).

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