



# Iowa WIC Vendor Newsletter



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## WIC History

In 1968, a group of physicians described to the Department of Health, Education and Welfare and the USDA that young women, often pregnant, came to their clinics with various ailments that were caused by a lack of food. The doctors would prescribe needed foods, with the prescription acting as a sort of food voucher. WIC's program beginnings surface in 1969, when the White House Conference on Food, Nutrition, and Health recommended that special attention be given to the nutritional needs of low-income pregnant women and preschool children.

WIC was formally created by an amendment to section 17 of the Child Nutrition Act of 1966 on September 26, 1972. The legislation established the Special Supplemental Food Program for Women, Infants, and Children (WIC) as a 2-year pilot program. Eligibility was limited to children up to age 4 and excluded non-breastfeeding postpartum women. By the end of 1974, WIC was operating in 45 states. On October 7, 1975, WIC was established as a permanent program. Eligibility was extended to non-breastfeeding women (up to 6 months postpartum) and children up to 5 years of age. However, all participants must be deemed to be at nutrition risk and with inadequate income. In 1978, P.L. 95-627 defined nutrition risk and established income eligibility standards that were linked to the income standards associated with reduced price school meals. Another income standard change took place in 1989, when P.L. 101-147 established similar income eligibility for Food Stamp, Medicaid, and AFDC participation, thus lowering the WIC income standard and simplifying the application process. WIC began to promote and support breastfeeding women in the late 1980s. In 1999, the WIC program standardized nutrition risk criteria for program eligibility and began assigning individual nutrition risk priority levels.

## Participant Eligibility

Applicants to the WIC program must meet eligibility requirements in four areas: (1) categorical, (2) residential, (3) income, and (4) nutrition risk.

### 1. Categorical

The categorical requirement simply means that participants must fall into three major categories:

#### a. Women:

- Pregnant (during their pregnancy and up to six weeks after birth or at the end of the pregnancy)
- Postpartum (up to six months after giving birth or end of pregnancy)
- Breastfeeding (while they are breastfeeding up to their infant's first birthday)

#### b. Infants up to their first birthday

#### c. Children up to their fifth birthday

### 2. Residential

Must be a resident of the state to which they are applying for assistance.

### 3. Income

To be eligible on the basis of income, applicants' gross income (i.e. before taxes are withheld) must fall at or below 185 percent of the U.S. Poverty Income Guidelines. State income requirements may be between 100 percent and 185 percent of Federal poverty guidelines, though most states use the maximum guideline. This is approximately \$43k annually for a family of four in the 48 contiguous states in 2013.

### 4. Nutrition risk

Must have a nutritional risk assessment by a qualified health professional (physician, nurse, or nutritionist). The Nutritional evaluation is based on height, weight, and growth assessment; hematocrit or hemoglobin levels; general health history; and a diet assessment.

## **WIC Electronic Benefit Transfer (eWIC)**

The Department is mandated to transition WIC from a paper check based system to an Electronic Benefit Transfer (EBT) system by the year 2020. The retail community is a vital part of the format selection process. The Department requires the vendor to collaborate on WIC EBT initiatives and keep an open line of communication with the Department. To ensure communication, the Department must collect and maintain accurate vendor contact information including the following:

- Telephone numbers
- Fax numbers
- E-mail addresses

When the Department moves forward with EBT implementation, the changes required for EBT processing will necessitate a contract amendment.

## **Sanctions for Program Violations**

### **Overview**

There are five types of sanctions that may be applied to vendors for violations of program regulations. These sanctions are:

- Nonpayment of food instruments
- Issuance of violation points
- Temporary disqualifications (One year, Three years, Six years)
- Permanent disqualification
- Civil money penalties

State agency sanctions are based on a pattern of violative incidences. Violation points will be issued after two of the same violations.

Vendors who are disqualified from participation in, or have a civil monetary penalty imposed by the Food Assistance (Supplemental Nutrition Assistance Program - SNAP) shall be automatically suspended from the WIC Program.

### **Nonpayment of food instruments**

As a result of prepayment reviews conducted by the bank, improperly completed food instruments are refused payment and returned to the vendor. Food instruments are screened at the prepayment stage for: (1) Missing authorized vendor stamp, (2) Missing purchase price, (3) Whether the FI was redeemed or transacted before or after the specified time period, (4) An altered purchase price, (5) Missing signature, and (6) Price exceeding the maximum value allowed for a specific type of food instrument.

### **Issuance of violation points**

Administrative and procedural violations of the WIC Vendor Agreement are not usually representative of intentional efforts to abuse or defraud the program or its participants. However, these violations are an indication of a vendor's inattention to or disregard of the requirements of the WIC Vendor Agreement. It is in the Department's interest to record these violations and take them into account when considering whether to continue its contractual relationship with the vendor. Any vendor who has been assessed more than 60 violation points during a contract period may not be offered a new contract.

### **Notice of violation**

State agencies must notify WIC-authorized retail vendors of an initial violation in writing, for violations requiring a pattern of occurrences in order to impose a sanction, before documenting a subsequent violation, unless notification would compromise an investigation.

**Violation Points**

The assignment of violation points does not limit the Department’s right to impose more severe penalties and sanctions in cases in which there is evidence of an intentional or systematic practice of abusing or defrauding the Iowa WIC Program. The following table lists the vendor violations and the points assigned for each event.

Accepting food instrument(s) outside the valid dates of use.	5
Depositing food instrument(s) more than 15 days after purchase date.	5
<b>Accepting food instrument(s) with no printed valid dates of use.</b>	<b>5</b>
Refusal to accept valid WIC food instruments from participants.	10
Discriminatory treatment of WIC participants, such as requiring WIC participants to use special checkout lanes or provide extra identification.	10
Providing to WIC participants incentive items not prior authorized by the department.	10
Failure to carry out corrective action plan developed as a result of monitoring visit.	10
Failure to reimburse department for potentially overpaid food instrument or provide reasonable explanation for the cost of the food instrument.	5
Accepting the return of food purchased with WIC food instruments for cash or credit toward other purchases.	10
Failure to use the WIC vendor stamp issued by the Iowa WIC program.	5
Issuing “rain checks” or credit in exchange for WIC food instruments.	10
Stocking out-of-date, stale, or moldy WIC foods.	10
Failure to submit vendor price assessment reports as requested.	10
For vendors that have special WIC prices, failure to post WIC prices on the shelf or on the package.	15
Cashing food instrument(s) without amount, date of purchase, or participant signature.	15
Contacting WIC participants in an attempt to recover funds not paid by WIC.	15
Providing false information on the price assessment report.	15
Failure to train all employees and ensure their knowledge regarding WIC program procedures set forth in the vendor’s current agreement and in the current publication of the Iowa WIC program’s vendor instruction booklet.	10
Requiring WIC participants to purchase a particular brand when other WIC approved brands are available.	10
Not allowing WIC participants to use discount coupons or promotional special to reduce the WIC food instrument amount.	10
Requiring other cash purchases to redeem WIC food instruments.	15
Failure to allow purchase of up to the full amount of WIC foods authorized on the food instrument if such foods are available and desired by the WIC participant.	20
Failure to obtain infant and/or special needs formula from an approved source listed by the State WIC program.	15
Offering incentive items with a value more than \$1.99.	15
Developing and using promotional materials, including stickers, tags, labels, or channel strips with the WIC service mark to identify WIC approved foods.	5
Developing and using store created WIC vendor identification decals to indicate store is an authorized vendor.	5

**Disqualification:**

A vendor will be disqualified for one year if the vendor has an accumulation of 45 or more violation points within a single federal fiscal year or 60 violation points within the previous agreement period.

