



State of Alaska WIC Program Business Process Review Report February 7, 2006 (Final)

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Document Organization

The State of Alaska BPR Report is organized as follows:

- **Executive Summary.** The Executive Summary provides a high-level summary of the contents of the BPR Report.
- **Introduction.** The Introduction provides a description of the methodology, resources, and evaluation approach used in the development of this deliverable, as well as the organization of the document.
- **Alaska Business Environment.** This section provides an overview of the current organizational environment for Alaska WIC. Additionally, the section contains a summary of findings from the Local Agency Online Survey. The complete survey results are located in *Appendix A*.
- **Goals, Findings, and Recommendations.** This section presents the Alaska WIC goals; a summary of the current process environment for clinic operations, vendor management, food benefit issuance, redemption, and reconciliation, and reporting; and a summary of findings and recommendations related to the identified goals.
- **Technical Analysis for a New WIC IS.** This section maps the State's requirements for a WIC IS that need to be addressed within a new system.

1 EXECUTIVE SUMMARY

The Alaska Department of Health and Social Services (DHSS) State Office of the Women, Infants, and Children (WIC) Program contracted with MAXIMUS, Inc. to support the procurement and implementation of new WIC Information System (IS). The first step in this process was to examine specific WIC business processes within the State to help determine the goals and objectives of the new WIC IS, and to begin to consider requirements that need to be supported within the new WIC IS. The Business Process Review (BPR) examined the following focus areas:

- Clinic Operations
- Vendor Management
- Food Instrument Issuance, Redemption, and Reconciliation
- WIC Reporting

This document, which presents the Business Process Review, lays the groundwork for the preparation of the federal documents related to the Implementation Advanced Planning Document (IAPD) and Request for Proposals (RFP) for Design, Development, and Implementation of a Replacement WIC Information System.

MAXIMUS collected information related to the current environment and processes being used through interviews, site visits, and documentation review, using the Input, Processes, and Output (IPO) approach. The IPO mapping process allowed MAXIMUS to document the Alaska business processes against the USDA FNS Functional Requirements Document for a Model WIC Information System (FRED), which provides federal guidance on the design of WIC IS. In order to capture the unique attributes of the Alaska WIC Program through the data collection process, MAXIMUS developed interview guides with the assistance of the Alaska WIC Steering Committee. Interviews were conducted with State and local agency (LA) staff in Juneau, Bethel, and Anchorage to collect data.

*MAXIMUS
worked
collaboratively
with the Alaska
WIC Team to
design the
project to meet
the unique needs
of the State.*

Vision and Goals for the WIC Information System Project

Using information captured during site visits and interviews, the MAXIMUS team learned about the current, “as is” Alaska WIC environment, the business drivers that impact the current operations, and the State’s goals and vision for moving forward. MAXIMUS worked with the State to develop a vision statement that reflects the overall focus of the project:

Improving family nutrition and well being through partnerships and technology.

This vision stresses the importance of building relationships to achieve success and the opportunity to use technology solutions to ensure the focus WIC operations is on serving participants. The vision is reflected in the goals that have been identified for the four key focus areas.

Clinic Operations Goals

- To reduce time spent on data collection so that increased time is spent providing direct nutrition education services.
- To automate WIC Value Enhanced Nutrition Assessment (VENA), certification and food instrument issuance documentation to support a paperless process including but not limited to care notes, risk factors, and growth charts to maintain WIC Program integrity.
- To design, adapt, or adopt applicable and efficient technology to enhance and provide statewide WIC quality nutrition services and operations that includes using laptops and travel printers for WIC VENA, certification, and food instrument issuance.
- To design, adapt or adopt an information system that supports web based interactive participant centered nutrition education modules.
- To design, adapt or adopt an information system that projects accurate caseload by zip code, ethnicity, and/or census tracking to accurately compare Alaska communities' demographics data to WIC participants' demographics in clinic operations.
- To increase accountability and accuracy of clinic level data entry to obtain reliable reports.

Vendor Management Goals

- To automate the support functions and information collection for vendor management activities, such as routine monitoring, training, price surveys, vendor communication, compliance investigations, peer grouping, and vendor disqualifications.
- To improve the quality of service and foods provided by vendors to WIC participants through enhanced monitoring.
- To enhance the State WIC agency's ability to provide required training and oversight of vendors, as well as local agencies responsible for vendor management functions.
- To facilitate comprehensive data collection and to enable performance tracking for all required vendor management functions.
- To enable the State of Alaska to comply with vendor cost containment regulations and ensure that participants are being served in a cost-effective manner.

- To enhance functionality of mail order vendor subsystem to improve order transmittal delivery tracking, invoicing, and reporting.
- To facilitate issuance of Farmers Market Nutrition Program (FMNP) warrants, and provide timely redemption data and improve FMNP participation reports.
- To automate reports required by the State of Alaska or USDA and enable the uploading of data (such as TIP/PIPP, report to the Food Stamp Program STARS database).

Food Benefit Issuance, Redemption, and Reconciliation Goals

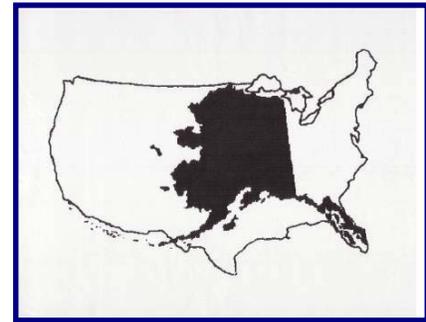
- To reimburse vendors for allowable food sales in accordance with federal requirements in a timely and efficient manner.
- To ensure that food instruments are correctly issued and accurate records maintained in the information system.
- To have the tools available to directly correlate financial information in the client information system against comparable information from the banking services contractor to information from the State accounting system by banking day or banking month.
- To ensure that timely and accurate warrant information can be associated to a specific WIC participant.
- To have the ability to track individual food instruments accurately and in a timely manner through all stages, such as issuance, redemption, and reconciliation.

Reporting Goals

- To complete and submit accurate FNS monthly fiscal reports in a timely manner.
- To ensure that nutrition reporting adheres to CDC guidelines.
- To allow flexibility for staff to create their own ad hoc reports, at the State and local agency levels.
- To create reports that accurately summarize data in each of the functional areas: caseload, financial, nutrition, and vendor data.
- To receive reports from Customer Services with types of calls received from local agencies and State agency staff, call information, and resolution of problems.
- To ensure that current Alaska reporting nutrition parameters will be adapted as necessary.

Current WIC Environment

Alaska WIC Program has adapted their delivery system to meet the unique geographic constraints of the state. The geographic area of the State is enormous. To illustrate Alaska's mass, the State has been superimposed on the lower 48 states, as depicted in the picture on the right. The graphic shows how in comparison Alaska covers a substantial portion of the continental



United States. The State's size creates significant challenges in serving a population that is diverse across geographic boundaries, as well as cultural aspects. An additional challenge is infrastructure limitations such as lack of road access to native villages. Local Agency staff must travel by alternate transportation methods, such as plane or boat, to serve their satellite clinics. Unpredictable Alaskan weather with wind, snow, and fog, often cancels or delays clinic visits.

Specifically, several key business drivers impact the existing WIC operations:

The business drivers reflect the fragmented nature of the current WIC environment.

- Fragmented systems and organization structure cause challenges in efficiently operating the WIC Program;
- IT Services is comprised of three sections that are geographically divided between Juneau and Anchorage;
- There is significant diversity across Alaska local agencies; rural and urban sites often have very different business and technology drivers;
- Geographic constraints require several food benefit issuance models, including onsite issuance, mailing warrants, and the use of a Mail Order Vendor (MOV);
- Alaska WIC does not have the capability to capture all vendor authorization information in one automated system;
- System constraints require some manual entry of food instrument information;
- MOV redemption processes differ from non-MOV warrant redemption processes; and
- System constraints do not maximize staff and resource use. For example, one report requires a dedicated staff workstation for an entire day.

The current WIC Information System (IS) has a number of deficiencies and constraints that has impacted the ability of the Alaska State WIC Agency to ensure timely and accurate services to the State's WIC participants, and to manage the WIC Program in accordance with federal regulations. For example, the current WIC IS does not support the automated reconciliation of issued food instruments against redeemed food instruments. An overriding goal of the Alaska WIC Program is for the new WIC IS to facilitate a more efficient and streamlined operational environment through the use of automated information processing technology.

Clinic Operations Findings

An objective of the new WIC IS will be to effectively support serving the diverse participant population within the challenges

The Nutrition Education, Health Surveillance, and Referrals area has been identified as an area that must be improved by the new IS because of the lack of automated functionality, such as growth charts and risk assignment/priority linking. The new WIC IS needs to have the ability to document required data and track WIC activities with minimal data entry required. In addition, alerts that notify staff members of special situations to ensure that all required activities are performed. The new IS will need to maintain current data and archive terminated categorically ineligible participants so that historical data can be retrieved if needed.

Finally, a common client scheduling function within the WIC IS will allow users to save time in clinic management and offer efficiencies in terms of training staff, providing help desk support, and creating training modules.

The following is a summary of findings and conclusions for Clinic Operations:

- Security is compromised when users share IDs and because employee IDs remain in the system after an employee is terminated. Security is critical in order to maintain participant data privacy, and controls on user access to specific data;
- Reportedly, there were long delays in receiving new hardware and software for a new clinic that was scheduled to open in December. This will create additional work for staff members serving participants and potentially could increase time to deliver services at this site;
- Inactive participants are not archived and therefore appear on searches and reports. These impact the reliability of reports currently being used by the State and LA's. The new WIC IS must not have this limitation; and
- The quality of the data within the current WIC information system is suspect because of the occurrence of duplicate participant records and the ability to overwrite certification notes if the field

becomes full. There is a need to have accurate data prior to implementation of a new information system; this will aid in conversion of data.

Vendor Management Findings

The federal WIC Regulations define vendor authorization as the process by which the State agency assesses, selects, and enters into agreements with retailers that apply to be authorized as WIC food vendors. The goals of the Vendor Management function in a WIC IS are to automate the support functions and maintain information on routine monitoring, training, price surveys, vendor communication, compliance investigations, peer grouping, and vendor disqualifications.

Currently, the State does not have the capability to maintain comprehensive vendor records related to monitoring sanctions placed on vendors, tracking compliance and routine monitoring, conducting training, supporting vendor communication, and performing high risk vendor analysis. The new WIC IS should address the needs of the Vendor Management function, specifically by electronically maintaining vendor authorizations and supporting vendor application information in a single location.

The following is a summary of findings and conclusions for Vendor Management:

- Vendor management processes in the current environment is mainly a manual effort, resulting in inefficient processes, poor reporting, and less focus on the management of food vendors. Vendor management processes need to be automated in the new system;
- The food costs and shipping costs from Fred Meyer MOV are not automated into the system, which created manual data entry and analysis tasks for State WIC staff members; and
- Vendor limiting criteria (beyond the requirement to have 10 WIC participants in the area) are not in place, which means that the number of authorized vendors statewide may not be appropriate to optimize staff time required for monitoring and management. For example, if participants in an area routinely use the MOV, then the number of authorized vendors in that location should reflect this.

Food Benefit Issuance, Redemption, and Reconciliation Current Environment and Findings

Ideally, the WIC IS should support food benefit issuance, redemption, and reconciliation to provide benefits to participants and reimburse authorized food vendors for food sales in the most efficient and timely manner possible, in accordance with federal WIC Regulation detailed in CFR

§246.12, and without errors or rejections. To eliminate the inefficiencies of the fragmented and labor intensive approach to reconciliation in the current environment, an automated reconciliation function is a requirement of the new WIC information system.

A new IS must interface with the banking system and support the pre-edits of warrants prior to their payment to the vendor. The system, with the support of the banking contractor as applicable, must track issued food instruments (e.g., warrant numbers), provide clear audit trails, and support the sharing of issued and redeemed WIC food instruments.

The current Alaska environment includes a unique process to deliver food benefits to remote participants: the Mail Order Vendor (MOV). There are some deficiencies in the current approach to the MOV that will need to be rectified in the new WIC IS prior to its implementation.

The following is a summary of findings and conclusions for Food Benefit Issuance, Redemption, and Reconciliation:

- The management and reporting functions within the current WIC IS requires several systems and tools and manual processes for the reconciliation of food instruments;
- Standard edits (e.g., client has signed the food instrument) are not completed prior to payment of redeemed food instruments (WIC warrants). When edit errors are discovered, the State must “chase” vendors to collect reimbursement; and
- The current process to compile data for 798 Report is inefficient and labor intensive, taking a significant amount of staff time each month.

Reporting Current Environment and Findings

According to the federal WIC regulations contained within CFR §246.15, the State agency must report vendor and participant recoveries to FNS through the normal reporting process. The State is required to complete and submit the FNS monthly fiscal reports in a timely manner. Nutrition reporting is voluntary, but is valuable in gathering Alaska specific data that will help improve the quality of service to Alaska WIC recipients. The new WIC IS will support all of these reporting requirements.

The new IS should improve the efficiency and timeliness for creating management reports, in addition to improving the accuracy of the reports; currently, reports take significant time to run and staff members noted that the information in reports is not always accurate. Accurate client participation reports will aid in the management of the program and assist in supporting other reporting requirements such as dual participation checking and reminder letters. Efficient and effective automated management functions in the new IS will allow staff to more effectively

navigate through the management and reporting functions, and improve client services such as the transfer of WIC participants within the state in a more timely manner without creating duplicate participant records in the WIC database.

The Alaska WIC program is required to submit financial and program performance data on a monthly basis to FNS as defined in CFR §246.25. An objective of the new IS will be to accomplish this task in an efficient, streamlined manner, and reduce the time required to produce monthly reports.

The new WIC IS must allow end users to produce reports directly from the system. Vendor information should be available to the Vendor Coordinator from one integrated application within the WIC IS, rather than the several systems and subsystems currently housing the data. For financial management, a banking contractor may provide reports on WIC Food Instruments issued/redeemed, as well as Food Instruments that exceed peer group price limitations; this information should be available for further analysis in the new WIC IS. While it is still unknown how the MOV will be incorporated into a new IS, the interface in the new WIC IS must be more seamless than the current subsystem and support the inclusion and reporting of all costs for the MOV in one transaction.

Finally, the new WIC IS should integrate nutrition reports into the CDC reports, and accurately gather and report participant data related to risk codes, referrals and other statistical information desired by the nutrition staff.

The following is a summary of findings and conclusions for Reporting:

- The Alaska State WIC staff is currently using the Alaska WIC Information System (AKWIC) and multiple spreadsheets to compile data for reporting and analysis. These processes are time consuming, and error prone, and take away staff from their primary responsibility of managing the WIC program;
- Because data are maintained in several fragmented systems, the WIC Program does not have the ability to easily produce comprehensive reports;
- Regular reports are time consuming to compile and, in some cases, require a dedicated workstation to run; and
- Reports, such as participation counts, have been cited as being inaccurate; the State is working toward a resolution of this problem by hiring a contractor to analyze the issue.

Summary of Recommendations

Change management is critical to the success of the project; operations will need to be examined and changed, as applicable, to streamline WIC processes and adjust to new automation requirements.

It is clear that many of the issues identified in the current WIC Business environment could be mitigated or eliminated through the implementation of a robust information system. The process of IS planning and implementation will likely take several years, during which incremental changes should take place to ensure the success of the new IS. As part of the planning process, the State should convene committees focused on particular subject areas for discussion of requirements, potential changes in business processes and policies, and planning. The State should select staff leaders for these committees that can be dedicated throughout the systems project; these leaders should be State subject matter experts with the skills to facilitate meetings and document decisions. Specific recommendations related to findings are provided throughout the BPR Report. The following summarizes several recommended strategies for moving forward with the WIC IS Project.

- Convene a Forms Review Committee of State and local staff members to review the forms currently being used in an effort to streamline operations to lay the foundation for paperless WIC clinics.
- Convene a Reports Committee of State and local staff members to analyze the reports that are currently available, including the data included and how the reports are used, and make recommendations for reporting needs for the new IS.
- Convene a Financial Management Committee of State staff members from the various Divisions that support WIC financial management to review the challenges in the existing environment and determine a plan for improved operations with the new IS.
- Convene a Nutrition Committee of State and local staff members to review the nutrition needs of the State, such as compliance with Value Enhanced Nutrition Assessment (VENA) and risk factor assignment, in moving forward with the new IS.
- Establish a group of project champions to support the project team in all phases of the project, including planning, functionality assessment, user acceptance testing, and system rollout. By involving key stakeholders early, the State can ensure that the resulting IS will be based on the needs of the actual end users.
- Begin implementing positive process changes by including an assessment of best practices (as identified through Committees and update State guidelines) in monitoring visits and providing training on better data management, such as effective methodologies to elicit information from participants.

Technical Analysis

The State of Alaska Department of Health and Social Services' standard operating environment is a .NET architecture utilizing Microsoft software (Server 2000, SQL Server) that is running on Dell hardware. The State would prefer the new WIC IS to operate in this kind of environment.

Telecommunication connectivity presents technological challenges to the State because of the remoteness of many of the communities in Alaska and the limited infrastructure. Consequently, it is important that the WIC IS application be developed and tuned to operate in a bandwidth limited telecommunications environment.

The State asked MAXIMUS to make a recommendation regarding the method of food instrument redemption that should be utilized at the time of implementation of the WIC IS. Our recommendation is that the State acquires the services of a third party banking contractor that specializes in the processing of WIC food instruments. Although the costs associated with this approach will be greater than the current approach (which incurs no costs), this will allow the State to meet federal requirements for the processing of redeemed food instruments. In the future, as WIC EBT technology becomes more standard and mainstream, the State can look to implement WIC EBT. The full details of our recommendation are provided in Section 5.4 of the report.

The Technical Analysis section of the Report (Section 5) presents detailed information about several food benefit issuance models.

2 INTRODUCTION

The State of Alaska contracted with MAXIMUS in October 2005 to perform a Business Process Review of the Alaska WIC Program. This review, along with the following tasks, represents the scope of Phase I of a two-phase project that culminates in the implementation of a new WIC information system:

- Develop minimum requirements for a replacement WIC information system;
- Conduct review of current or planned WIC information systems associated with other WIC State Agencies for possible transfer to the State of Alaska;
- Conduct a cost/benefit analysis of potential replacement WIC information systems;
- Prepare necessary federal documents related to the project, including the Implementation Advanced Planning Document (I-APD);
- Prepare an RFP for Phase II: Design, Development and Implementation of a Replacement WIC Information System; and
- Provide technical assistance to the State WIC Office as needed during the selection of the Phase II contractor.

Phase II will consist of the design, development and implementation of a replacement WIC information system.

2.1 *BPR Seven Questions*

BPR projects generally begin with seven key BPR questions¹ to shape the scope of the initiative. Through addressing each question, the Alaska BPR methodology and environment are defined. The following sections describe the key questions and methodology for this project.

2.1.1 *Key Question 1: What does the team want to accomplish?*

The State of Alaska has recognized a need to review processes at the WIC Program State and local agency levels in an effort to examine federal and State requirements, and identify more effective and efficient ways of doing business. The goal of the review is to identify and address processes and procedures that could be improved through the implementation of a new WIC information system in the following focus areas:

¹ BPR Wisdom: A Practical Guide to BPR Project Management, Wisnosky, Dennis E and Feeney, Rita C, 2001

- Clinic operations;
- Vendor management;
- Food instrument issuance, redemption and reconciliation; and
- The WIC reporting module, including management, federal, vendor, and nutrition reports.

For each focus area, the review will identify:

- Current processes and procedures, including manual and automated functions, and the technologies and infrastructure supporting these processes;
- Current decision-making and approvals; and
- Current documentation needs.

In addition, the review will include an analysis of and recommendations concerning the following options for issuing, redeeming, and reconciling food instruments:

- Issuing food instruments as Alaska treasury warrants;
- Issuing food instruments as vouchers processed through a third party financial services contractor;
- Using Electronic Benefits Transfer (EBT) technology for WIC food purchases in all areas of Alaska; and
- Using EBT² in those areas of Alaska where it is technologically and financially possible, and using treasury warrants or vouchers in areas of Alaska where EBT is not viable.

2.1.2 Key Question 2: What is the context?

The business process review included an assessment of the State and local WIC environments. Some goals, such as the implementation of a new WIC information system and revision of State policies, will require efforts at the State and local levels. Other improvement efforts will take place only at the local agency or State level. Therefore, there is a State and local context for this report.

2.1.3 Key Question 3: How much diversity is there within this context?

There is significant diversity across WIC local agencies in Alaska. There are large, WIC local agencies in urban centers such as Anchorage, Fairbanks, or Juneau, where the initial certification – including anthropometric measures, application, eligibility determination, food

² DHSS currently uses EBT for benefit delivery for the Food Stamp Program. WIC EBT may consider the DHSS model or another technology model.

prescription, issuance of warrants, and nutrition education – might all occur during an average half-hour appointment per client at the local agency clinic.

The same certification appointment may be handled differently at the rural local agencies. For example, the Aleutian/Pribilof Islands Association (APIA) has only one budgeted full-time-equivalent (FTE) WIC position that is split between two staff members and several minimally part-time Community Health Representatives (CHRs) in the field. WIC staffs rarely have the luxury of interacting with clients face-to-face. Anthropometric measures may be taken at a client's local health clinic 800 miles from APIA offices. Health clinic staff then forwards the client's application to APIA staff in Anchorage, who determines the client's eligibility. The APIA staff may phone high-risk participants to provide nutrition education and prescribe food instruments, in other cases the APIA staff might prescribe a food package and issue warrants without ever communicating directly with the client. Nutrition education could consist of nutrition pamphlets or newsletters mailed to the client, along with warrants.

Face-to-face interaction with APIA clients is limited to infrequent village travel. Travel typically consists of flying by jet from Anchorage to either Dutch Harbor (800 miles) or Cold Bay (615 miles). From these communities, travelers transfer to a small plane or boat to access more remote villages. Caseload might vary from one to 30 clients per village. Because of weather conditions – fog, wind, blowing snow, or rain – the possibility of flights being cancelled when traveling within the APIA service area is common. In interior and coastal Alaska, winter temperatures can drop to minus 60 degrees Fahrenheit or lower, thus making any travel – even by road – dangerous from November through February. For the vast majority of rural Alaska, there is no road system and staff must travel by boat, small plane, or snow machine.

Because of this diversity, recommendations for the local agency level will not be a “one size fits all” approach, but instead encompass recommendations that can be applied to a majority of local agencies.

At the State level, challenges, while fewer, do exist. As with all WIC State agencies, the availability of resources and funding to make changes are challenges to the State WIC program managers. The WIC program will have to make decisions as to what recommendations can be implemented, and what recommendations will provide the greatest payback for the effort.

2.1.4 Key Question 4: What is required to make changes within this context?

To make changes at the local level, the State needs to develop clear, concise policies and procedures that communicate the expectations as well as timelines for implementation. For example, it may seem burdensome

for the CPA to verify identification of each new person enrolling if she knows them from the community, but it is a requirement. Participants need to be used to standard requirements for WIC activities to ensure efficiency in the appointment flow because not all new employees are local residents and may not be familiar with everyone in the community. In addition, participants do not always know who will be staffing the appointment. In most cases, it will also be beneficial to provide the reasons for any policy changes. Additionally, the State should issue notifications regarding policies that are retired and no longer valid.

To implement certain recommendations, it may be beneficial to convene work groups with local representation, allowing for more input and, ideally, more ownership of changes at the local level. Based on our interviews and interactions, the local agencies appear to be open to changes that would improve the efficiency and operations at their clinics if the changes are well planned and effectively communicated.

Activities that relate to WIC IS and benefit distribution will require adequate funding and consensus across State entities to ensure that the approach, technology, and timeline are appropriate.

2.1.5 Key Question 5: What modeling techniques will be used?

The MAXIMUS BPR methodology encompasses industry-standard philosophies to achieve project objectives. This methodology is based primarily on the Six Sigma approach, which encompasses building a foundation at each stage and refining the process information to create the improved business process. The following exhibit summarizes our BPR methodology.

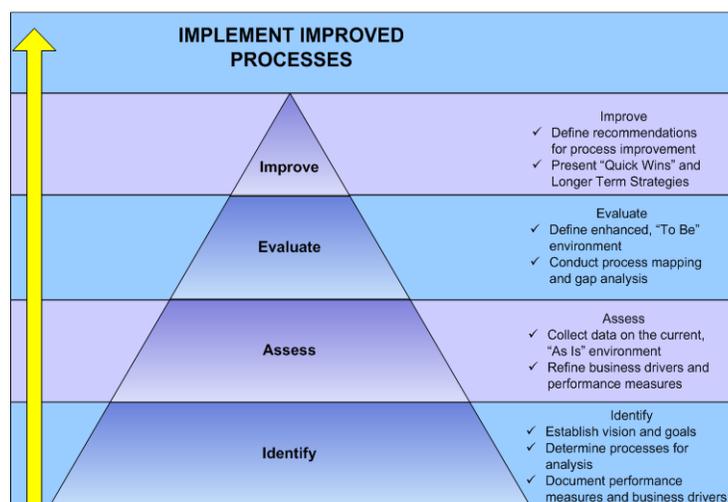


Exhibit 1: MAXIMUS BPR Methodology

The stages of MAXIMUS' BPR methodology are defined further below:

SYMPTOMS

Identify Processes and Vision. The Identify stage is the first step of the BPR methodology. During this stage, MAXIMUS staff works with our clients to define the business processes that need to be reviewed. By working collaboratively with our clients, we set the groundwork for the following steps through learning the key business drivers that impact the client organization and the areas in which the greatest challenges are experienced. It is also during this stage that performance measures are established and documented. Outputs from this stage include:

- Documented vision, goals, objectives, and key business drivers
- Support State desires for visions of new information system
- Processes for review based on reported symptoms

"AS IS" ENVIRONMENT

Assess the Current Environment. The Assess stage generally consists of interviews, onsite visits, teleconferences, and other data collection tasks. In addition to examining the existing, or "As Is," environment, we also refine the vision of the enhanced, "To Be" environment by capturing more detail related to business drivers, including reviewing relevant federal and State regulations and policies. Existing workflow processes are mapped at this stage. Outputs from this stage include:

- Completed interview guides and data collection tools
- Current "As Is" environment workflow mapping

"TO BE" ENVIRONMENT

Evaluate the Current Processes and Future Goals. During this stage, we define the enhanced "To Be" environment that is based on client goals and improvement strategies, as well as business and policy drivers based on feedback and data collected during previous stages. By conducting process mapping activities to perform a gap analysis between the existing "As Is" environment and the identified enhanced, "To Be" environment, we determine the key areas in which process improvements are needed and provide strategies to achieve the goals based on best practices and unique client conditions. Outputs from this stage include:

- Documentation of enhanced "To Be" environment
- Gap analysis

RECOMMENDATIONS

Improve Processes by Recommending Strategies. During this stage, MAXIMUS uses the information provided in previous stages to define recommendations for process improvement. Depending on the project scope, this could include recommendations for workflow changes, identification of technology-based solutions, or presenting policy adjustments that would lead to process improvement. Outputs from this stage include:

- Recommendations for process improvement

Implement Improved Processes. Although MAXIMUS does not actually implement the recommended changes, the foundation of the strategies we provide should support our clients’ efforts to implement change. Outputs from this stage include:

- Reengineered processes
- Realization of the enhanced, “To Be” environment

2.1.6 Key Question 6: How will we access information for the models?

MAXIMUS conducted a series of site visits and interviews to capture data related to goals and vision, as well as existing practices. The following table presents the project contributors and activities performed to gather data.

Date	Staff Member/ Entity	Participation Type
10/11/2005	State WIC Agency - Juneau <ul style="list-style-type: none"> • Kathleen Wayne (State WIC Director) • Becky Carrillo (Program Coordinator) • Daniel Collison (WIC Project Manager) State WIC Agency - Anchorage <ul style="list-style-type: none"> • Bart Goode (IT Business Applications Programmer) • Rich Grayson (Business Application Manager) Bethel Local Agency <ul style="list-style-type: none"> • Ardene Constantine (YKHC Assistant WIC Nutritionist Coordinator) Anchorage Local Agency <ul style="list-style-type: none"> • Caren Webb (LA Agency Liaison with State; WIC Coordinator) 	Interviews and Project Kickoff Meeting
10/12/2005	State WIC Agency - Juneau <ul style="list-style-type: none"> • Dana Kent (Clinic operations and Outreach Coordinator) SEARHC Local Agency - Juneau <ul style="list-style-type: none"> • Susan Hennon RD, LD (WIC Coordinator) • Lina Edwards (CPA; BF expert) • Anna White (CPA) 	AKWIC Demonstration, Interviews, and Site Visit
10/13/2005	State WIC Agency - Juneau <ul style="list-style-type: none"> • Debbie Loveid (Accountant) • Nove Barril (Accountant) 	Interviews
10/14/2005	State IT Customer Services - Juneau <ul style="list-style-type: none"> • Myria Newport (Customer Service) 	Interviews
10/17/2005	YKHC Local Agency - Bethel <ul style="list-style-type: none"> • Ester Ocampo (WIC Director) • Ardene Constantine (Assistant WIC Nutritionist Coordinator) 	Interviews

Date	Staff Member/ Entity	Participation Type
10/18/2005	YKHC- Napakiak Village <ul style="list-style-type: none"> • Ester Ocampo (WIC Director) • Katie Green (Clerk) 	Site Visit
10/19/2005	YKHC Local Agency - Bethel <ul style="list-style-type: none"> • Ester Ocampo (WIC Director) • Ardene Constantine (YKHC Assistant WIC Nutritionist Coordinator) • Laina Fraser (RD/Nutritionist) • Joan Andrew (CPA Technician) • Rachel Chikigak (Receptionist) • Katie Green (Clerk) 	Interviews and Site Visit
11/01/2005	State WIC Agency - Anchorage <ul style="list-style-type: none"> • Bart Goode (IT Business Applications Programmer) • Chera Boom (IT Analyst/Programmer) Anchorage Neighborhood Health Center Local Agency <ul style="list-style-type: none"> • Caren Webb (LA Agency Liaison with State; WIC Coordinator) State WIC Agency - Anchorage <ul style="list-style-type: none"> • Fatima Hoger (State Nutritionist) DHSS - Anchorage <ul style="list-style-type: none"> • Dan Sadler (DHHS IT Security Officer) 	Interviews and Site Visit
11/02/2005	Fred Meyers Mail Order Vendor (MOV) <ul style="list-style-type: none"> • Tiffany Peaks (MOV supervisor) Aleutian/Pribilof Islands Association (APIA) Local Agency <ul style="list-style-type: none"> • Leslie Shallcross (LA WIC Coordinator) 	Interviews and Site Visit
11/03/2005	Municipality of Anchorage (MOA) "L" Street Clinic <ul style="list-style-type: none"> • Margaret Duggan (LA WIC Coordinator) • Pam Philmore (LA Assistant WIC Coordinator) 	Interviews and Site Visit
11/04/2005	State Vendor Management <ul style="list-style-type: none"> • Chris Kelly (State Vendor Coordinator) 	Interview
11/07/2005	State IT Business Applications <ul style="list-style-type: none"> • Rich Grayson (IT Business Applications) 	Interview
11/08/2005	State IT Network Services <ul style="list-style-type: none"> • Thor Ryan (IT Network Services) 	Interview

Additionally, MAXIMUS used the following information during the assessment of the baseline State and clinic WIC environments and definition of “To Be” environment:

- Federal WIC Regulations (2004 CFR Title 7, Chapter II, Part 246, Volume 4)
- Functional Requirements Document for a Model WIC Information System (FRED) (Summer 2002)

- Alaska WIC Management Analysis Project Report by Burger, Carroll, and Associates, Inc. (May 15, 2001)
- Management Evaluation Reviews:
 - ✓ Aleutian/ Pribilof Islands Association (8/24/2003)
 - ✓ Municipality of Anchorage (8/11/2003)
 - ✓ South East Alaska Regional Health Consortium (9/29/2003)
 - ✓ Yukon-Kuskokwim Health Corporation (9/27/2004)
 - ✓ Kodiak Area Native Association (11/1/2004)
 - ✓ North Slope Borough (6/21/2005)
- Alaska WIC State Plan
- Alaska WIC Vendor Manual (July 2005)
- Draft AKWIC Users Manual (1/13/2005)
- State of Alaska Information Technology and Telecommunication Security Policies, version 1.3 (10/1/2005)

2.1.7 Key Question 7: How do we analyze the models?

During the course of the business process review, numerous processes related to Clinic Operations; Vendor Management; Food Instrument Issuance, Redemption, and Reconciliation; and the WIC Reporting Module were analyzed through document review and interviews with representatives from the State WIC Agency, local agencies, and other State departments as described above. In order to determine which processes required recommendations for changes to enhance performance and resource utilization, MAXIMUS applied a standard process evaluation approach. A summary of this procedure follows.



Evaluate Processes. Through documentation review, observations, and interviews, MAXIMUS collected and measured data related to each process. Processes were mapped using the IPO approach to document Inputs, Processes, and Outputs.

Apply Evaluation Criteria. MAXIMUS applied standard evaluation criteria to the process findings. The criteria used for the evaluation include:

- Is this process automated in the current information system? For each process, the stakeholder identified (or MAXIMUS determined from the interview findings) one of the following three answers: 1) Yes- and the stakeholder likes the current functionality; 2) Yes- however, the stakeholder is not satisfied with the current functionality; or 3) No.
- Is the automation of this process required in a new information system? For each process, the stakeholder identified (or MAXIMUS determined from the interview findings) one of the following three answers: 1) Required; 2) Desired (but not required); or Not Required (0).
- Does this process conform to Alaska WIC Program's interests and goals? For each process, the stakeholder identified (or MAXIMUS determined from the interview findings) one of the following three answers: 1) Yes; 2) Partially; or 3) No.

Provide Recommendations. Based on the evaluation of the criteria answers, recommendations for changes to enhance performance and resource utilization were made for selected processes.

3 ALASKA WIC BUSINESS ENVIRONMENT

During the course of the Business Process Review, the Alaska business environment, including the communication structures and technology environment, was analyzed through document review and interviews with representatives from the State WIC agency, local agencies, and other State Departments. The following sections present the information related to the project vision, communications and technology environment, and systems infrastructure.

3.1 Project Vision

Alaska WIC is dedicated to collaborative planning and innovations to promote health and well being for families statewide. Based on this, the State has identified a vision statement for the information system planning and implementation project:

Improving family nutrition and well being through partnerships and technology.

WIC's vision reflects the importance of working with other Departments and Divisions within the State, and beyond, to provide the high quality services that bolster improved nutrition practices and well being in the participant population. Additionally, the State has identified through this vision and the initiation of the project that technology improvements will allow the Alaska WIC Program to improve efficiency and reduce unnecessary tasks to focus staff resources on providing excellent nutrition education to the participants, as well as better using limited staff resources at the State level.

3.2 Alaska Environment Overview

The current environment – including organization, information requirements, communications structure, and systems environment – is an important area of consideration in implementing a new IS. An overview of the current environment has been provided in the following sections. Also documented are current issues and challenges as well as business drivers to consider as part of the planning process.

3.2.1 Information Requirements and Communication Structure

During site visits, a common theme revealed during interviews was that communication and coordination across the various layers of the state government responsible for supporting WIC operations is challenging. Additionally, several of the processes discussed are cumbersome or inefficient due to the limitations of the fragmented system environment in Alaska, specifically the separate vendor management subsystem and the

Business Driver:
 Fragmented systems and organization structure cause challenges in efficiently operating the WIC Program.

State accounting system (AKSAS), and tools used by WIC and other State entities. Because the Alaska WIC Information System (AKWIC) is a distributed database management system, the local agencies each have their own separate database servers that must be replicated onto the State's main database server nightly. If there are communications errors this process may not run smoothly.

There are several entities involved in WIC operations in Alaska that interface with or otherwise impact AKWIC. Although a physical diagram of the relationship among the entities that exchange data with AKWIC was not available from the IT staff, the following diagram provides MAXIMUS' high-level conceptualization of the entities and the flow of information into and out of AKWIC. Although it does not reflect all of the subsystems involved in WIC, this diagram reflects the existing need to:

- Manage 30 local agency servers, and accompanying workstations;
- Coordinate retail vendors as well as a separate Mail Order Vendor (MOV); and
- Communicate with the State Bank.

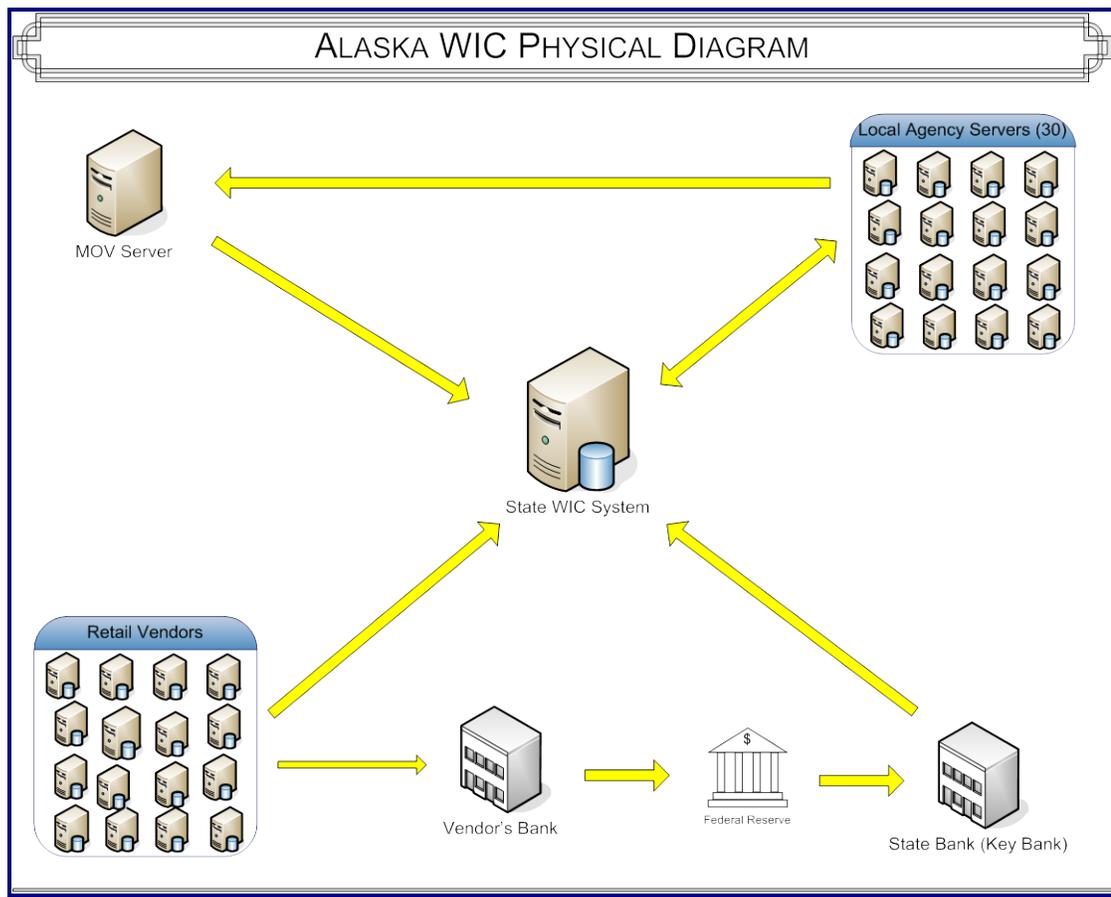


Exhibit 2: Alaska WIC Physical Diagram Conceptualization

The current operational environment needs to be recognized as a key business driver that may impact design decisions. It should also be recognized that some of challenges of the existing environment will necessarily not be eliminated with the implementation of a new IS.

3.2.1.1 Technological and Organizational Issues

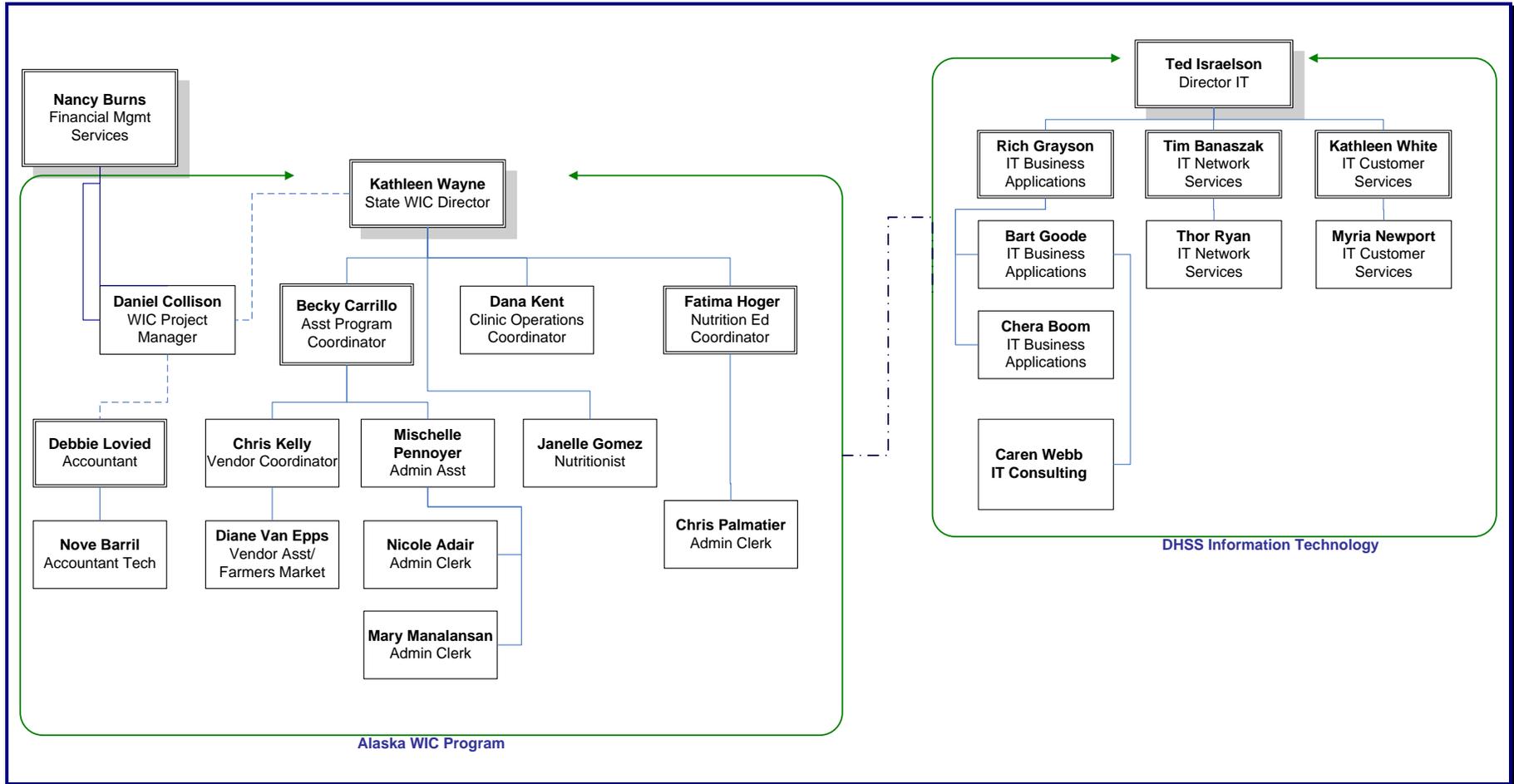
One of the issues reported in interviews was that the recent reorganization of Information Technology (IT) services in the past several years has significantly impacted both State and local agency staff and operations of the Alaska WIC Program. The IT Services is divided into three sections with unique responsibilities related to WIC operations:

Business Driver:
IT Services is comprised of three sections that are geographically divided between Juneau and Anchorage

- The **IT Business Applications** section is responsible for AKWIC application changes.
- The **IT Network Services** section is responsible for hardware (such as computers, printers, and servers) for the State and local agencies, as well as the network infrastructure that supports the AKWIC system.
- The **Customer Services** section is responsible for all Department of Health and Social Services (DHSS) help desk functions. Although both the State office and local agencies are supported, the WIC Program represents a small piece of Customer Services support.

To further complicate the division, IT Services are geographically divided between Juneau and Anchorage. The following exhibit provides a representation of the organizational relationship between IT Services and the WIC Program.

Exhibit 3: Organizational Relationship between IT Services and the WIC Program



The following sections present additional detail about the three IT Services sections.

3.2.1.2 IT Business Applications

IT Business Applications is responsible for AKWIC application changes.

Through interviews and site visits, several challenges with the current environment were identified. The following specific challenges in the current business environment impact future planning for the new IS and should be considered while moving forward.

- **Configuration Management.** Interviewed staff stated that changes made to AKWIC are neither tested nor tracked for version (release) control as thoroughly as IT would like to see, and configuration management standards (including processing of change orders, release planning, and published documentation of release contents) have not been implemented. For example, because IT Business Applications was unaware that an application upgrade was not installed at one of the local agency sites, nearly 1,400 warrants were unaccounted for within AKWIC because the upgrade was not distributed to all users at the clinic level. The warrants were not recorded at the time of issuance due to the install error. *Impacts: Moving forward, industry standard configuration management guidelines, such as standard ways to ensure updates are managed and implemented in all sites statewide, should be used in implementing and maintaining the new information system.*
- **Testing.** Rather than initially testing application changes in a testing environment, these changes are tested in production at one of the Anchorage local agencies. Application testing in a live production environment puts the integrity of the local agency data at risk. *Impacts: Industry standard application testing guidelines should be used in implementing and maintaining the new information system.*

3.2.1.3 IT Network Services

IT Network Services is responsible for hardware and network support.

Through interviews and site visits, several challenges with the current environment were identified. The following specific challenges in the current business environment impact future planning for the new IS and should be considered while moving forward.

- **Inventory Management.** The WIC Administrative Assistant in Juneau maintains the WIC hardware inventory. A new audit is conducted each January. WIC equipment disbursements are the responsibility of IT Network Services. Since the WIC Program is a small subset of DHSS, it is placed on the list with other agencies for equipment upgrade rotations, based on age of equipment, although the WIC Program has its own equipment budget and the equipment must be kept separate from other agency equipment.

Since WIC equipment is allocated exclusively to WIC offices, MAXIMUS staff were concerned when they were told that it may take up to six months to supply the new Anchorage clinic (scheduled to open in December 2005) with computer equipment. *Impacts: Delays in the disbursement of equipment could delay implementation of the new information system.*

- **Laptops.** Because of replication, costs, support, maintenance, and staff usage, IT temporarily suspended laptop support at satellite sites. This meant that staffs had to manually document WIC activities and enter the information into AKWIC upon return to the main site, which may be several days later. Laptop use has since resumed. Dual entry of information is both time-consuming and prone to data-entry error. *Impacts: New WIC information systems have been developed for laptop use at satellite clinics. Portability should be considered in system design to achieve stated goals.*
- **Equipment Replacement.** Local agencies rely on the IT Network Services section to provide equipment such as MICR printers used to print WIC food instruments. In most offices, only one printer is available. When a printer malfunctions and cannot be fixed by staff onsite, a new printer is shipped from Anchorage to the site, which may take up to one week depending on the location. Warrants cannot be issued to participants until the new printer arrives, which causes unnecessary hardship to participants who need their food benefits. *Impacts: There should be a backup system in place with the new information system whereby warrants could be printed and mailed from another location when a printer is unavailable at the clinic site. Other alternatives to mailing food instrument from another clinic location include pre-printed emergency “generic” Food Instruments, an extra printer in storage, and maintaining supplies of emergency formula.*

3.2.1.4 Customer Services

Customer Services is responsible for help desk support.

Through interviews and site visits, several challenges with the current environment were identified. The following specific challenges in the current business environment impact future planning for the new IS and should be considered while moving forward.

- **Trouble Call Tracking.** Because Customer Service and IT support do not adequately share information related to trouble calls, there may be duplication in tracking and resolving issues. Customer Service uses the following tools to monitor incoming calls for assistance:
 - ✓ **Tracking.** Each call received is logged in the HEAT system (a call tracking system); a tracking number is assigned, and the

Some staff at the local agencies may not be technically savvy enough to assist in "over the phone" fixes.

incident description is recorded. In addition, the caller's location and phone number are noted on the tracking ticket.

- ✓ **Triage.** The Customer Service staff member assigns a priority level to each logged incident: 1) Critical, 2) Urgent, 3) Elevated, 4) Routine, 5) Information, and 6) Scheduled. Based on the priority level, the ticket is routed to a technician to investigate or resolve the problem.
- ✓ **Emails.** Emails are sent to the local WIC Director, not the staff member reporting the problem, with the resolution or follow-up if there is an ongoing problem.
- ✓ **Reports.** State WIC management believe that regular usage reports would resolve some of the issues between Customer Service and the local agencies, and the State office would not be made aware of problems through hearsay.
- ✓ **Follow up.** A follow-up email is sent to the local agency WIC Director, who is in some cases also the Director responsible for several sites. The email does not inform the Director who called in the ticket; therefore the Director must track down the person responsible for the call to verify the problem was resolved. If the Director is out of the office, the emails do not get distributed unless a staff member is monitoring the email account. The time spent by a WIC director to trace an email trail would be more effectively spent making critical decisions within the WIC operations.

Impact: To communicate resolutions, the Directors must track down the person that submitted the trouble request. Additionally, delays in implementing fixes may occur if the Director is not available to distribute the information.

- **WIC knowledge.** Local agency staffs are discouraged with Customer Service's reported long delays and lack of WIC subject matter expertise. In order to obtain faster resolution to their issues, many staffs circumvent Customer Services by directly contacting IT staff outside the Customer Services Division. *Impact: Customer Service technicians that do not know WIC processes and procedures well enough to provide assistance must forward issues to the next level, which causes a delay in issue resolution.*
- **Service hours.** To serve the unique population in Alaska, some WIC clinics must operate outside of standard business hours; however, Customer Service is not available to WIC staff during department non-business hours. WIC offices in some clinic areas often operate clinics during limited evening hours and Saturday daytime clinics. If AKWIC is inoperable during non-business hours, WIC clinic staffs cannot certify participants or issue

warrants. *NOTE: The current IT performance standard is that problems in which no warrant can be issued are to be resolved within one business day; this time standard is acceptable for critical issues. Impact: When scheduling clinic operating hours, local agencies may wish to consider the performance standards for the Customer Services/ IT Business Applications support.*

- **Procedures for Support.** WIC Staff do not always follow procedures required for proper documentation of issues. Memos and refresher training has been provided, but staffs do not always follow the correct procedures. Because the staff members do not follow the established procedures, problems may not be logged in HEAT for tracking and analysis. Staffs may be performing work outside the scope of their duties. Staff members at all levels must be re-informed of procedures and must be responsible for enforcing procedures. *Impact: HEAT procedures must be reinforced so that all implementation errors are properly documented, tracked, and repaired.*
- **Level of Confidence.** Since the IT reorganization, State and local WIC staff members' reported level of confidence in the Customer Service staff providing resolution to problems level has diminished. Consequently, it was indicated that many local agencies had identified an IT individual outside of the Customer Service Division to call directly for service, thus circumventing Customer Service. Several agencies have kept manual logs of Customer Service calls because they are frustrated with the responses to their calls. *Impact: Suggested strategies to improve level of confidence:*
 - ✓ *Staff personnel who are not assigned to Customer Service should be instructed to inform callers they are no longer responsible for Help Desk calls and the caller will need to follow proper channels.*
 - ✓ *The State should ensure that all WIC local agencies are informed of Customer Service procedures for reporting IT issues.*
 - ✓ *Customer Service staff should receive WIC training that will enable the staff to answer WIC questions that are not related to policy or technical problems. For example, if a User were to experience trouble with the AKWIC application while transferring a participant between clinics, the Customer Service staff should be able to either respond to the question or refer the problem to the IT division.*
 - ✓ *Customer Service staff should follow up with the person who initiated a call for assistance via email or phone, in addition to*

notifying the local agency director who may not be aware of the problem or in the office.

3.2.2 Systems Environment

There are three key information systems that support WIC operations in the State of Alaska:

- **Vendor Management System.** Supports vendor management activities.
- **State Accounting System (AKSAS).** Also used by other departments outside of WIC, AKSAS maintains financial information.
- **WIC Application (AKWIC).** AKWIC is the certification and food benefit issuance system.

The following sections outline reported issues and challenges related to these systems.

3.2.2.1 Vendor Management Subsystem

Several issues and challenges were related to the Vendor Management Subsystem were reported during site visits and interviews:

- **Tracking.** The Vendor Management Subsystem does not accurately track vendor applications, monitor high-risk vendors, or document WIC food price surveys as reported by vendors. Vendor Management staff must manually track vendor applications and authorization, perform high-risk vendor analysis, and monitor vendors pricing for compliance with peer group price limits. Manual tracking of information is both time-consuming and prone to data-entry error. *Impact: The minimum requirements for a new information system should address the functionality that is inadequate.*
- **Reporting.** Staffs reported that the AKWIC vendor reporting functionality is inadequate; therefore, they manually create reports on spreadsheets that are compiled to analyze statewide vendor data and prepare annual USDA reports. Manual documentation and analysis of information are both time-consuming and prone to data-entry error. *Impact: The minimum requirements for a new information system should address the functionality that is inadequate.*
- **MOV tracking and reporting.** Several of the mail order vendor (MOV) processes are not automation and could benefit from process improvement. Examples of reported tracking and reporting problems include:

- ✓ There is no link between the MOV (Fred Meyer) and the local agency; therefore the State and local agencies are unable to track the delivery of participant food box shipments. Local agency staff must contact Fred Meyer to inquire about the status of food box shipments; Fred Meyer staff access U.S. Post Office tracking information on a separate computer from the MOV system (in a separate location in the warehouse).
Impact: The minimum requirements for a new information system should include functionality to track the status of MOV food order shipments.
- ✓ The local agency transmission of orders to Fred Meyer is unreliable (reportedly due to network problems). Frequently, Fred Meyer does not receive the orders. Local agency staffs fax a list of orders coming through for MOV staff to use to ensure all order information was transmitted into AKWIC; this creates a duplicative task. *Impact: The stability and reliability of network connectivity in Alaska statewide must be considered the design implementation of any new information system components.*
- ✓ The MOV costs do not track shipping and food costs by participant and date³. The MOV costs must incorporate both food costs and shipping cost; these costs should be recorded at the participant level and a report should be summarize total MOV food and shipping costs according to date. *Impact: The minimum requirements of a new information system should include MOV shipping and food costs reports.*

3.2.2.2 State Accounting System (AKSAS)

Several issues and challenges were related to AKSAS were reported during site visits and interviews:

- **Formula rebate calculations.** Federal requirements state that formula rebates should be calculated based on redemption patterns or actual purchases. Because vendors are not required to record the actual quantity of formula purchased, the State bases its calculations (and bills Mead Johnson, the formula rebate contractor) on the quantity allowed on each warrant. The reporting of allowed quantities of contract formula (rather than actual quantities purchased) does not comply with federal regulations. Additionally, rebate requests may not be accurate. *Impact: A new information system should include functionality to record and track actual quantities of contract formula purchased at vendor locations or have the ability to estimate the number of cans*

³ This process is currently under separate contract for a change order and, therefore, may be changing in the future.

purchased per check based of the vendor's reported shelf price. Other statistical analysis may also be needed to determine the redemption patterns.

- **MOV tracking and reporting.** MOV food costs are tracked separately from the shipping supplies and mailing costs, which must be manually entered into AKSAS. Additionally, until recently, the MOV classification was not working correctly in the accounting system, which resulted in the information not updating the system correctly or completely. As a result, the Food Instrument Reconciliation Report used to compile the federal 798 report did not include the MOV food costs. State staff must manually verify the accuracy of MOV food, shipping supplies, and mailing costs to ensure they are accurately reported in the 798 reports. Manual tracking of information is both time-consuming and prone to data-entry error. *Impact: A new information system should incorporate reliable transfer of data across State systems.*
- **State and federal fiscal year reporting.** Staffs use spreadsheets to monitor initial grants, grantee payment history, and monthly expenditures needed for State and federal fiscal year reporting. Manual documentation and reporting of information are both time-consuming and prone to data-entry error. *Impact: Functionality to monitor initial grants, grantee payment history, and monthly expenditures needed for State and federal fiscal year reporting should be automated, either in the new WIC IS or within another State tracking system.*

3.2.2.3 WIC Application (AKWIC)

Several issues and challenges were related to AKWIC were reported during site visits and interviews:

- **Participation ID number.** State IT staffs indicated that, although there is an internal programming identification number assigned to each participant, this identification number is transparent to the user. Both State and local agency WIC staffs noted that the lack of a participant ID is problematic because children are moved frequently within family structures and names change. This may lead to dual record entry. *Impact: Since standard practices employed in other WIC transfer systems include the use of participant IDs, data conversion activities must include the use of a unique identifier to each participant record. Additionally, if participant IDs are expected to be used for clinic management, ID cards/folders would need to be issued.*
- **Record archival.** AKWIC database records have neither been archived nor purged since the system was implemented in 1998;

therefore, participants that have been removed from WIC because of categorical ineligibility, transfers, or other reasons remain in AKWIC. The system does not filter out non-active or duplicate participant records for searches and reporting, which creates additional records for staff to review and sort. *Impact: The growing size of the database potentially affects the systems performance. Prior to data conversion, unnecessary records should be archived or purged.*

- **Network outages.** Because the distributed servers frequently go down, many staffs expressed concerns that a centralized system could shut the entire statewide WIC operations down for periods of time. Clinic staffs maintain paper records in addition to system records in case of system outages, which is time-consuming, and creates additional documentation that, must be secured and protected. *Impact: The stability and reliability of network connectivity must be incorporated into the new information system design. Appropriate backup plans and procedures need to be established or updated to deal with network outages with the new IS.*
- **User IDs.** New staff reportedly have had to wait up to three weeks to be issued a system user ID; therefore, clinic staff reportedly share user IDs with the new staff to enable them to work on the system. Additionally, AKWIC functionality does not include date/time or user ID stamp identification on data entered, modified, or deleted in the system. Sharing of user IDs compromises both system security and data integrity. Once a user ID is shared it can continue to be used without the owner's knowledge if the owner does not change their password. *Impact: Possible outcomes of unauthorized use of user IDs include compromised data or access to secured information.*
- **System security.** According to an online survey respondent, former employees' user IDs cannot be removed from the system. A local agency verified that user IDs are maintained in the databank after an employee is terminated. It was unknown if the IDs are locked or access denied to AKWIC. This practice risks compromises both to system security and data integrity. *Impact: network security protocols (to include User ID management) should be included in the new information system design; the State security standards (detailed in Section 5 of this report) should be incorporated into the new IS design.*

3.3 Local Agency Online Survey

Due to time and travel constraints, MAXIMUS local agency site visits were limited to two local agencies in Juneau, one local agency in Bethel, and two local agencies in Anchorage. In order to obtain input from all local agency directors, MAXIMUS invited all local agency directors to participate in an online survey. Survey questions were reviewed and approved by the State. The complete survey results are located in *Appendix A*.

Business Driver:

There is significant diversity across Alaska local agencies; rural and urban sites often have very different business and technology drivers.

The purpose of the online survey was to obtain additional insights about the uniqueness of the Alaskan WIC clinics and the desired features of a new information system from a local agency perspective. Of the 18 local agencies invited to participate, 20 users started the survey and 15 completed the survey; multiple users at each agency were able to respond. Please note that not all questions were required, so the number of responses varied.

The following results were of particular interest.

- **Paperless Documentation.** *Question 3: How are you accessing charts?* The access of participation records through partial paper or paperless documentation accounted for more than 76% of responses. The directors appear to be open to more paperless options, which may be an attainable goal given that most sites maintain WIC-only charts.
- **Information System Edits.** *Question 17: ...List below any edits in a new WIC Information System that might represent a barrier to the certification of a potential WIC participant.* Through open ended responses, respondents provided the following list of information system edits that might represent a barrier to the certification of a potential WIC participant based on the current Alaska business model. Several responses included:
 - ✓ Data entry required in a specific order
 - ✓ Phone numbers
 - ✓ Social Security numbers
 - ✓ Proof of income
 - ✓ Proof of identification
 - ✓ Assigning risks before issuing warrants
- **New System Features.** *Question 19: What changes or features would you like included in a system to replace AKWIC?* Respondents were asked to describe, through open ended responses, the changes and features they would like in a new information system. Among the responses were:

- ✓ Paperless support
- ✓ A good scheduler
- ✓ Remove inactive participants
- ✓ Easier access to transfer participants
- ✓ Accurate Reports
- ✓ Certification notes area
- ✓ Breastfeeding data

4 GOALS, FINDINGS, AND RECOMMENDATIONS

This section provides an assessment of the current business process focus areas (Clinic Operations; Vendor Management; Food Benefit Issuance, Redemption, and Reconciliation; and Reporting) and recommendations for enhancing performance and resource utilization in these areas in the future. Each of the four business process focus area sections is presented as follows:

Goals: Key staff members representing each of the focus areas established goals for the project. These goals set a foundation for the process evaluation recommendations.

Current Environment: This section includes a table of the FRED functionalities associated with the business process focus area. For example, the Clinic Operations FRED functions consist of Certification; Nutrition Education, Health Surveillance, and Referrals; Food Benefit Issuance; and Scheduling. The table column headings are:

- **Process.** These are the FRED functions.
- **Current functionality.** This is a description of the manual, automated, and/or semi-automated activities associated with the process.
- **Current supporting technologies/ infrastructure.** This is a list of the applications or systems used by the process.
- **Current decision-making and approvals.** This is a description of any decision-making or approvals required within the process.
- **Current documentation needs.** This is a list of documentation required to perform the activities associated with the process.

Findings and Recommendations: This section links stated goals and findings from site visits and interviews with impacts and recommendations for enhancing performance and resource utilization that the State should take into consideration prior to implementing the new WIC information system.

4.1 Clinic Operations

4.1.1 Goals

The goal of the WIC Program is to serve all potentially eligible participants in a service area based on the guidelines established in the Federal Regulations. Participants are to be served in a timely manner and served as efficiently as possible. The specific goals for Clinic Operations for the Alaska WIC Program are:

The Clinic Operations goals support the State's vision to use technology to provide enhanced services.

- To reduce time spent on data collection so that increased time is spent providing direct nutrition education services;
- To automate documentation to support paperless care notes, risk code factors and growth charts to improve WIC Program integrity;
- To use technology to enhance services and quality of care across the State through continued use of laptops and travel printers for Food Instrument issuance;
- To support interactive nutrition education through an enhanced information system;
- To project accurate caseload values to improve data analysis for clinic operations;
- To increase accountability and accuracy of clinic level data and reports; and
- To have the ability to implement changes to the information system as standards, such as USDA mandates or VENA, change.

4.1.2 Current Environment

4.1.2.1 Information Flow

In Alaska, new WIC applicants usually walk into a clinic to enroll, rather than schedule a certification appointment in advance. If the applicant arrives with his or her qualifying children and presents enrollment information such as proof of identification, proof of income, and/or proof of pregnancy, most clinics have arranged their schedules to perform the certification activities within the hour. If any of the required information is missing, the applicant must either mail a copy of the information to the clinic or bring it to the clinic prior to receiving food benefits.

If the applicant lives in a remote location, they may apply for WIC through a Community Health Worker, who forwards the application to the main WIC clinic location. Once the application arrives at a main WIC clinic, a Competent Professional Authority (CPA) or Registered Dietician (RD) reviews the application and dietary information and usually contacts

the applicant to verify information included on the forms. During this contact, the RD conducts nutrition assessment and education.

Staffs throughout the State use various methods to enter participant data into the AKWIC system:

- Some local agencies are paperless and use a direct data entry method at the PC or laptop;
- Some local agency sites (because of clinic locations) receive certification information via the mail or fax; and
- Some sites apply a combination of direct entry, paper, and data entry once the participant has left the office.

After certifying the participant, benefits may be issued from AKWIC. Food benefits are issued to participants in one of three ways:

Business Driver:
Geographic constraints require several food benefit issuance models, including onsite issuance, mailing warrants, and the use of an MOV vendor.

1. Warrants are mailed;
2. Warrants are issued at the clinic; or
3. Food packages are mailed to the participant via the MOV.

If the participant or guardian is present when the warrant is generated, he or she signs a receipt; otherwise, the warrants are mailed to the participant unsigned.

If the food package is a MOV, AKWIC creates a batch file that is sent to the mail order vendor, Fred Meyer, with all other MOV orders according to the clinic schedule (this could be daily, weekly, bi-weekly, or monthly).

The following diagram presents a summary of information flow during a WIC certification.

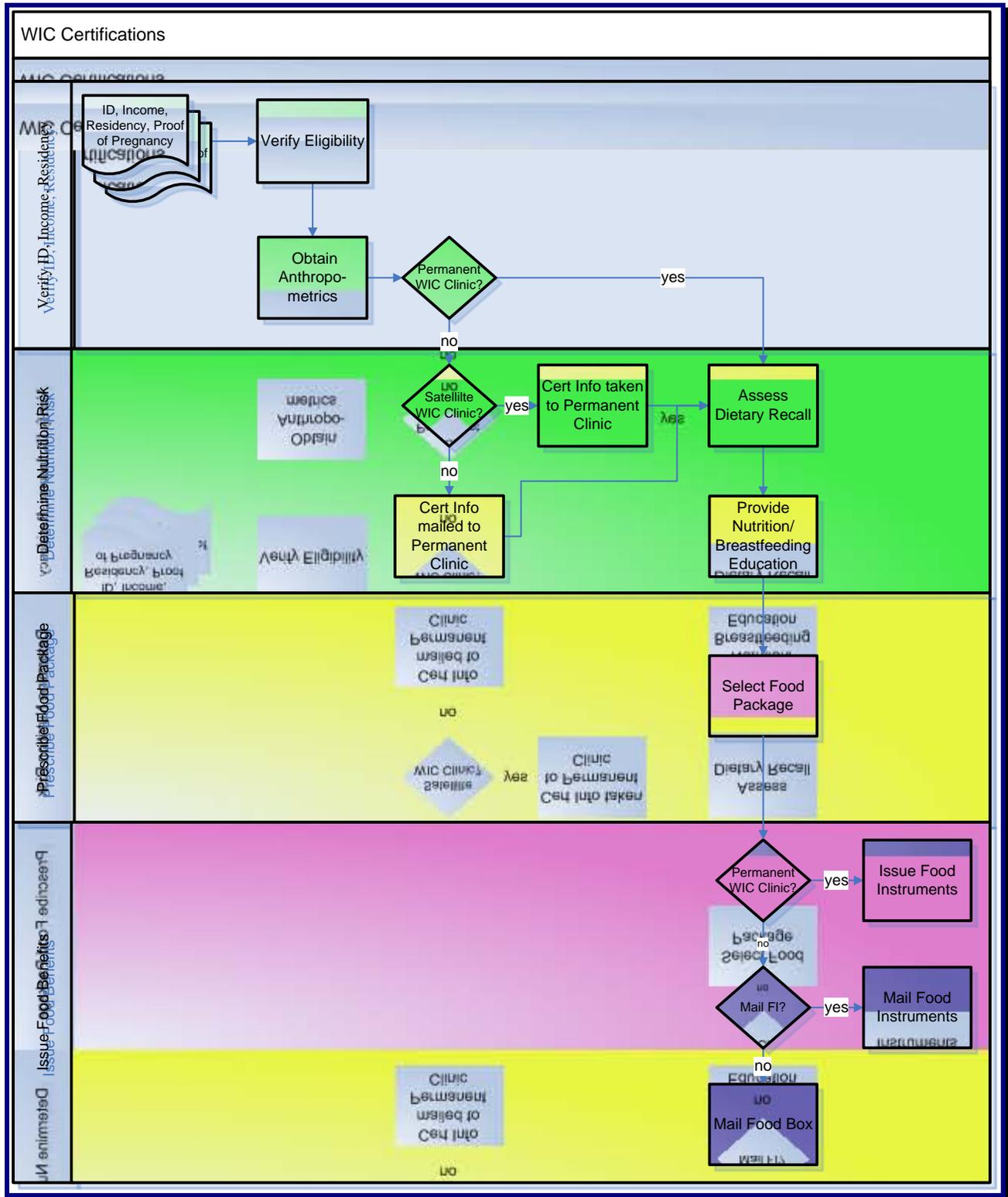


Exhibit 4: WIC Certification Information Flow



4.1.2.2 *Process Environment*

The following table presents the current Alaska WIC Environment in relation to FRED functionality.

PROCESS	CURRENT FUNCTIONALITY (MANUAL/ AUTOMATED/ SEMI-AUTOMATED)	CURRENT SUPPORTING TECHNOLOGIES/ INFRASTRUCTURE	CURRENT DECISION- MAKING AND APPROVALS	CURRENT DOCUMENTATION NEEDS
Certification				
<p>Manage Application Process</p>	<p>Semi-automated</p> <p>Application can be initiated by email to Director's email box (all data must be manually entered onto paper to certify participant). Initially most applications are begun as a paper process then transferred to AKWIC.</p> <p>AKWIC does not allow viewing of participant information between main clinic and sub clinics within a local agency.</p> <p><i>AKWIC Demographics Screen:</i> income is calculated by the system.</p> <p><i>AKWIC Certification Screen:</i> Prenatal, pregnancy, birth information, certification notes, certification <i>and</i> termination dates, certification histories, and referral information.</p> <p>User can screen for prior enrollment within the local agency (if information is on the same server) but not throughout the state.</p> <p>YKHC satellite clinics: Staff manually documents information at village clinics and then enters data into AKWIC at the Agency.</p>	<p>AKWIC</p> <p>Internet Website</p> <p>Email</p>	<p>Office of Children Services can verify foster care information.</p> <p>Villages: if the applicant says they are part of Denali Kid Care, the clinic accepts their word as proof. It is considered an insult for a grocer to check a participant's ID since everyone in the village knows each other.</p>	<p>Proof of Identification</p> <p>Proof of Residency, (participants living in villages are exempt from proof of residency requirement)</p> <p>Food Stamp or Medicaid letters of eligibility, Denali KidCare/ Card</p> <p>Proof of Income</p> <p>Family Information</p>



PROCESS	CURRENT FUNCTIONALITY (MANUAL/AUTOMATED/ SEMI-AUTOMATED)	CURRENT SUPPORTING TECHNOLOGIES/ INFRASTRUCTURE	CURRENT DECISION-MAKING AND APPROVALS	CURRENT DOCUMENTATION NEEDS
Determine Nutrition Risk of Applicant	<p>Semi-automated <i>AKWIC Medical Screen:</i> anthropometric information, Risk Factors, growth charts, and immunization status. BMI is automatically calculated and entered by the system. System plots the anthropometric measurements on the growth charts. The system automatically calculates and assigns certain Risk Factors. However, the auto calculation feature is currently not calculating risks correctly; therefore, nutrition risks are determined manually.</p>	<p>AKWIC Risk Code Manual is located on the Web</p>	<p>RD or CPA Example: APIA has only one budgeted full-time-equivalent (FTE) WIC position and WIC staff rarely interact with participants face-to-face. Anthropometric measures might be taken at a participant's local health clinic 800 miles from APIA offices. Health clinic staff would then forward the participant's application to APIA staff in Anchorage, who determines eligibility. In some clinics, all staffs perform lab functions.</p>	<p>Dietary assessment form</p>
Prescribe Food Package	<p>Automated <i>AKWIC Prescription Screen:</i> food package information and historical information on warrants prescribed, issued and redemption. The system contains the functionality for the worker to add a wild card food package (e.g., cut juice, restrict cheese, give more formula for medically at-risk kids, and add salmon). Food packages do not specify milk type (e.g., low fat, whole milk, skim milk).</p>	<p>AKWIC</p>	<p>Example: APIA staff might prescribe a food package and issue food instruments without ever communicating directly with the participant. Local agencies email the Special Non-contract Formula form to Anchorage where the nutrition education director approves the request and emails the approved form back to the requesting local agency.</p>	<p>Special Non-contract Formula form</p>



PROCESS	CURRENT FUNCTIONALITY (MANUAL/AUTOMATED/ SEMI-AUTOMATED)	CURRENT SUPPORTING TECHNOLOGIES/ INFRASTRUCTURE	CURRENT DECISION-MAKING AND APPROVALS	CURRENT DOCUMENTATION NEEDS
<p>Process Participant Changes and Transfers</p>	<p>Semi-automated</p> <p><i>AKWIC Demographics Screen:</i> includes fields that may be used to record the VOC number and transferring state. If used, these fields must be entered manually regardless of whether the Income Calculator is used because the system does not automatically transpose the data here.</p> <p>In-state transfers: the clinic the participant is transferring into must initiate the transfer. The agency the participant is leaving cannot send the information via the computer.</p> <p>The system does not have the ability to view participant records or participant listings from other local agencies or access any out-of-state participant records.</p> <p>If a participant is moving, out-of-state a VOC report can be printed from the system to take to the new state.</p>	<p>AKWIC Telephone</p>		<p>VOC (Anthropometrics are not included on the VOC)</p>
<p>Nutrition Education, Health Surveillance, and Referrals</p>				
<p>Maintain Nutrition Education Data</p>	<p>Semi-automated</p> <p><i>AKWIC Prescription Screen:</i> on the Print Food Instrument Window, the user can select a Nutrition Education code to record a nutrition education contact. However, the clinic staff report that Nutrition Education contacts are not tracked in AKWIC.</p> <p><i>AKWIC Certification Screen:</i> the user can document nutrition education information on the certification notes. However, this notes area fills up without notice and deletes all notes previously written.</p>	<p>AKWIC</p>		<p>Nutrition pamphlets or newsletters</p>



PROCESS	CURRENT FUNCTIONALITY (MANUAL/AUTOMATED/ SEMI-AUTOMATED)	CURRENT SUPPORTING TECHNOLOGIES/ INFRASTRUCTURE	CURRENT DECISION-MAKING AND APPROVALS	CURRENT DOCUMENTATION NEEDS
Assess Individual Participant Dietary Intake	Manual		RD	
Perform Participant Referrals	Semi-automated <i>AKWIC Certification Screen:</i> Referrals are documented at each certification.	AKWIC		
Provide Voter Registration Information	Manual If the participant checks the check box on the Family information form, the clerk gives them a voter registration form to fill out and clerk mails it in.			Family information form
Provide WIC Health Statistics and Other Information to External Entities	Manual The State WIC Agency shares information (e.g., breast-feeding) with the Pregnancy Risk Assessment Monitoring System (PRAMS), the Alaska Native Tribal Health Association (e.g., pregnant participants who chew), FNS (breastfeeding initiation and duration rates), and CDC. The State has contracted to do Alaska nutrition surveillance reports; they are determining data issues.			
Determine Immunization Status	Semi-automated <i>AKWIC Medical Screen:</i> When the check box is marked this signifies immunization records were checked and immunizations are up-to-date. YKHC uses the RPMS system to verify all immunizations.	AKWIC RPMS	Depends on local agency authority	Child's immunization records or card



PROCESS	CURRENT FUNCTIONALITY (MANUAL/ AUTOMATED/ SEMI-AUTOMATED)	CURRENT SUPPORTING TECHNOLOGIES/ INFRASTRUCTURE	CURRENT DECISION- MAKING AND APPROVALS	CURRENT DOCUMENTATION NEEDS
Food Benefit Issuance				
Maintain Food Package Data	<p>Semi-automated</p> <p>Data about specific approved foods (i.e. Food List information) is not maintained in the AKWIC system, except for the actual food item descriptions that print on the food instruments, which is updated as part of the process of creating or revising food packages. Food list information is available on the website. All other information regarding specific approved foods is maintained in separate spreadsheets.</p> <p>Alaska does not issue partial food packages.</p> <p>Alaska does not estimate redemption values.</p>	<p>AKWIC</p> <p>State website</p>	<p>State WIC Vendor Coordinator</p>	
Issue Paper Food Instruments (Paper Food Instrument Systems)	<p>Semi-automated</p> <p><i>AKWIC Prescription Screen:</i> The user must select a food package distribution method. If the selected method is Pickup, AKWIC will produce a warrant. If the selected method is mailed as the option, you can print immediately or print as a batch. If the selected method is Mail Out Vendor, AKWIC will transmit the food order to the MOV system.</p> <p>Local agencies are able to void and reissue food instruments on AKWIC.</p> <p>Admin staff at the State WIC Agency do inventory of food instruments Issued to local agencies.</p>	<p>AKWIC</p> <p>MOV (Vendor Subsystem)</p>		



PROCESS	CURRENT FUNCTIONALITY (MANUAL/ AUTOMATED/ SEMI-AUTOMATED)	CURRENT SUPPORTING TECHNOLOGIES/ INFRASTRUCTURE	CURRENT DECISION- MAKING AND APPROVALS	CURRENT DOCUMENTATION NEEDS
Scheduling				
Maintain Master Calendar	<p>Semi-automated</p> <p>The AKWIC Scheduler is not used by most agencies; it is a challenge to set up. Some local agencies use the Scheduler as a tickler (reminder) to perform tasks.</p> <p>Most local agencies create schedules in Access or Excel or on paper</p>	AKWIC		
Schedule Appointments	<p>Semi-automated</p> <p>Most local agencies do not use the scheduler the way it was originally intended because it takes too long to enter the template; consequently, they prefer to use a paper calendar.</p>	AKWIC		
Generate Appointment Notices	<p>Manual</p>			

4.1.3 Findings and Recommendations

The following table presents specific findings and impacts from site visits and interviews, and recommendations for achieving the goals related to the findings. The table is followed by overall recommendations for improving the current environment to meet the goals of the Alaska WIC Program.



#	FINDINGS AND IMPACTS	GOAL(S)	RECOMMENDATIONS
1	<p>Search functions. Local agency staffs perform system searches for participants using the guardian’s name and date of birth.</p> <p>This process of tracking participants by guardian name is time consuming and inefficient, as well as problematic for locating a child who changes family groupings (e.g., foster child).</p> <p>This method does not support stringent data integrity standards to prevent dual participation.</p>	<p>To reduce time spent on data collection so that increased time is spent providing direct nutrition education services.</p>	<p>When selecting a transfer system, Alaska should carefully consider the unique clinic operations and the dynamic family groupings related to search capabilities. The State may wish to consider searches by: name of participant, guardian, or proxy, search by previous names/ alias names, and participant-specific characteristics, such as date of birth or participant status (e.g., certified, ineligible, or terminated).</p>
2	<p>Referral tracking. Although AKWIC allows a user to enter referral information, the referral dropdowns in AKWIC reportedly do not have sufficient options; therefore, staffs enter referral information in the cert notes.</p> <p>Because much of the referral information is documented in the notes area, staff cannot obtain referral statistics to use for research or applying for grants.</p> <p>Documentation of appropriate referrals is required for participants. These referrals are not accurately tracked in AKWIC for statistical reporting.</p>	<p>To increase accountability and accuracy of clinic level data and reports.</p>	<p>The State should review the referral dropdown menu within AKWIC to determine local agency use of the referral field to determine if and how it should be implemented in the new information system. If it is not a significant development effort, the referral drop downs list could be updated to provide sufficient options for local agency use.</p> <p>Alternatively, standard referral-tracking tool, such as a referral form or log, should be used to ensure that data needed for research or grant requests can be provided as needed. This manual process could be an interim solution used only until the implementation of the new IS.</p>



#	FINDINGS AND IMPACTS	GOAL(S)	RECOMMENDATIONS
3	<p>Potentially eligible counts. According to information obtained during interviews, Alaska’s statewide census information is considered unreliable because Alaskans typically do not complete the census surveys.</p> <p>The State WIC office struggles with providing the local agencies accurate potentially eligible caseload numbers.</p>	<p>To project accurate caseload values to improve data analysis for clinic operations.</p>	<p>Assigned caseload counts should be based on current, reliable counts of potentially eligible participants in each local agency service area. Although the accuracy of census data cannot be changed, staff should consider using birth records as an additional method of collecting potentially eligible participant information. Additionally, many hospital facilities gather birth data from sources such as home communities. Local school districts often either have or are able to direct staff to resources with current data on the young children in a community. The State could explore cooperative agreements for non-invasive data sharing with these organizations.</p>
4	<p>Evaluate caseload counts. The State WIC office has indicated their goals are to project caseload by zip code and census and compare the data to the clinic operations.</p> <p>The grantees currently do not have access to census data nor does the State WIC office feel they can reasonably assign equitable caseloads, based on performance standards for the grantees.</p>	<p>To project accurate caseload values to improve data analysis for clinic operations.</p>	<p>The requirements for a new information system should address caseload management, but more accurate caseload projection data sources also need to be identified.</p>
5	<p>Active caseload counts. If active caseload counts fall below the 80% monthly threshold, the State Clinic Coordinator contacts the local WIC Director; however, most of the sites have little difficulty reaching and maintaining their assigned caseloads. <i>Example: 81% of the local agency online survey respondents reported that they serve at least 93% of their potentially eligible participants; 69% of the respondents serve 99% or more of their potentially eligible. (The information above references respondents from the online survey; 95% of Alaska’s local agencies meet the performance standards.)</i></p>	<p>To increase accountability and accuracy of clinic level data and reports.</p> <p>To project accurate caseload values to improve data analysis for clinic operations.</p>	<p>The State should consider increasing the assigned caseload expectations with each local agency grant to a percentage greater than 80% or a specified a percentage rate over the previous year’s active caseload count. FTE staff time should correspond to the percent of allocated caseload served by agencies if the area is under serviced; for example, FTE staff allocation should be 80% if the agency consistently services 80% of their assigned caseload.</p> <p>If the potentially eligible caseload counts for the Anchorage are reasonably accurate, and the active</p>



#	FINDINGS AND IMPACTS	GOAL(S)	RECOMMENDATIONS
	<p>Alaska State WIC has contracted a task order to review the 505a reports for accuracy.</p> <p>Four local agencies are situated in Anchorage (one services the Aleutian/Pribilof Islands, and one is located on a military base). A fifth local agency was scheduled to open in Anchorage in December 2005.</p> <p>Accurate caseload allocation drives local agency funding, which impacts the quality of services that can be provided. To support the actual WIC participant population in a community, the appropriate caseload must be allocated.</p> <p>Although a FRED function, some new information systems do not support caseload management functionality; this functionality may need to be added if it is a requirements for the new IS.</p>		<p>caseload counts in all sites are greater than 93%, a fifth local agency in the city may be unnecessary unless the new agency can contribute to increasing the FNS-projected level for the State. FNS WIC Regulations (7CFR246) state:</p> <p>“(ii) <i>Participation increases achieved.</i></p> <p>The State agency may also convert food funds to NSA funds in any fiscal year if it achieves, through acceptable measures, increases in participation in excess of the FNS-projected level for the State agency. Acceptable measures include use of cost containment measures, curtailment of vendor abuse, and breastfeeding promotional activities.”</p> <p>If the review of the 505a reports reveals discrepancies between actual and perceived caseload, State WIC and local agencies will need to discuss methods of reaching the goals set for the local agency. Statewide or regional outreach campaigns may be needed, or an analysis of the service areas and clinic operating schedule may be necessary to ensure sites are efficiently using resources to serve their populations.</p> <p>The State may consider changing the performance metric for caseload achievement; local agency caseload goals in some states are set at 97%.</p>



#	FINDINGS AND IMPACTS	GOAL(S)	RECOMMENDATIONS
6	<p>Program integrity. In the smaller communities (villages) where everyone typically knows everyone else, staffs reportedly may not request proof of income and identification, even in instances when staff not familiar with participants travel to the clinics to conduct certifications and re-certifications.</p> <p>In addition, although the State of Alaska has waivers for proof residency for select Native Remote Villages, proof of income, and Permanent Fund Dividend, these proofs are not documented in AKWIC.</p>	<p>To automate documentation to support paperless care notes, risk code factors and growth charts to improve WIC Program integrity.</p>	<p>While MAXIMUS understands there are wide variances of the types of care provided to village participants and urban participants, compliance with WIC rules and federal regulations must still be maintained. Clinic staff should ensure that each participant's proof of identification, residency, and income are verified and documented. When applicable, staff should document a participant's wavier of Alaskan Native Income requirement in the AKWIC certification notes.</p> <p>Documentation of proof or no proof required should be a paperless process automated through the new IS. The new information system should contain the necessary edit checks and alerts to ensure that identification, residency, and income are properly documented in order to certify or recertify participants. The Alaska waivers of proof of residency for select Native Remote Villages should be documented and included in these edit checks. If no documents of proof are available the system should be able to document that no proof is required.</p>
7	<p>Program integrity. MOV staffs report they have filled orders for a high number of twins in a particular village. This scenario could be coincidental or a symptom of program abuse because proof documents are not always verified per regulations in the remote villages.</p>	<p>To increase accountability and accuracy of clinic level data and reports.</p>	<p>The new information system should produce reports that allow staff to identify potential abuse patterns through examining the reports for trends such as high numbers of twins. Additionally, the new IS could track the users performing specific functions to serve as an audit trail and, as applicable, track separation of duties.</p>



#	FINDINGS AND IMPACTS	GOAL(S)	RECOMMENDATIONS
8	<p>Program integrity. AKWIC's edit and alert functionality is inadequate. For example, AKWIC does not contain edits or alerts that notify staff to verify that certifications are complete prior to issuing initial or subsequent warrants.</p> <p>AKWIC users can currently overwrite participant chart notes made by other staff members without knowledge to others or date stamps (all data in this field is overwritten when the field is full - but there is no alert or save feature to warn staff that the space is near full). Because this may contain important historical medical chart information, these notes need to be retained in some location. Currently, many staffs reportedly duplicate work by maintaining paper documentation in addition to the system notes.</p>	<p>To increase accountability and accuracy of clinic level data and reports.</p> <p>To automate documentation to support paperless care notes, risk code factors and growth charts to improve WIC Program integrity.</p>	<p>The size of the AKWIC certification notes field should be modified to prevent notes from being inadvertently deleted from the database when the field becomes full. At a minimum, an alert should be added so that notes can be saved to another source if the field is nearing its capacity.</p> <p>Edits and alerts would improve data entry efficiency by identifying errors or omissions as they are made. The new information system should contain the necessary edit checks and alerts to ensure that certifications are complete prior to allowing the staff to issue warrants to a participant.</p> <p>The new IS should ensure program and data integrity of chart notes, which information entered cannot be altered and staff and date audits are available. Because they are part of the medical record, certification history notes should be saved with the participant record in accordance with record retention rules (typically 5 years).</p>
9	<p>Data integrity. Several AKWIC functions do not work as designed, such as calculation of income and priority/risk factors. Because system income calculations do not work as designed, staff will manually calculate accurate income amounts and enter them into AKWIC.</p>	<p>To automate documentation to support paperless care notes, risk code factors and growth charts to improve WIC Program integrity.</p>	<p>Unlike the current model, the design of the income calculator in a new IS must meet Alaska requirements for calculating income to eliminate manual calculations.</p> <p>Risk factors should be automatically assigned and link with priorities (to include updates as risks/priorities change) to ensure integrity of risk data.</p>



#	FINDINGS AND IMPACTS	GOAL(S)	RECOMMENDATIONS
10	<p>Duplicate records. AKWIC does not have an effective edit to prevent staff from entering participant data into the system more than one time.</p> <p>A record can be deleted from AKWIC if no food instruments are attached to the record; but if staff members discover a duplicate record has been created, there is no means to combine the records in AKWIC.</p> <p>Duplicates may be created under these and other circumstances:</p> <ul style="list-style-type: none"> • If a clinic enters a placeholder record in the system for a participant that is transferred in from another clinic and attempts to merge the transferred record, a duplicate record is created. • If a participant forgets or does not report they are or were previously on WIC in Alaska and the staff may create a duplicate record. <p>All records created since AKWIC was implemented in 1998 are still maintained in the database. Clinics reported that they have multiple duplicate participant records in AKWIC that cannot be purged from the system.</p> <p>Because all records created since the system was implemented are still maintained in AKWIC and dual records cannot be purged, dual participation is nearly impossible to monitor.</p>	<p>To increase accountability and accuracy of clinic level data and reports.</p>	<p>AKWIC database records must be “scrubbed” and appropriate records purged before converting to a new system. Conversion of clean data will result in less staff time verifying accuracy of data.</p> <p>The new information system should contain the necessary edit checks and alerts to prevent staff from entering participant data into the system more than one time.</p> <p>Staff training should take place to ensure staff members thoroughly search the database prior to entering new records; this would limit the number of duplicate records created. Although combining and removing records should not be allowed on a regular basis, in special circumstances the State may need to have the capability to perform this function in the new system environment (particularly immediately after rollout).</p>



#	FINDINGS AND IMPACTS	GOAL(S)	RECOMMENDATIONS
11	<p>Data integrity/ Participation. The shared consensus of State and local agency staff is that the AKWIC reports needed for federal reporting are either unreliable or unavailable. SEARHC participation counts reportedly dropped from 95% to 89% in September 2005. Municipality of Anchorage (MOA) experienced certifications disappearing from the AKWIC screens but are unsure of the percentage of participants that were lost.</p> <p>Because participation counts reported in AKWIC reports are inaccurate, some staffs have resorted to a manual process to track their monthly participant counts. This manual process is not sanctioned by the State WIC office and is time consuming, but the local agencies hope that it will help in resolving the discrepancies.</p> <p>The State WIC Office has initiated a project to investigate the 505a report. The preliminary report of the State's data review for the month of September 2005 for one Local Agency verified that the site's AKWIC participation reports were inaccurate. Ultimately the 505a reports are submitted to the State WIC office. The inaccurate reports may impact clinic funding and reporting to FNS, as well.</p> <p>Initial analysis by the State shows that participants are being over counted by 5.4% per month.</p>	<p>To increase accountability and accuracy of clinic level data and reports.</p>	<p>Caseload data should be restored from the current inaccuracies, and a historical record of local agency assigned and achieved caseload monthly participation records should be maintained. MAXIMUS suggests maintaining the records for a period of five years, although it is understood that Alaska may have specific record retention rules that must be followed. Preparation for determining potentially eligible participants will enable the State of Alaska to work with the system contractor to design or develop a caseload projection report if there is not one available.</p> <p>Accurate participant counts and reports must be available in the new information system.</p> <p>The State has already begun to address this issue by contracting for an analysis of participation counts. Specific recommendations are anticipated from the contractor investigating this issue.</p>

Additional Clinic Operations Recommendations

The recommendations for enhancing performance and resource utilization are based on MAXIMUS staff observations and interviews in Alaska and understanding of WIC Program operations in other States; these recommendations do not necessarily map directly with specific findings above but should still be considered. Because AKWIC will be replaced, it is recommended that time and resources spent fixing or redesigning the current system are discussed and prioritized to make the transition to the new information system the most cost and time efficient. The purpose of these recommendations is to assist staff in preparing for a new information system.

- Determine system requirement needs for health and diet questions and ensure the new system has the common platform for changes required for Value Enhanced Nutrition Assessment (VENA). Advance planning will save time and costs with the Phase II contractor in joint application design (JAD) sessions.
- Local WIC Agency staff should continue to document design features they would like in a scheduler system. For example, document the features of paper schedulers that staff would like in an automated scheduler and explore automated scheduling mechanisms outside of the WIC Program for ideas.
- AKWIC database clean-up activities should commence as soon as possible so that clean, accurate data can be converted to the new system. At a minimum, participant data that has passed the standard archiving period should be removed from the old system. Staff may have other ideas of “bad” or old data they know is currently in the old system they see on a daily basis.

4.2 Vendor Management

4.2.1 Goals

The WIC Program depends on authorized vendors to provide food benefits to participants. The specific goals for Vendor Management for the Alaska WIC Program are:

- To automate the support functions and information collection for vendor management activities, such as routine monitoring, training, price surveys, vendor communication, compliance investigations, peer grouping, and vendor disqualifications;
- To improve the quality of service and foods provided by vendors to WIC participants through enhanced monitoring;
- To enhance the State WIC agency's ability to provide required training and oversight of vendors, as well as local agencies responsible for vendor management functions;
- To facilitate comprehensive data collection and to enable performance tracking for all required vendor management functions;
- To enable the State of Alaska to comply with vendor cost containment regulations and ensure that participants are being served in a cost-effective manner;
- To enhance functionality of mail order vendor subsystem to improve order transmittal delivery tracking, invoicing, and reporting;
- To facilitate issuance of Farmers Market Nutrition Program (FMNP) warrants, and provide timely redemption data and improve FMNP participation reports; and
- To automate reports required by the State of Alaska or USDA and enable the uploading of data, (such as TIP/PIPP report to the Food Stamp Program STARS database).

4.2.2 Current Environment

4.2.2.1 Information Flow

In Alaska, vendor applications may be submitted at any time throughout the year. Vendor agreements are for a maximum period of three years and all agreements for all vendors have the same expiration date. (Current agreements expire September 30, 2006.) Although the State strives to complete the application review process as quickly as possible, it does not have a rigid timeline for the process. The local agency may have to plan

the on-site visit in conjunction with other scheduled travel due to staffing, logistical, or budgetary constraints.

Business Driver:
Alaska WIC does not have the capability to capture all vendor authorization information in one automated system.

Prior to authorization, vendor application data are entered on the pending spreadsheet that tracks the status of the application through all the various steps, up until final approval (i.e., authorization). At the time of authorization, vendor application information is added to the AKWIC database and to the VENDMAST spreadsheet, which serves as the master vendor list (this spreadsheet contains additional required vendor information that cannot be stored in AKWIC).

Corporate trainers for the larger chains often train their cashiers; many of the rural stores are single owner stores that require training assistance from the State. The State has not established a schedule of vendor training opportunities in advance; however, staffs try to take advantage of meetings or conferences scheduled by vendor corporations to conduct training in conjunction with their events. Required interactive training is conducted at least once every three years by State or local agency staff, or via teleconference or other media. Interactive Vendor Training is documented in AKWIC on a screen that contains a date and a comment field. Physical documentation of training might consist of information from routine vendor monitoring reports or sign-in sheets from group trainings conducted by State or local agency staff.

Currently, the Vendor Coordinator tracks ongoing compliance investigations on an Excel spreadsheet. The AKWIC system contains fields to enter information about individual compliance buys (date, checkbox if compliant, or description of type of violation); however, it cannot track a compliance investigation with start and end dates that may consist of two to four individual buys.

Local agencies in urban areas monitor 5% of WIC vendors annually. In rural areas, 50% of WIC vendors are monitored annually by local agencies.

Local agency staffs regularly monitor authorized retail vendors and forward their written reports to the State WIC Agency. Monitoring visits include verifying WIC inventory/stocking requirements, reviewing WIC food instruments in the vendor's possession, verifying shelf prices and conducting vendor training. Local agencies in urban areas monitor 5% of WIC vendors annually. In rural areas, 50% of WIC vendors are monitored annually by local agencies. (The higher percentage of monitoring visits in rural areas results is because compliance buys are impractical in rural settings where a small population makes it difficult for someone to pose as a WIC participant.) Follow-up monitoring may be scheduled if problems are found during the initial monitoring visit.

AKWIC contains the basic required information for routine monitoring visits (date, comment field to describe any findings or name of person who conducted the visit and checkbox to indicate if vendor was in compliance). The State has recently started conducting inventory audits; AKWIC

includes fields for the inventory audit and a checkbox to indicate if vendor is compliant.

Although the State Vendor Manual contains a schedule of penalty points for various vendor violations, AKWIC does not contain sufficient fields or screens for tracking all of the variables. The system has two sections, one for Administrative Warnings and one for Sanctions. Within each of these sections are fields to enter the date of the warning letter or sanction, the response date, if an appeal is pending and, if so, the appeal date, comments, and the number of penalty points (which may be entered in the case of a sanction). AKWIC cannot track cumulative sanction points within a three-year sanction period. Therefore staff use a separate Excel spreadsheet to track penalties and sanctions in more detail than AKWIC allows. Additionally, AKWIC does not provide a place to track the monetary claims assessed against vendors who have warrant redemption violations. Currently, assessment and payment of these claims is entered in the Administrative Warning area, which creates problems when running reports.

Alaska vendor peer group definitions are currently being analyzed and will likely be revised in the near future to comply with new USDA cost containment regulations. Current peer groups are:

1. Urban- stores in Anchorage
2. Rail belt/Ferry- stores in communities on the road system or with access to ferry system (such as Fairbanks, Kenai, Mat-Su, Kodiak, most of Southeast)
3. Remote/Bush- stores in communities that have no road or ferry access
4. Military Commissaries- regardless of location
5. Pharmacies- regardless of location

Of the State's 213 authorized vendors, all but seven are retail grocery stores.

Alaska has 213 authorized WIC vendors; this includes 206 retail grocery stores, two pharmacies, and five military commissaries. In the urban areas of the State, (primarily Anchorage, Mat-Su, Fairbanks, and Juneau,) retail vendors tend to be large supermarkets (such as Carrs/Safeway) or super stores (such as Fred Meyer) that carry a wide array of other merchandise, such as furniture, snow machines, and clothing. In rural areas, the stores tend to be smaller locally owned stores and many stores in very remote bush locations have one or two check stands.

WIC participants in communities that have no authorized vendors are served by a contract mail order vendor (MOV) located in Anchorage. Food orders are transmitted to the contractor (Fred Meyer) electronically by the local agencies and the food boxes are packed and shipped directly to the participants.

The following diagram presents a summary of information flow during vendor management.

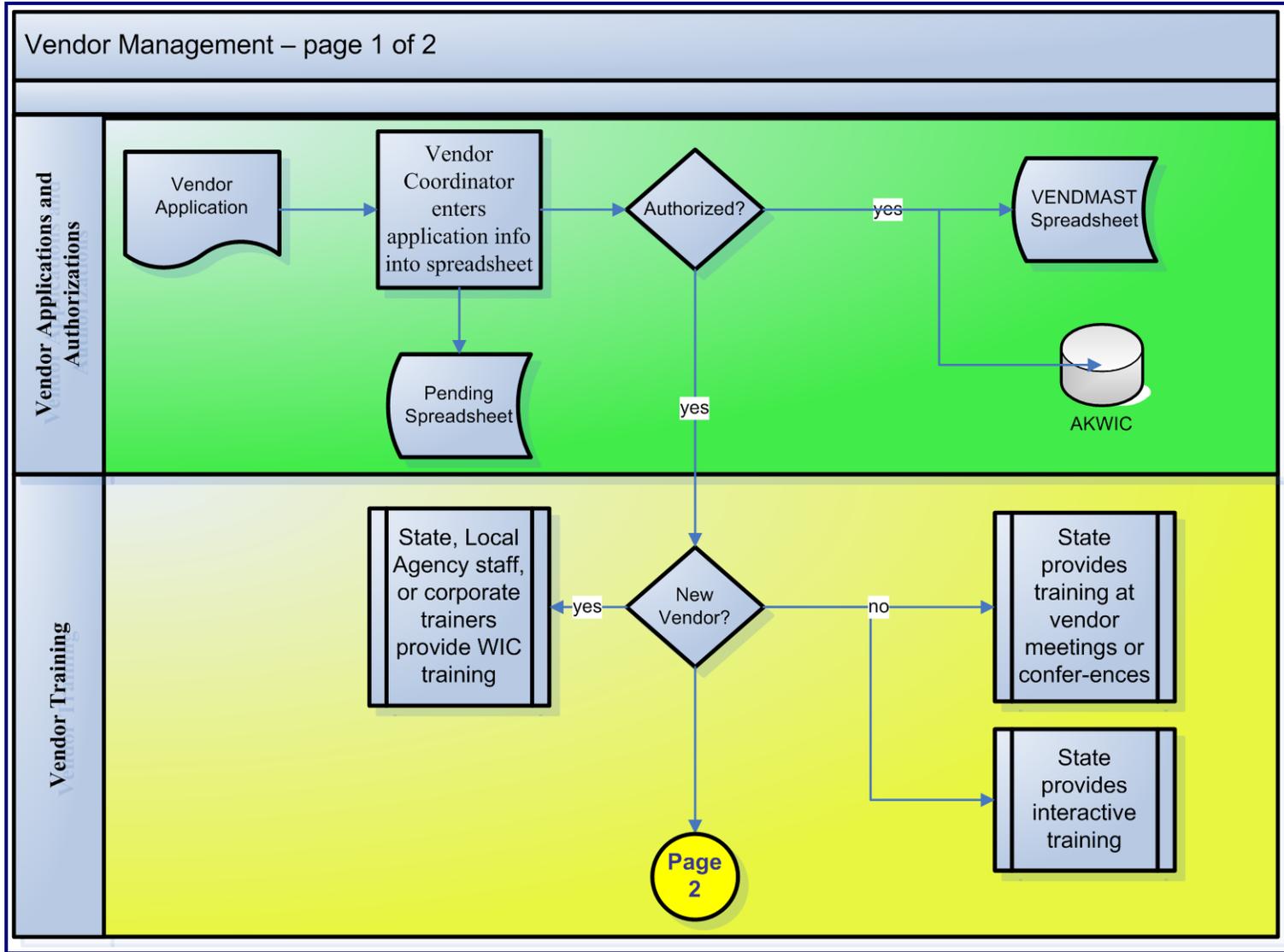


Exhibit 5: WIC Vendor Management Information Flow (1 of 2)

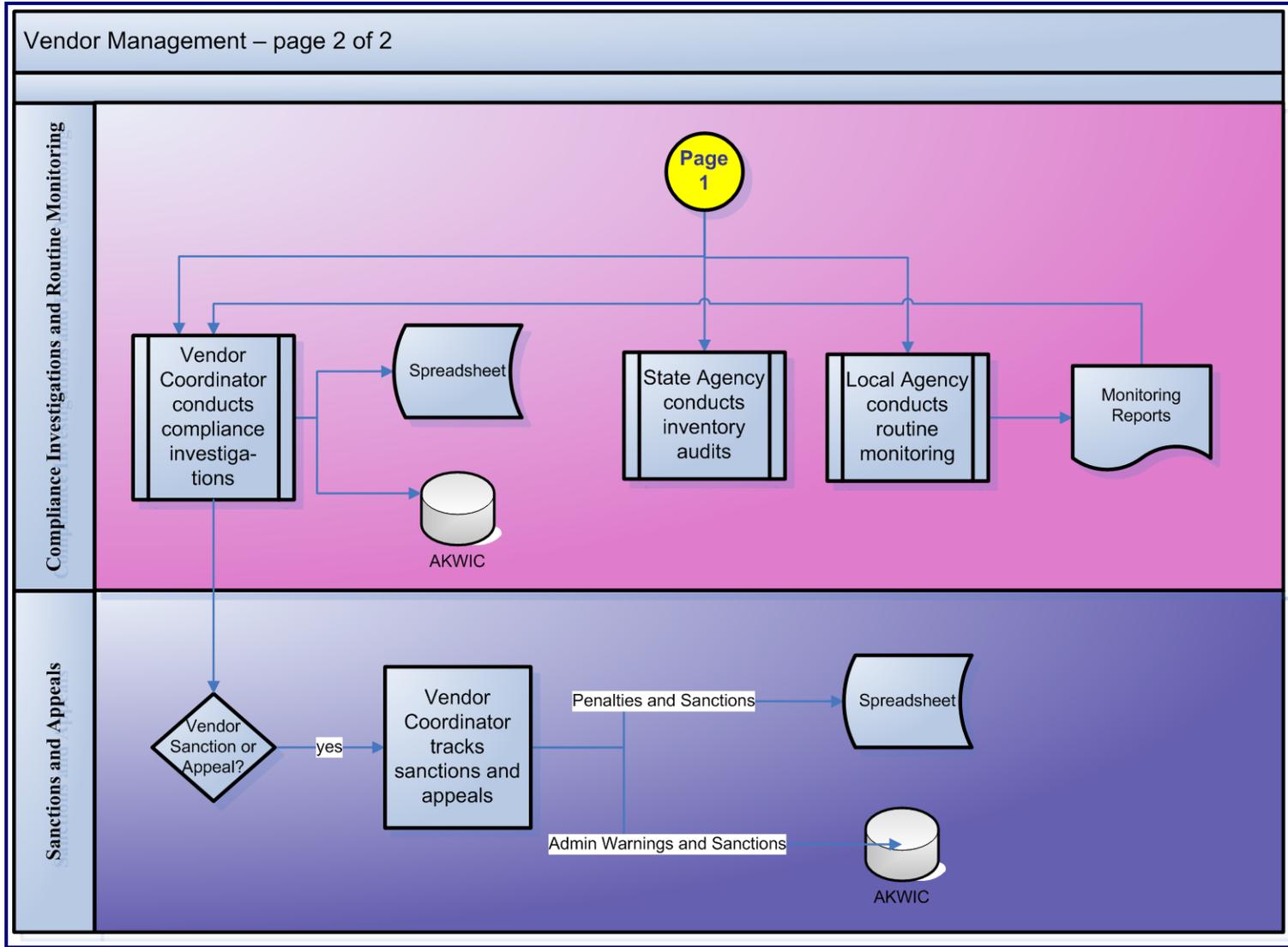


Exhibit 6: WIC Vendor Management Information Flow (2 of 2)



4.2.2.2 Process Environment

The following table presents the current Alaska WIC Environment in relation to FRED functionality.

PROCESS	CURRENT FUNCTIONALITY (MANUAL/ AUTOMATED/ SEMI-AUTOMATED)	CURRENT SUPPORTING TECHNOLOGIES/ INFRASTRUCTURE	CURRENT DECISION-MAKING AND APPROVALS	CURRENT DOCUMENTATION NEEDS
Vendor Management				
Maintain Vendor Authorizations	<p>Semi-automated</p> <p>Vendor application information is currently maintained in multiple places: prior to authorization, in the “pending” spreadsheet, after authorization, in the AKWIC database and the VENDMAST spreadsheet, as well as additional spreadsheets (AKWIC does not contain all of the fields needed for some of the information).</p> <p>Information pertaining to vendors who have requested applications or are in the application process is maintained in an Excel spreadsheet.</p> <p>At the time of authorization, the vendor information is added to AKWIC and to the “VENDMAST” Excel spreadsheet that serves as the “master” vendor list (it contains additional required vendor information that has no data fields in the AKWIC database).</p> <p>The current AKWIC database does not have fields or screens for tracking all vendor data that is now required; therefore, the State relies on numerous separate spreadsheets.</p>	AKWIC, VENDMAST spreadsheet, and various other spreadsheets	State Vendor Coordinator approves vendor applications.	Vendor Applications



PROCESS	CURRENT FUNCTIONALITY (MANUAL/ AUTOMATED/ SEMI-AUTOMATED)	CURRENT SUPPORTING TECHNOLOGIES/ INFRASTRUCTURE	CURRENT DECISION-MAKING AND APPROVALS	CURRENT DOCUMENTATION NEEDS
Monitor Vendor Training	<p>Semi-automated</p> <p>Alaska has not established a schedule of vendor training opportunities in advance; therefore, there has been no need to maintain a schedule. The State tries to take advantage of meetings or conferences scheduled by vendor corporations who allow the State to conduct training in conjunction with their events.</p> <p>Interactive Vendor Training is documented in the AKWIC system via a screen that contains a date and a comment field. Physical documentation of training might consist of information from routine vendor monitoring reports or sign-in sheets from group trainings conducted by State or local agency staff.</p>	AKWIC		<p>Routine vendor monitoring reports</p> <p>Sign-in sheets from group trainings conducted by State or local agency staff</p>
Support Vendor Communications	<p>Manual</p> <p>Current AKWIC system has not been used for vendor communications such as form letters or mailing labels. Instead, staffs rely on mail merges to the VENDMAST file.</p>			
Perform High-Risk Vendor Analysis	<p>Not Done</p> <p>Although AKWIC contains reports for conducting the high-risk analysis, the State has been unable to use them or test to see if they are reliable or accurate. This is because the State was not able to get the vendor numbers from the redeemed warrants into the database.</p>			



PROCESS	CURRENT FUNCTIONALITY (MANUAL/ AUTOMATED/ SEMI-AUTOMATED)	CURRENT SUPPORTING TECHNOLOGIES/ INFRASTRUCTURE	CURRENT DECISION-MAKING AND APPROVALS	CURRENT DOCUMENTATION NEEDS
Track Compliance Investigations and Routine Monitoring	<p>Semi-automated</p> <p>Currently, the Vendor Coordinator maintains an Excel spreadsheet to track ongoing compliance investigations. AKWIC contains fields to enter information about individual compliance buys, (date, checkbox if compliant, or description of type of violation); however, it cannot track a compliance investigation with Start and End dates that may consist of two to four individual buys.</p> <p>There is a Compliance Buy report in AKWIC, but it has never been used; it does not appear to contain valid data because local agency staff members issue “compliance” warrants to test printers.</p> <p>AKWIC contains the basic required information pertaining to routine monitoring visits, (date, comment field to describe any findings or name of person who conducted the visit and checkbox to indicate if vendor was in compliance); however, local agencies commented that there are no working vendor reports for tracking vendor compliance and pricing.</p> <p>The State has just begun doing inventory audits for the first time. AKWIC only provides fields for date of Inventory Audit and a checkbox to indicate if the vendor is compliant.</p>	AKWIC		



PROCESS	CURRENT FUNCTIONALITY (MANUAL/ AUTOMATED/ SEMI-AUTOMATED)	CURRENT SUPPORTING TECHNOLOGIES/ INFRASTRUCTURE	CURRENT DECISION-MAKING AND APPROVALS	CURRENT DOCUMENTATION NEEDS
Monitor Sanctions and Appeals	<p>Semi-automated</p> <p>AKWIC only has two sections: one for Administrative Warnings and one for Sanctions. Within each of those sections, there are fields to enter the date of the warning letter or sanction, the response date, if an appeal is pending and, if so, the appeal date, comments, and the number of penalty points may be entered in the case of a sanction. However, the system cannot track cumulative sanction points within a three-year sanction period; therefore, the State uses a separate Excel spreadsheet to track Penalties and Sanctions in more detail than AKWIC allows. AKWIC does not provide a place to track the monetary claims assessed against vendors who have warrant redemption violations; (currently assessment and payment of these claims is entered in the Administrative Warning area, which creates problems when running reports). AKWIC allows only the tracking of Administrative Warning and Sanction appeals (i.e., whether an appeal is pending and the date of the appeal).</p>	AKWIC		Alaska documentation needs could include, vendor complaint, routine monitoring, compliance buy, and inventory audit reports.
Coordinate with Food Stamp Program	<p>Manual</p> <p>Food Stamp Program (FSP) information is not supported by the AKWIC system; hard copies of FSP notices are maintained and WIC State staff now have access to the FSP STARS system to access online information about Food Stamp Program authorization, compliance and redemptions.</p> <p>This is currently a manual process done via email and/or hard copy.</p>	Food Stamp Program STARS System		Food Stamp Program notices

4.2.3 Findings and Recommendations

The following table presents specific findings and impacts from site visits and interviews, and recommendations for achieving the goals related to the findings. The table is followed by overall recommendations for improving the current environment to meet the goals of the Alaska WIC Program.



#	FINDINGS AND IMPACTS	GOALS	RECOMMENDATIONS
1	<p>Remote village locations. Many remote areas are inaccessible via a road system; therefore, freight is delivered to stores by air or waterways. Remoteness of villages and weather in Alaska contribute to the condition of the food package and the actual content of the food package often being damaged; storms may delay shipments for several days, or store supplies freeze on the airstrip tarmac. When freight shipments are delayed, rural vendors may have inadequate stock or poor quality WIC foods.</p> <p>In addition, passengers take priority over shipments for plane deliveries, and hover crafts and barges only deliver shipments once there is a full load.</p> <p>Because of these constraints, some remote WIC vendors are suspected of giving “rain checks” to participants even though this practice is not sanctioned by the Alaska WIC Program and is against federal regulations. Vendors may provide this service in violation of the program to “help” participants access their food benefits. Vendors that are caught providing rain checks are sanctioned as appropriate.</p>	<p>To improve the quality of service and foods provided by vendors to WIC participants through enhanced monitoring.</p>	<p>The State could reduce the number of vendors in communities where MOV food packages are routinely shipped to participants or where vendors routinely participate in authorized activities. Replacing remote vendors with MOV food package distribution should result in cost savings, reduced monitoring requirements, and more assurances of compliance with Program rules.</p>
2	<p>Food costs. Food costs in the rural areas are significantly higher than in urban areas or than what is charged for MOV food boxes.</p> <p>Some rural clients opt to receive foods by mail order.</p>	<p>To enable the State of Alaska to comply with vendor cost containment regulations and ensure that participants are being served in a cost-effective manner.</p>	<p>The State should include vendor limiting criteria in its selection of WIC-authorized retailers such as, number of warrants cashed in a specified period; dollar sales volume; minimum variety and quantity of WIC foods, on-site alcohol sales; and business integrity. Replacing remote vendors that charge higher prices with MOV food package distribution could result in cost savings, reduced monitoring requirements, and more assurances of compliance with Program rules. The new information system should contain the competitive prices of similar vendors and monitor for unusual patterns.</p>



#	FINDINGS AND IMPACTS	GOALS	RECOMMENDATIONS
Peer Groups			
3	<p>Vendor identifications. To date, peer groups have not been used for any specific purpose. This is mostly due to longstanding problems with capture of vendor identification data from redeemed warrants. In order to establish appropriate peer groups, implement price limitations (or “not to exceed” prices for specific warrant types), the State needs to know which vendors have redeemed warrants and at what prices. KeyBank’s daily redemption reports do not include vendor identification numbers; however, the bank sends images of each redeemed warrant that can provide that information. Staff must manually enter vendor identification numbers into an Access database.</p> <p>Illegible vendor numbers cannot be traced once the bank has scanned the images. Alaska WIC staff has reservations regarding the accuracy of the high-risk vendor reports produced as a result of the reviews.</p>	<p>To automate the support functions and information collection for vendor management activities, such as routine monitoring, training, price surveys, vendor communication, compliance investigations, peer grouping, and vendor disqualifications.</p> <p>To facilitate comprehensive data collection and to enable performance tracking for all required vendor management functions.</p>	<p>To better address the vendor situation in Alaska, the State should consider reviewing peer groupings prior to the contract period September 30, 2006.</p> <p>The State should evaluate changing their banking contractor since KeyBank does not provide pre-edits and reports (e.g., that include vendor numbers for redeemed warrants) that are provided by larger banking contractors.</p>
4	<p>Max price limits. AKWIC does not contain the functionality to assist the State in establishing allowable or maximum price limits for different warrant types.</p> <p>The Vendor Coordinator has been testing Peer Group price limits based on Price Sheet information submitted by vendors. The Vendor Coordinator continues to study the Peer Grouping process in order to establish competitive price and price limitations.</p>	<p>To facilitate comprehensive data collection and to enable performance tracking for all required vendor management functions.</p> <p>To automate the support functions and information collection for vendor management activities, such as routine monitoring, training, price surveys, vendor communication, compliance investigations, peer grouping, and vendor disqualifications.</p>	<p>A new information system should be able to provide price information (such as averages) by Peer Groups and provide reports of any warrants that exceed the limits. It should also be flexible enough to change as prices change. If the IS cannot provide the price information reports on Food Instruments that exceed Peer Group limits, it is possible the reports could be provided a by banking contractor.</p>



#	FINDINGS AND IMPACTS	GOALS	RECOMMENDATIONS
Contracts and Monitoring			
5	<p>Vendor authorization. Currently, the only limiting criteria for a WIC Vendor is that the community have a minimum of ten participants. However, the State is currently assessing whether to amend the vendor selection criteria in the State Plan to require more than the current minimum of ten participants in a community for a local vendor to be authorized, to a higher number such as 25 or 50.</p> <p>Fewer staff, time, and costs are required to assess vendor applications because the State excludes of vendor selection criteria used by other states in its selection of WIC-authorized retailers. However, the WIC Program risks authorizing vendors that should not be qualified to redeem WIC warrants for food. Alaska has currently begun the process of reviewing vendor selection criteria.</p>	<p>To facilitate comprehensive data collection and to enable performance tracking for all required vendor management functions.</p> <p>To automate the support functions and information collection for vendor management activities, such as routine monitoring, training, price surveys, vendor communication, compliance investigations, peer grouping, and vendor disqualifications.</p> <p>To enhance the State WIC agency's ability to provide required training and oversight of vendors, as well as local agencies responsible for vendor management functions.</p>	<p>To reduce staff resources needed to assess minimum requirements for vendors, vendor applications could be made online and prescreened for pre-selected criteria, as other states have established. If the vendor meets select criteria, they could be allowed to proceed with the application process.</p> <p>The State should include vendor selection criteria used by other states in its selection of WIC-authorized retailers such as, number of warrants cashed in a specified period; dollar sales volume; minimum variety and quantity of WIC foods, on-site alcohol sales; and business integrity.</p>



#	FINDINGS AND IMPACTS	GOALS	RECOMMENDATIONS
6	<p>High risk vendors. The State has been unable to successfully target high risk vendors partially because AKWIC does not track the location where warrants are redeemed. KeyBank’s daily redemption reports do not include vendor identification numbers; staff must key-enter vendor numbers (from warrant images) into an Access database once the bank information has been transferred into the system.</p> <p>Staff must manually enter vendor identification numbers into an Access database after matching scanned warrant images with the bank’s daily redemption report data.</p> <p>High risk vendors are monitored for compliance manually according to Alaska WIC criteria rather than USDA statistical indicators.</p> <p>AKWIC contains reports for conducting high-risk vendor analyses, but the State is unable to use them or test to see if they are reliable or accurate.</p>	<p>To facilitate comprehensive data collection and to enable performance tracking for all required vendor management functions.</p> <p>To automate the support functions and information collection for vendor management activities, such as routine monitoring, training, price surveys, vendor communication, compliance investigations, peer grouping, and vendor disqualifications.</p>	<p>High risk vendor analysis reports from AKWIC should be reviewed to determine if they can be used or tested for accuracy. If they cannot be used, design considerations for the new IS need to include vendor analysis functionality to reduce the manual calculations and analysis that must take place in the absence of an automated analysis tool.</p> <p>The State should implement semi-annual quality control monitoring of MOV orders.</p>
7	<p>Vendor management. The current system does not provide adequate data regarding: 1) food package/food warrant costs by Peer Groups and vendors exceeding price limits, 2) vendor training - types and attendance, 3) dates and findings or routine vendor monitoring, 4) high risk vendors and compliance investigations (including compliance buys and inventory audits,) 5) vendor sanctions and appeals.</p> <p>The lack of automated vendor management functionality makes monitoring data activities cumbersome related to maintaining and documenting information.</p>	<p>To automate reports required by the State of Alaska or USDA and enable the uploading of data, (such as TIP/PIPP report to the Food Stamp Program STARS database).</p>	<p>A new information system should be able to gather accurate vendor data such as, prices, numbers of warrants redeemed, and participant complaints. It should be able to maintain vendor authorization data.</p> <p>A new IS should have the capability to automate the Vendor Management function in order to efficiently monitor sanctions placed on vendors, track compliance and routine monitoring, monitor training, support vendor communication, and perform high risk analysis.</p>

4.3 Food Benefit Issuance, Redemption and Reconciliation

4.3.1 Goals

The goals for a WIC IS for food benefit redemption, settlement, and reconciliation are to reimburse vendor for food sales in the most efficient and timely manner possible, in accordance with federal WIC Regulation §246.12, and without errors or rejections. The specific goals for Food Benefit Issuance, Redemption, and Reconciliation for the Alaska WIC Program are:

- To reimburse vendors for allowable food sales in accordance with federal requirements in a timely and efficient manner;
- To ensure that food instruments are correctly issued and accurate records maintained in the information system;
- To have the tools available to directly correlate financial information in the client information system against comparable information from the banking services contractor to information from the State accounting system by banking day or banking month;
- To ensure that timely and accurate warrant information can be associated to a specific WIC participant; and
- To have the ability to track individual food instruments accurately and in a timely manner through all stages, such as issuance, redemption, and reconciliation.

4.3.2 Current Environment

4.3.2.1 Information Flow

*Business Driver:
MOV redemption
processes differ
from non-MOV
warrant
redemption
processes*

Food packages are issued to participants either by warrants or by mail order (Fred Meyer in Anchorage is the Mail Order Vendor). If not receiving benefits through the MOV⁴, the participants redeem their warrants for food benefits and the vendors deposit WIC warrants into their bank account as they would any other check. Warrants are cleared through the Federal Reserve Bank process against the State's bank account held at KeyBank. KeyBank processes and pays the vendors for all WIC transactions without editing the warrants and transmits a daily warrant activity file to the State accounting system (AKSAS). A Financial Management Services staff member processes a letter of credit (LOC) revenue draw on behalf of WIC, calculates the amount of the new LOC drawdown, and records the transfer of funds in AKSAS.

⁴ The MOV vendor directly bills the Alaska WIC office for food, which it ships to WIC clients, and associated shipping charges

Business Driver:
*System constraints
require some
manual
manipulation of
some food
instrument
information*

Each month, state staff reconciles redeemed food instrument data in AKWIC with the bank records. KeyBank puts all food instrument images on a disk and sends it to the Division of Revenue, which in turn forwards it to the WIC office. The disk also includes a text file that includes date, warrant number, and the redemption amount. WIC staffs run a routine that exports the text file information into an Access database, from which the information is uploaded into AKWIC. In a separate process, vendor numbers are tracked. Staff members view the food instrument images provided by Key Bank to identify vendor numbers. The vendor number is then key-entered into an Access database. AKWIC produces an Access report that is exported to a spreadsheet for the Project Manager to reconcile with the bank data. The AKWIC Food Instrument Reconciliation Report is used to compile federal reporting information each month.

The following diagram presents a summary of information flow during food benefit issuance, settlement, and reconciliation.

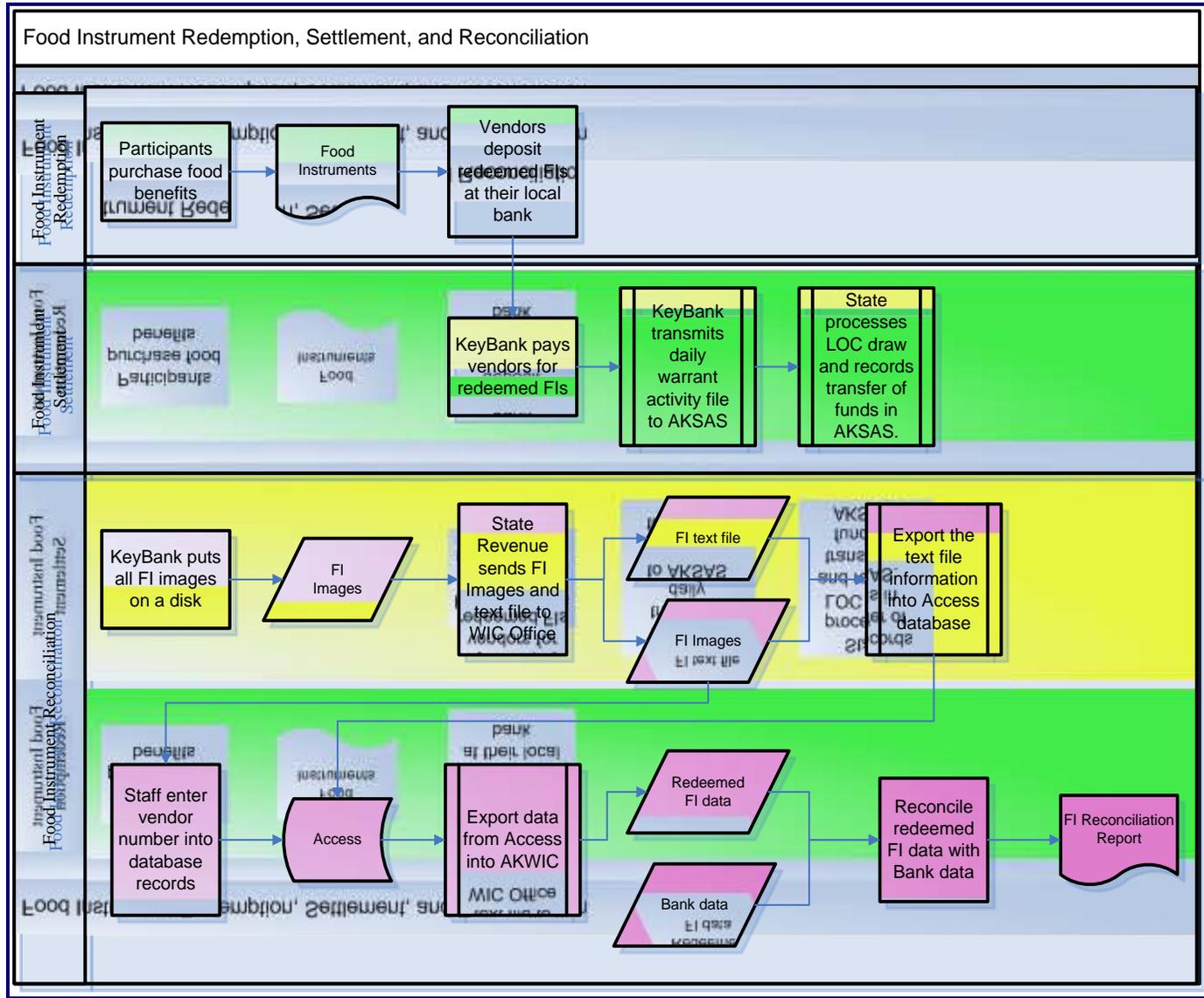


Exhibit 7: WIC Food Instrument Redemption, Settlement, and Reconciliation Information Flow



Process Environment

The following table presents the current Alaska WIC Environment in relation to FRED functionality.

PROCESS	CURRENT FUNCTIONALITY (MANUAL/ AUTOMATED/ SEMI-AUTOMATED)	CURRENT SUPPORTING TECHNOLOGIES/ INFRASTRUCTURE	CURRENT DECISION-MAKING AND APPROVALS	CURRENT DOCUMENTATION NEEDS
Food Benefit Redemption, Settlement, and Reconciliation				
Pay Vendor for Food Benefits Redeemed (Paper Food Instrument Systems)	<p>Semi-automated</p> <p>Food packages are issued through AKWIC to participants either by warrants or by mail order (Fred Meyer in Anchorage is the Mail Order Vendor). All vendors except the Mail Order Vendor (MOV) deposit the redeemed food instruments (Treasury warrants) at their local bank. <i>(Note: MOV process is described below)</i>. An AKSAS-KeyBank interface transaction occurs and authorization in the State accounting system, AKSAS, is reduced to record the total warrant expenditures for that day, and to reflect the amount due KeyBank. The daily food expenditure is recorded in AKSAS. Financial Management Services staff member utilizes the AKSAS Management Reports to</p> <p>Identify the total expended by program code, the total revenue already recorded drawn, and to calculate the Amount of the new LOC drawdown. Financial Management Services staff member processes a letter of credit revenue draw on behalf of WIC. Once the transfer of funds occurs, the revenue is recorded in the state accounting system, AKSAS.</p> <p>Alaska does not have a pre-edit system. KeyBank automatically pays all food instruments (except any that exceed the NTE of \$150 which Treasury must approve). All edits for errors and follow-up to collect reimbursements from vendors is done after the fact by State vendor staff.</p> <p>Key Bank contacts the Treasury if there are</p>	KeyBank AKSAS AKWIC MOV (Vendor Subsystem)		Daily WIC Warrant Activity file (KeyBank) Daily food expenditures recorded in AKSAS Letter of credit revenue draw (Financial Management) AKSAS Management Reports (total expended by program code, the total revenue already recorded drawn, calculate the amount of the new LOC drawdown) Daily bank report that lists paid food instruments from the previous day (warrant numbers, redemption amounts) MOV Invoice from Fred Meyer



PROCESS	CURRENT FUNCTIONALITY (MANUAL/ AUTOMATED/ SEMI-AUTOMATED)	CURRENT SUPPORTING TECHNOLOGIES/ INFRASTRUCTURE	CURRENT DECISION-MAKING AND APPROVALS	CURRENT DOCUMENTATION NEEDS
	<p>problems (e.g., cannot read MICR, duplicate check number).</p> <p>Every day, AKSAS reports the previous day's total Food Instruments expenditure, but does not provide warrant numbers or individual FI redemption information.</p> <p>MOV Processing</p> <p>Local agency orders are transmitted to Fred Meyer daily through the MOV System.</p> <p>Fred Meyer electronically bills the State twice a month. The MOV bill is separate from shipping/ mailing costs; shipping costs are not entered into AKWIC- they must be manually pulled from State Accounting system and entered into AKSAS)</p> <p>A warrant request is submitted to DHSS Fiscal.</p>			
<p>Reconcile Food Instruments (Paper Food Instrument Systems)</p>	<p>Semi-automated</p> <p>Vendor numbers are key-entered as related to the warrant information into AKWIC.</p> <p>End of month reconciliation between the State Accounting System and AKWIC is done on a spreadsheet. Accounting staffs get banking data on WIC warrants from AKSAS and load the data into AKWIC to do reconciliation with Food Orders; this is an all-day process that ties up the Accounting III computer. IT Business Applications staff must manipulate the AKWIC database tables to get the AKWIC data to reconcile with the banking information in order to meet the federal requirement of reconciliation of within half of 1%.</p>	<p>AKSAS AKWIC</p>	<p>IT Business Applications staff must manipulate the AKWIC database tables to get the monthly AKWIC data to reconcile with the banking information in order to meet the federal 1/2 of 1 % requirement.</p>	<p>Daily bank report that lists paid food instruments from the previous day (warrant numbers, redemption amounts)</p> <p>KeyBank data on WIC warrants</p> <p>Food Orders</p>

4.3.3 Findings and Recommendations

The following table presents specific findings and impacts from site visits and interviews, and recommendations for achieving the goals related to the findings. The table is followed by overall recommendations for improving the current environment to meet the goals of the Alaska WIC Program.



#	FINDINGS AND IMPACTS	GOAL	RECOMMENDATIONS
1	<p>Redemption tracking. The systems used for tracking food benefit redemptions are fragmented and reportedly do not provide data and information as accurately as desired.</p> <p>Some food instrument tracking takes place by a WIC administration clerical worker. Bank data is downloaded from the Department of Accounting's remote system into EXCEL as a .WAR file. Each .WAR document is uploaded into AKWIC. Data from AKWIC Food Instrument reconciliation report 401 is then retrieved for AKSAS monthly expenditure/AKWIC monthly expenditure reconciliation.</p>	<p>To have the tools available to directly correlate financial information in the client information system against comparable information from the banking services contractor to information from the State accounting system by banking day or banking month.</p>	<p>A new information system should automate the transfer of data across systems as much as possible to eliminate the need for manually tracking data on spreadsheets and in Access.</p>
2	<p>Bank Reconciliation. End of month reconciliation between the State Accounting System and AKWIC is performed on a spreadsheet. The .WAR files are loaded into AKWIC. Data from AKWIC FI reconciliation report 401 is then retrieved for AKSAS monthly expenditure/AKWIC monthly expenditure reconciliation. The reconciliation function is an all-day process that monopolizes the computer of the Accountant III for an entire day. MOV warrants can be entered into AKWIC at any time.</p> <p>This manual process inefficiently uses State staff time.</p>	<p>To have the tools available to directly correlate financial information in the client information system against comparable information from the banking services contractor to information from the State accounting system by banking day or banking month.</p> <p>To ensure that timely and accurate warrant information can be associated to a specific WIC participant.</p> <p>To have the ability to track individual food instruments accurately and in a timely manner through all stages, such as issuance, redemption, and reconciliation.</p>	<p>A new information system should automate the transfer of data across systems as much as possible to eliminate the need for manually tracking data on spreadsheets and in Access.</p> <p>A computer other than the accountant's computer should be designated for running the monthly reports, rather than tying up the accountant's computer. Alternatively, this process could be performed during off hours or overnight.</p>



#	FINDINGS AND IMPACTS	GOAL	RECOMMENDATIONS
3	<p>Bank Reconciliation. USDA/FNS requires that AKWIC data be reconciled to the banking data within one-half of one percent. IT Business Applications staff must analyze and modify the AKWIC database tables to get the AKWIC data to reconcile with the banking information in order to meet the federal one half of one percent requirement.</p>	<p>To ensure that food instruments are correctly issued and accurate records maintained in the information system.</p> <p>To have the tools available to directly correlate financial information in the client information system against comparable information from the banking services contractor to information from the State accounting system by banking day or banking month.</p>	<p>IT Business Applications staff must analyze and modify the AKWIC database tables to get the AKWIC data to reconcile with the banking information in order to meet the federal one half of one percent requirement.</p> <p>A new information system should accurately reconcile the total number of food instruments and total food instrument redemption dollar amount to meet federal guidelines without requiring manual intervention.</p>
4	<p>Warrant edits. Alaska currently does not have a food instrument pre-edit system. All food instruments (except any that exceed the NTE of \$150) are automatically paid by the Treasury. State staffs edit warrants for errors and must follow-up with vendors to collect reimbursements on warrants erroneously processed.</p> <p>Because AKWIC does not contain the functionality to assist the State in establishing allowable or maximum price limits for different warrant types, State staffs utilize excessive time and resources editing redeemed warrants and following up with vendors to collect reimbursements.</p>	<p>To reimburse vendors for allowable food sales in accordance with federal requirements in a timely and efficient manner.</p>	<p>A new information system should be able to provide price information (such as averages) by Peer Groups and provide reports of any warrants that exceed the limits. It should also be flexible enough to change limits as prices change. If the IS cannot provide the price information reports on Food Instruments that exceed Peer Group limits, it is possible the reports could be provided a by banking contractor.</p>



#	FINDINGS AND IMPACTS	GOAL	RECOMMENDATIONS
5	<p>MOV Billing. Fred Meyer submits its MOV bill to FNS twice a month. The Accounting Tech uploads the disc submitted by Fred Meyer into AKWIC to transfer MOV FI data into AKWIC for reconciliation. Upon completion of the reconciliation, a warrant to pay MOV food costs is requested from DHSS Fiscal. Upon receipt of the warrant within a few weeks, the staff then initiates the State Revenue AKWIC upload from a disk and manually updates the information with the check number.</p> <p>Manual tracking of information is both time-consuming and prone to data-entry error. The State WIC office would like to be able to compare AKWIC with AKSAS totals to ensure that there isn't a discrepancy in data but at this time this is not being done.</p>	<p>To reimburse vendors for allowable food sales in accordance with federal requirements in a timely and efficient manner.</p> <p>To ensure that food instruments are correctly issued and accurate records maintained in the information system.</p> <p>To have the tools available to directly correlate financial information in the client information system against comparable information from the banking services contractor to information from the State accounting system by banking day or banking month.</p>	<p>A new information system should efficiently share information with the State accounting system to transmit all MOV costs (including shipping and packaging costs) and properly account for the costs in the 798 report.</p>
6	<p>Duplicate warrant numbers. In the summer of 2005, the State WIC System experienced a hacking incident on SEARHC's server. IT Network Services needed to restore the database by rolling it back two days; in doing so, at least 100 warrants issued by SEARHC were removed from the AKWIC system.</p> <p>Apparently, IT Network Services was unaware of IT Business Applications' disaster plan that data from the data tables could have been restored at the time the server was restored. Since then IT Business Applications has implemented the requirement that "1000" to be added to the check number sequence to prevent duplicate issuances of warrant numbers in the event of other server restores.</p>	<p>To ensure that food instruments are correctly issued and accurate records maintained in the information system.</p>	<p>The State WIC Program must include the IT Division (Network Services and Business Applications) in the design and implementation of the new WIC information system disaster recovery plan. Communication across the State needs to include all entities that support or manage WIC operations.</p>



#	FINDINGS AND IMPACTS	GOAL	RECOMMENDATIONS
7	<p>Duplicate warrant numbers. Currently, warrant numbers are reused. Two valid warrants may be redeemed with the same warrant number, which makes reconciliation problematic.</p>	<p>To ensure that timely and accurate warrant information can be associated to a specific WIC participant.</p> <p>To have the ability to track individual food instruments accurately and in a timely manner through all stages, such as issuance, redemption, and reconciliation.</p>	<p>Warrant numbers series ranges should be increased to a large enough number that local agencies will not need to alter previously issued warrant numbers to allow AKWIC to accept a current number.</p>
8	<p>Reconciled bank data. As described above, KeyBank provides a disk that includes a file containing 55,000 - 65,000 warrants images and a text file to the State each month. The text file information is loaded into AKWIC by a manually initiated routine. Reconciling the data from the KeyBank file with the State systems is a manual process that involved importing and exporting data across spreadsheets and databases. Manual entry of information and multiple steps in reconciling data is both time-consuming and prone to data-entry error.</p>	<p>To have the tools available to directly correlate financial information in the client information system against comparable information from the banking services contractor to information from the State accounting system by banking day or banking month.</p> <p>To ensure that timely and accurate warrant information can be associated to a specific WIC participant.</p> <p>To have the ability to track individual food instruments accurately and in a timely manner through all stages, such as issuance, redemption, and reconciliation.</p>	<p>A new information system should interface with the banking contractor system to the extent possible to transmit maximum prices and warrant issuance information. The banking contractor should transmit complete files (i.e., to include the vendor identification number associated with each redeemed warrant).</p>

General Food Benefit Issuance, Redemption, and Reconciliation Recommendations

The recommendations for enhancing performance and resource utilization are based on MAXIMUS staff observations and interviews in Alaska and understanding of WIC Program operations in other States. Because AKWIC will be replaced, it is recommended that time and resources spent fixing or redesigning the current system are discussed and prioritized to make the transition to the new information system the most cost and time efficient. The purpose of these recommendations is to assist staff in preparing for a new information system.

- Financial management processes should be documented to enable back up staff to perform activities in the absence of the staff normally responsible for these tasks.
- Pre-edit guidelines, such as not to exceed amounts and dates of use, should be established and random warrants pulled on a regular basis prior to payment.
- The State should form a work group to discuss the problems that have been occurring in food instrument redemption, settlement, and reconciliation activities. Opening communication between the WIC accounting staff and State Revenue staff will aid in establishing requirements for the new WIC information system.
- A new WIC Information System must interface with and work in conjunction with the WIC banking system to track warrant numbers, provide clear audit trails, and support the sharing of issued and redeemed WIC food instruments between the IS and the banking system.
- The Mail Order Vendor (MOV) is a unique requirement to Alaska whose functionality will need to be added to the new WIC IS prior to its implementation.

4.4 Reporting

4.4.1 Goals

According to the federal WIC regulations contained within CFR §246.15, the State agency must report vendor and participant recoveries to FNS through the normal reporting process. The State is required to complete and submit the FNS monthly fiscal reports in a timely manner. Nutrition reporting is voluntary, but is valuable in gathering Alaska specific data that will help improve the quality of service to Alaska WIC recipients. The specific goals for Reporting for the Alaska WIC Program are:

- To complete and submit accurate FNS monthly fiscal reports in a timely manner;
- To ensure that nutrition reporting adheres to CDC guidelines;
- To allow flexibility for staff to create their own ad hoc reports, at the State and local agency levels;
- To create reports that accurately summarize data in each of the functional areas: caseload, financial, nutrition, and vendor data;
- To receive reports from Customer Services with types of calls received from local agencies and State agency staff, call information; and resolution of problems; and
- To ensure that current Alaska reporting nutrition parameters will be adapted as necessary.

4.4.2 Current Environment

4.4.2.1 Information Flow

Business Driver:
System constraints do not maximize staff and resource use. For example, one report requires a dedicated staff workstation for an entire day.

Reporting functions have a significant impact on WIC business operations. The WIC Program needs to be able to produce reports related to management, federal, vendor, and nutrition activities. Although the type and format of these area-related reports are driven by system constraints, the information that is available should be used to perform program management activities. Beyond timely access to accurate data, the business need in the reporting process is the appropriate training of staff members to use the information they receive to not only provide data and figures to the appropriate entities (such as FNS in the form of the 798 report or other state entities), but to analyze discreet characteristics of the WIC environment.

The new IS should improve the efficiency and timeliness for creating management reports, in addition to improving the accuracy of the reports. Accurate participation reports will aid in the management of the program and assist in supporting other reporting requirements such as dual participation and reminder letters. Efficient and effective automated

management functions in the new IS will allow staff to more effectively navigate through the management and reporting functions, and improve client services such as the transfer of WIC participants within the state in a more timely manner without creating duplicate participant records in the WIC database.

The Alaska WIC program is required to submit financial and program performance data on a monthly basis to FNS as defined in CFR §246.25. An objective of the new IS will be to accomplish this task in a flawless manner, and reduce the time required to create reports.

The new WIC IS must allow the Vendor Coordinator to produce reports directly from the system regarding the WIC food instruments issued and redeemed. Vendor information should be available to the Vendor Coordinator from one integrated application within the WIC IS, rather than the several systems and subsystems currently housing the data. While it is still unknown how MOV will be incorporated into a new IS, the interface in the new WIC IS must be more seamless than the current subsystem and support the inclusion and reporting of all costs in one transaction.

Finally, the new WIC IS should integrate nutrition reports into the CDC reports, and accurately gather and report participant data related to risk codes, referrals and other statistical information desired by the nutrition staff.



4.4.2.2 Process Environment

The following table presents the current Alaska WIC Environment in relation to FRED functionality.

PROCESS	CURRENT FUNCTIONALITY (MANUAL/ AUTOMATED/ SEMI-AUTOMATED)	CURRENT SUPPORTING TECHNOLOGIES/ INFRASTRUCTURE	CURRENT DECISION-MAKING AND APPROVALS	CURRENT DOC. NEEDS
Management Reporting				
Manual Reports	Food instruments issued for the day: appointment logs			
Automated Reports	<ul style="list-style-type: none"> • Summary of Termination Reminder Letters: report of all participants terminated • Daily Appointment Log • Missed Issuance Report: shows which participants did not receive warrants during the month • Duplicate Participation Report: Because no data has ever been deleted from the database, there are so many files and names to look through, it is nearly impossible to complete this task. In addition, the names do not appear to be in any particular order. • Transfers out of an Agency: report of who transferred out of the agency 	AKWIC		
Semi-automated Reports	<i>Food Instrument Reconciliation Report</i> : drawn each month to compile federal reporting. MOV classification does not pull correctly (disk information does not update AKWIC correctly or completely); staff must go back AKSAS to get the correct information.	AKSAS AKWIC		
Federal Reporting				
Automated Reports	Participation Report: Information is not accurate; not filtered to remove old termed participants (i.e., the report includes every participant ever served)	AKWIC		
Vendor Reporting				
Manual Reports	Local agencies indicated that there are not working Vendor Reports in the system for tracking vendor compliance and pricing. The Vendor Coordinator has used Seagate Crystal reports when necessary to generate ad hoc reports on such things as frequency of food package usage or number of Farmers' Market warrants redeemed by participants from each local agency, or even participants who have redeemed voided warrants.			
Nutrition Reporting				
Manual Reports	Because there are no standard nutrition reports available through AKWIC, IT staff must collect nutrition education data from AKWIC certification data for reporting.	Nutrition Surveillance reports are currently being developed.		

4.4.3 Findings and Recommendations

The following table presents specific findings and impacts from site visits and interviews, and recommendations for achieving the goals related to the findings. The table is followed by overall recommendations for improving the current environment to meet the goals of the Alaska WIC Program.

Several of the issues that create challenges to WIC reporting are detailed below.



#	FINDINGS AND IMPACTS	GOAL	RECOMMENDATIONS
1	<p>The State WIC Agency currently maintains all local agency administrative information, such as local agency contracts, in hard copy files and in separate Word directories. The manual process of gathering and maintaining this information for statistical or local agency reporting is cumbersome and prone to error.</p>	<p>To allow flexibility for staff to create their own ad hoc reports, at the State and local agency levels.</p> <p>To create reports that accurately summarize data in each of the functional areas: caseload, financial, nutrition, and vendor data.</p>	<p>A new information system should accurately maintain and include reports on all local agency administrative data. This is a FRED function.</p>
2	<p>The State WIC Agency manually produces bulk mailings and address lables for local agency communication. In addition, local agencies would like the ability to produce bulk mailing and address labels for participant communications.</p> <p>The manual process of producing bulk communications to local agencies and participants is cumbersome and labor intensive and costly.</p>	<p>To allow flexibility for staff to create their own ad hoc reports, at the State and local agency levels.</p>	<p>A new information system should the capacity to produce bulk mailings and address lables for local agency and participant communication.</p>
3	<p>USDA requires staff time studies be completed. Currently the studies are both time consuming and difficult to compile from various local agencies.</p> <p>The manual process of gathering and maintaining this information for statistical information at the local agency, then transferring it electronically to the State is cumbersome and prone to error.</p>	<p>To allow flexibility for staff to create their own ad hoc reports, at the State and local agency levels.</p> <p>To create reports that accurately summarize data in each of the functional areas: caseload, financial, nutrition, and vendor data.</p>	<p>An electronic staff time study system should be considered for the new WIC system. Note that this is not a FRED function and may require new development to a transfer system.</p>



#	FINDINGS AND IMPACTS	GOAL	RECOMMENDATIONS
4	<p>505a Report. Caseload management reporting is performed through AKWIC monthly using the 505a report. The accuracy of the report is disputed frequently by many of the WIC local agencies and many agencies have begun creating separate spreadsheets to manually track participation and caseload data within their agencies.</p> <p>The manual process of gathering and maintaining this information for statistical or federal reporting is cumbersome and prone to error. Manual data is not sanctioned nor accepted as reports by the Alaska State WIC office; all reports must be electronically generated for statistical reporting. Manual reports are used informally by the local agencies only.</p>	<p>To create reports that accurately summarize data in each of the functional areas: caseload, financial, nutrition, and vendor data.</p>	<p>The State has already begun to address this issue by contracting for an analysis of participation counts. Specific recommendations are anticipated from the contractor investigating this issue.</p>
5	<p>798 Report. The State retrieves financial data from AKSAS for reconciliation to AKWIC data to meet federal reconciliation and reporting requirements. WIC staff must manually enter information, such as MOV, into AKSAS to complete the reporting requirements. The State recently discovered that for about two years (up until about September 2005), MOV costs were erroneously excluded from the FNS-798 Report.</p> <p>Manual entry of information and multiple steps in obtaining data needed for federal reporting is both time-consuming and prone to error.</p>	<p>To complete and submit accurate FNS monthly fiscal reports in a timely manner.</p>	<p>The State should resolve the continuing problem of the WIC 798; this report runs in excess of 8 hours during business hours on the accountant's computer, and because the data is usually inaccurate, the data must be corrected and then the report must be rerun. The State should consider exploring whether the 798 report could be run during the night or on another PC so the accountant can continue to work.</p> <p>A new information system should interface with the State accounting system to the extent possible, pulling in the most critical financial information required for federal reporting.</p>



#	FINDINGS AND IMPACTS	GOAL	RECOMMENDATIONS
6	<p>The current AKWIC system reportedly has problems with most of the Vendor reports; therefore, they are not used. Examples of reporting problems include:</p> <ul style="list-style-type: none"> • WIC 605 – Vendor FI Redemptions – vendor numbers were not captured from redeemed warrants. • WIC 602 – Vendor History by Agency – this report contains some schedule information but does not accurately reflect sanction points and number of routine monitor visits. • WIC 607A and B Vendor Actions – this report does not correlate to other data previously collected in the database. • WIC 606 - Alaska does not currently have a system in place to analyze redeemed warrants for possible high-risk vendors. • WIC 608 – TIP Report information is used as a reference when preparing the report, but the report is not generated from AKWIC because of the inconsistencies of data and USDA’s recently revised requirements. 	<p>To create reports that accurately summarize data in each of the functional areas: caseload, financial, nutrition, and vendor data.</p> <p>To complete and submit accurate FNS monthly fiscal reports in a timely manner.</p> <p>To allow flexibility for staff to create their own ad hoc reports, at the State and local agency levels.</p>	<p>The data and logic needed for reports should be analyzed to ensure that reports in the new IS are developed to resolve the issues experienced in the current environment.</p> <p>It would be desirable for a new information system to be able to upload all USDA-required TIP data into the Food Stamp Program STARS database.</p>
7	<p>Alaska WIC recently reestablished their relationship with CDC and will be submitting data for PedNSS and PNSS reporting. Additionally, summaries of high-risk participants and maternal and child health indicators are collected for Healthy People 2010. Because there are no standard nutrition reports available through AKWIC, IT staff must collect nutrition education data from AKWIC certification data for reporting.</p> <p>Alaska WIC does not have direct access to nutrition education data from AKWIC for reporting without going through IT.</p>	<p>To ensure that nutrition reporting adheres to CDC guidelines.</p> <p>To ensure that current Alaska reporting nutrition parameters will be adapted as necessary.</p>	<p>A new information system should collect and accurately process nutrition information for reference and reporting. Standard information that is reported to other entities should be accessible to the WIC State staff to process information transfers.</p>



#	FINDINGS AND IMPACTS	GOAL	RECOMMENDATIONS
8	<p>AKWIC functionality does not link an infant's information with the mother to allow for the collection of data on breastfeeding duration and reasons for termination.</p> <p>Staffs are not able to gather complete breastfeeding data for reporting.</p> <p>FNS WIC Regulations (7CFR246.11) states:</p> <p>The national minimum expenditure for breastfeeding promotion and support activities shall be equal to \$21 multiplied by the number of pregnant and breastfeeding women in the Program, based on the average of the last three months for which the Department has final data.</p>	<p>To ensure that nutrition reporting adheres to CDC guidelines.</p> <p>To ensure that current Alaska reporting nutrition parameters will be adapted as necessary.</p>	<p>A new information system should link mothers and their infants in such a way to allow for gathering data on breastfeeding duration and reasons for termination.</p>

General Reporting Recommendations

The recommendations for enhancing performance and resource utilization are based on MAXIMUS staff observations and interviews in Alaska and understanding of WIC Program operations in other States. Because AKWIC will be replaced, it is recommended that time and resources spent fixing or redesigning the current system are discussed and prioritized to make the transition to the new information system the most cost and time efficient. The purpose of these recommendations is to assist staff in preparing for a new information system.

- Written documentation is needed for all management reports. At a minimum, the documentation must include:
 - ✓ How is the report retrieved?
 - ✓ When the report is due?
 - ✓ To whom does the report go?
 - ✓ How is the report delivered – hard copy/electronic?
- The State should evaluate value to the program and cost effectiveness of redesigning reports used for federal reporting, other than the participation report that is generated from certification data in AKWIC.
- Fred Meyer often processes multiple MOV orders per participant in a month because orders are filled based on date of receipt, not on a order's prescription date, which is currently not available to Fred Meyer. Programming changes that are currently being planned will include the date range and batch order to the AKWIC generated shipping label. MOV shipping costs should be included with the food costs to ensure they are documented in all federal reports.⁵
- Because State and local agency staffs have questioned the accuracy of participation data, it is recommended that nutrition statistical data be verified for accuracy before it is reported. If Nutrition Services is confident in the accuracy of their reporting data, they should continue to submit the associated reports and track the data for nutritional needs and trends of the population of Alaskan Women, Infants, and Children.
- The State should assemble a core group of staff to begin discussing current nutrition data collection, the fields in the WIC records, from which the data are pulled, and the value/use of the information reported.

⁵ Federal regulations allow the inclusion of “the cost of administering the food delivery system, including the cost of transporting food” in nutrition services and administration (NSA) costs.

4.5 Summary of Recommendations

To assist the State with future planning, this section organizes the recommendations provided above according to the following subsections:

- **Quick wins:** Recommendations that can be implemented or resolved in the next 6-12 months to maintain the momentum of the project.
- **Longer-term:** Recommendations that will require additional planning, funding, or consensus building prior to implementing changes.
- **New IS recommendations summary:** This section summarizes the recommendations related to new IS functionality and features. Though not an exhaustive list of all items that need to be considered, this provides a summary of recommendations documented in this report.
- **Strategies:** This section provides recommended strategies to begin moving forward with the project.

4.5.1 Quick wins

The following list summarizes recommendations that could be implemented as quick wins.

- **Referrals.** If it is not a significant development effort, the referral drop downs list could be updated to provide sufficient options for local agency use. Alternatively, standard referral-tracking tool, such as a referral form or log, could be used to ensure that data needed for research or grant requests can be accessed as needed. This manual process should be an interim solution used only until the implementation of the new IS.
- **Potential Caseload Data.** Assigned caseload counts should be based on current, reliable counts of potentially eligible participants in each local agency service area. The State could explore cooperative agreements for non-invasive data sharing with these organizations. Other data sources may include:
 - ✓ Birth records are an additional method of collecting potentially eligible participant information.
 - ✓ Hospital facilities gather birth data from sources such as home communities.
 - ✓ Local school districts often either have or are able to direct staff to resources with current data on the young children in a community.

- **Caseload Allocations/ Participation Counts.** The following recommendations relate to the current caseload allocations/ participation counting approach:
 - ✓ Increase the assigned caseload expectations with each local agency grant to a percentage greater than 80% or a specified percentage rate over the previous year's active caseload count. FTE staff time should correspond to the percent of allocated caseload served by agencies if the area is under serviced; for example, FTE staff allocation should be 80% if the agency consistently services 80% of their assigned caseload.
 - ✓ Review caseload allocation in Anchorage; a fifth local agency in the city may be unnecessary unless the new agency can contribute to increasing the FNS-projected level for the State.
 - ✓ If the review of the 505a reports reveals discrepancies between actual and perceived caseload, State WIC and local agencies will need to discuss methods of reaching the goals set for the local agency. Statewide or regional outreach campaigns may be needed, or an analysis of the service areas and clinic operating schedule may be necessary to ensure sites are efficiently using resources to serve their populations.
 - ✓ The State may consider changing the performance metric for caseload achievement; local agency caseload goals in some states are set at 97%.
 - ✓ The State has already begun to address the issue of caseload/ participation counting by contracting for an analysis of participation counts. Specific recommendations are anticipated from the contractor investigating this issue.
 - ✓ Once caseload counts are determined accurate, historical record of local agency assigned and achieved caseload monthly participation records should be maintained. MAXIMUS suggests maintaining the records for a period of five years, but Alaska may have specific record retention rules that must be followed.
 - ✓ Because State and local agency staffs have questioned the accuracy of participation data, it is recommended that nutrition statistical data is verified for accuracy before it is reported.
- **Local agency practices.** To begin streamlining the clinic environment to support the new IS, local agency practices should be reviewed:
 - ✓ Each participant's proof of identification, residency, and income should be verified and documented. When applicable,

staff should document a participant's waiver of Alaskan Native income requirement in the AKWIC certification notes.

- ✓ Staff training should take place to ensure staff members thoroughly search the database prior to entering new records; this could limit the number of duplicate records created.
- **Vendor Limiting⁶.** Because of the variance in food prices and the current lack of significant vendor limitations for authorizations, the vendor management function may not be optimizing resources.
 - ✓ Reduce the number of vendors in communities where MOV food packages are routinely shipped to participants or where vendors routinely participate in unauthorized activities. Replacing remote vendors that charge higher prices with MOV food package distribution could result in cost savings, reduced monitoring requirements, and more assurances of compliance with Program rules.
 - ✓ Evaluation of vendor limiting criteria has already begun; ideally the limitation criteria could be implemented prior to the contract authorization period that ends September 30, 2006. The State should include vendor limiting criteria in its selection of WIC-authorized retailers such as, number of warrants cashed in a specified period; dollar sales volume; minimum variety and quantity of WIC foods, on-site alcohol sales; and business integrity.
 - ✓ The State should consider reviewing peer groupings prior to the contract period September 30, 2006. (Peer group categories could also be used in vendor limiting strategies.)
- **Running reports on a dedicated computer.** A computer other than the accountant's computer should be designated for running the monthly reports. Alternatively, the State should consider exploring whether the 798 report could be run during the night or on another PC so the accountant can continue to work.
- **Duplicate warrant numbers.** Warrant numbers series ranges should be increased to a large enough number that local agencies will not need to alter previously issued warrant numbers to allow AKWIC to accept a current number. This is a key strategy for improving data and program integrity.
- **Data cleanup.** AKWIC database records must be "scrubbed" before converting to a new system. Although it will need to be an ongoing activity, AKWIC database clean-up activities should

⁶ Vendor limiting recommendations appear in the quick wins because, ideally, they will be implemented before the contract authorization period in September 2006.

commence as soon as possible so that clean, accurate data can be converted to the new system. At a minimum, participant data that has passed the standard archiving period should be removed from the old system. Staff may have other ideas of “bad” or old data they know is currently in the old system. Conversion of clean data will result in less staff time verifying accuracy of data in the new system.

- **Document processes.** Because there are a variety of data sources and tools used in financial activities, financial management processes should be thoroughly documented to enable back up staff to perform activities in the absence of the staff normally responsible for these tasks.
- **Pre-edits and warrant examination.** Pre-edit guidelines, such as not to exceed amounts and dates of use, should be established for warrants and random warrants should be pulled and reviewed on a regular basis prior to payment. By establishing guidelines now, transition to a new banking contractor, if applicable, could be easier.

4.5.2 Longer-term

The following list summarizes recommendations above that could be implemented as longer term recommendations.

- **AKWIC Updates.** If technically feasible and not requiring significant resources, AKWIC modifications could be made to improve the data that exists in the system and will be converted into the new system.
 - ✓ The size of the AKWIC certification notes field should be modified to prevent notes from being inadvertently deleted from the database when the field becomes full. At a minimum, an alert should be added so that notes can be saved to another source if the field is nearing its capacity.
 - ✓ High risk vendor analysis reports from AKWIC should be reviewed to determine if they can be used or tested for accuracy. If they cannot be used, design considerations for the new IS need to include vendor analysis functionality to reduce the manual calculations and analysis that must take place in the absence of an automated analysis tool.
- **798 Report.** The State should resolve the continuing problem of the WIC 798; this report runs in excess of 8 hours during business hours on the accountant’s computer, and because the data is usually inaccurate, the data must be corrected and then the report must be rerun. The data and logic needed for reports should be

analyzed to ensure that reports in the new IS are developed to resolve the issues experienced in the current environment

- **Banking contractor.** The State should evaluate changing their banking contractor since KeyBank does not provide pre-edits and reports (e.g., that include vendor numbers for redeemed warrants) that are provided by larger banking contractors. This will require significant planning and procurement support.
- **Online vendor prescreening.** To reduce staff resources needed to assess minimum requirements for vendors, vendor applications could be made online and prescreened for pre-selected criteria, as other states have established. If the vendor meets select criteria, they could be allowed to proceed with the application process.
- **Maintain partnerships across State entities.** The State WIC Program must include the IT Division (Network Services and Business Applications) in the design and implementation of the new WIC information system disaster recovery plan. Communication across the State needs to include all entities that support or manage WIC operations.

4.5.3 New IS recommendations summary

The following list summarizes the recommendations above that are related to new IS design. This is not a comprehensive list of all considerations for a new IS, but it summarizes the recommendations related to findings in this report.

- **Searches.** When selecting a transfer system, Alaska should carefully consider the unique clinic operations and the dynamic family groupings related to search capabilities. The State may wish to consider searches by: name of participant, guardian, or proxy, search by previous names/ alias names, and participant-specific characteristics, such as date of birth or participant status (e.g., certified, ineligible, or terminated).
- **VENA.** The State should determine system requirement needs for health and diet questions and ensure the new system has the common platform for changes required for VENA. Advance planning will save time and costs with the Phase II contractor in JAD sessions.
- **Scheduler.** Local WIC Agency staff should continue to document design features they would like in a scheduler system. For example, document the features of paper schedulers that staff would like in an automated scheduler and explore automated scheduling mechanisms outside of the WIC Program for ideas.

- **Referrals.** The State should review the referral dropdown menu within AKWIC to determine local agency use of the referral field to determine if and how it should be implemented in the new information system.
- **Caseload management.** The requirements for a new information system should address caseload management, but more accurate caseload projection data sources also need to be identified (as described above). Accurate participant counts and reports must be available in the new information system.
- **Documentation.** The following list describes documentation standards that should be considered in the new IS:
 - ✓ Documentation of proof or no proof required should be a paperless process automated through the new IS. The Alaska waivers of proof of residency for select Native Remote Villages should be documented and included in edit checks. If no document proofs are available the system should be able to document that no proof is required.
 - ✓ The new IS should ensure program and data integrity of chart notes, which information entered cannot be altered and staff and date audits are available. Because they are part of the medical record, certification history notes should be saved with the participant record in accordance with record retention rules (typically 5 years).
- **Edits.** The following list describes edits that should be considered in the new IS:
 - ✓ Edit checks and alerts to ensure that identification, residency, and income are properly documented, or Alaska waivers of proof of residency for select Native Remote Villages, are captured in order to certify or recertify participants need to be in place.
 - ✓ Edits and alerts would improve data entry efficiency by identifying errors or omissions as they are made. The new information system should contain the necessary edit checks and alerts to ensure that certifications are complete prior to allowing the staff to issue warrants to a participant.
 - ✓ The new information system should contain the necessary edit checks and alerts to prevent staff from entering participant data into the system more than one time.
- **Reports.** The following list describes reports that should be considered in the new IS:

- ✓ Potential abuse patterns through examining the reports for trends such as high numbers of twins.
- ✓ The new IS could track and provide reports on the user performing functions to serve as an audit trail and, as applicable, track separation of duties.
- ✓ A new information system should accurately maintain and include reports on all local agency administrative data.
- ✓ A new information system should have the capacity to produce bulk mailings and address labels for local agency and participant communication. *(Please note: in some IS mailing labels are created through reports functionality.)*
- **Income calculator.** Unlike the current model, the design of the income calculator in a new IS must meet Alaska requirements for calculating income to eliminate manual calculations.
- **Risks and priorities.** Risk factors should be automatically assigned and linked with priorities (to include updates as risks/priorities change) to ensure integrity of risk data.
- **System administration: duplicate record management.** Although combining and removing records should not be allowed on a regular basis, in special circumstances the State may need to have the capability to perform this function in the new system environment (particularly immediately after rollout).
- **Vendor management functionality.** A new IS should have the capability to automate the Vendor Management function in order to efficiently monitor sanctions placed on vendors, track compliance and routine monitoring, monitor training, support vendor communication, and perform high risk analysis. The following list describes additional vendor management functions and features that should be considered in the new IS:
 - ✓ Competitive prices of similar vendors and monitor for unusual patterns;
 - ✓ Price information (such as averages) by peer groups and provide reports of any warrants that exceed the limits. It should also be flexible enough to change as prices change. If the IS cannot provide the price information reports on food instruments that exceed peer group limits, it is possible the reports could be provided by a banking contractor;
 - ✓ Accurate vendor data such as, prices, numbers of warrants redeemed, and participant complaints. It should be able to maintain vendor authorization data;

- ✓ It would be desirable for a new information system to be able to upload all USDA-required TIP data into the Food Stamp Program STARS database; and
- ✓ A new information system should collect and accurately process nutrition information for reference and reporting. Standard information that is reported to other entities should be accessible to the WIC State staff to process information transfers.
- **Streamline data management.** A new information system should automate the transfer of data across systems as much as possible to eliminate the need for manually tracking data on spreadsheets and in Access. A new information system should interface with the banking contractor system to the extent possible to transmit maximum prices and warrant issuance information. A new information system should interface with the State accounting system to the extent possible, pulling in the most critical financial information required for federal reporting. A new information system should efficiently share information with the State accounting system to transmit all MOV costs (including shipping and packaging costs) and properly account for the costs in the 798 report.
- **Banking contractor.** The banking contractor should transmit complete files (i.e., to include the vendor identification number associated with each redeemed warrant).
- **Reconciliation.** A new information system should accurately reconcile the total number of food instruments and total food instrument redemption dollar amount to meet federal guidelines without requiring manual intervention.
- **Electronic time study.** An electronic staff time study system should be considered for the new WIC system. *Note that this is not a FRED function and may require new development to a transfer system.*
- **Breastfeeding data.** A new information system should link mothers and their infants in such a way to allow for gathering data on breastfeeding duration and reasons for termination.

4.5.4 Strategies

It is clear that many of the issues identified in the current WIC Business environment could be mitigated or eliminated through the implementation of a robust information system. The process of IS planning and implementation will likely take several years, during which incremental changes should take place to ensure the success of the new IS. As part of the planning process, the State should convene committees focused on particular subject areas for discussion of requirements, potential changes in business processes and policies, and planning. The State should select staff leaders for these committees that can be dedicated throughout the systems project; these leaders should be State subject matter experts with the skills to facilitate meetings and document decisions. The following section provides a high level summary of some items the State should consider while moving forward with the project.

These strategies support WIC's vision of building partnerships for the success of the project.

- Convene a **Forms Review Committee** to update guidelines related to forms use and begin to transition practices toward a more paperless environment. The Committee should review the forms being used statewide to support operations and combine, eliminate, or create forms to streamline the paper documentation that takes place. The committee should be comprised primarily of local agency staff members and facilitated by key State staff.
- Convene a **Reports Review Committee** to document the content, format, and use of the existing reports available, as well as to determine what types of reports may be desirable for the new system. The committee should be comprised primarily of local agency staff members and facilitated by key State staff. At a minimum, for each report the Reports committee should assess:
 - ✓ How is the report retrieved?
 - ✓ When the report is due? To whom does the report go?
 - ✓ How is the report delivered – hard copy/electronic?
 - ✓ What data is included on the report?
 - ✓ Does the report have to be modified to be used for a valuable purpose?
- Convene a **Financial Management Committee** to consider the problems that have been occurring in food instrument redemption, settlement, and reconciliation activities and determine solutions and best practices that should be included in the new IS. This committee should include State staff members from the various Departments or Divisions responsible for WIC fiscal activities. Opening communication between the WIC accounting staff and State Revenue staff will aid in establishing requirements for the new WIC information system.

The project champions represent stakeholders and help to build consensus to ensure the new IS meets the needs of the diverse entities supporting WIC.

Change management is critical to the success of the project; operations will need to be examined and changed, as applicable, to streamline WIC processes and adjust to new automation requirements.

- Convene a **Nutrition Committee** to begin discussing current nutrition data collection, the fields that are completed in the current AKWIC records, from which the data are pulled, and the value/ use of the information reported. The committee should be comprised primarily of local agency staff members and facilitated by key State staff.
- Representatives from approximately 1/3 of local agencies, as well as representatives from State Departments and Divisions that need to coordinate with WIC for the IS, should be invited to participate throughout the planning and implementation as **project champions**. The expectations for these staff members are to provide support through requirements definition and clarification, functionality and system design review in their specific areas of expertise, and support during user acceptance testing and system rollout. By involving local staff members early, project progress can be communicated to peers across the state. To maximize staff time, project subcommittees could be established to focus on specific functional requirements, such as (but not limited to):
 - ✓ Nutrition/ health assessment, including VENA and risk assignment;
 - ✓ Scheduler;
 - ✓ MOV functionality; and
 - ✓ Electronic time studies.
- The new information system alone will not achieve the goals of the project; **process change** throughout local agencies should begin soon to ensure that processes that are not optimized are not continued when the system is implemented.
 - ✓ The State should adjust local agency monitoring tools to support the goals of the new system. For example, local agencies that have created manual, paper processes to support automated activities (that function as designed/ anticipated) should be counseled through monitoring on the benefits of streamlining processes and eliminating duplication.
 - ✓ Training on effective search methodologies should be provided to remind staff members to thoroughly check AKWIC before creating new records. Interview techniques to help local agencies gather information about a participant's potential previous or current WIC participant could also be shared.
 - ✓ Implement recommendations from the Forms Review and Nutrition committees.

5 TECHNICAL ANALYSIS FOR A NEW WIC IS

To support the State's vision, several Information Technology goals have been identified:

- To develop a reliable and available centralized WIC application with high performance for the State of Alaska;
- To meet the information system standards as defined by Alaska Information Technology Division;
- To ensure portability with the ability to check in/ check out the WIC application from central connectivity in an efficient and economically feasible method; and
- To ensure that the new information system meets user interface preferences, such as readable font and limited scrolling.

The following sections provide detail related to specific technical requirements and standards that will impact decisions related to the new information system.

5.1 Functional Requirements

The starting document for the functional requirements for the new WIC information system is included in *Appendix B*. Specifically *Appendix B* consists of a table with two columns, defined as follows:

- Column 1 – FRED Process Number
- Column 2 – Description of the process

The listing starts off with the system requirements detailed in the Functional Requirements Document for a Model WIC Information System (FRED) published by FNS in 2002. Following the detailed listing of the FRED requirements, the table lists automated functions not specifically detailed within the FRED, but which are required to satisfy the unique processing requirements for the State of Alaska WIC. For example, the listed functions include support for the Mail Order Vendor (MOV) that is unique to Alaska.

During the minimum requirements development, *Appendix B* will serve as a tool to document the high level minimum requirements for a new WIC IS for the State of Alaska, as well as serve as a checklist by which the State can evaluate potential transfer systems. MAXIMUS will expand *Appendix B* as the project progresses.

5.1.1 System Requirements

This section defines the physical environment in which the new WIC IS must operate as well as the target system architecture the State would prefer for the new WIC IS.

5.1.2 Physical Environment

The State of Alaska Department of Health and Social Services' standard for operating system software is Microsoft. Server 2000 is the current server OS standard, although the Department may be migrating to Server 2003 shortly. The back-end database standard is SQL Server, and the application architecture standard is Microsoft .NET. The Department's vendor of choice for servers and personal computers (both laptops and desktops) is Dell.

For the new WIC IS the department anticipates acquiring a web-based system utilizing an industrial strength back-end database such as SQL Server or Oracle. Availability and data integrity are both major concerns of the State. The application will need to ensure data integrity, while the database will be expected to enforce referential integrity.

The system will preferably run on Dell Servers. The state has a purchase agreement with Dell, and will utilize the agreement to obtain the necessary server hardware for the new WIC IS. Respondents to the WIC IS design, development and implementation (DDI) RFP will be asked to provide configuration recommendations for the system hardware and OS environments, but the State will purchase and install the necessary hardware and operating system software for both the primary data center and the back-up facility.

The local agencies will access the new WIC IS utilizing dedicated circuits connecting the local agencies offices to the central database. To ensure business continuity, DHSS will develop a disaster recovery plan.

Depending upon the bandwidth requirements, potentially database replication will be used to keep the remote database in sync with the production database. If bandwidth is an issue, other means of keeping the remote database in sync with the production database will be used, such as posting of transaction logs on an interim basis (i.e., hourly). In any event, the intent is to maintain the back-up system database as closely as possible to the primary production WIC IS database. In terms of software and configuration, the back-up WIC IS will be a mirror of the production.

The end goal for the back-up WIC IS will be to assume processing for the primary as quickly as possible following an event that disables the primary WIC IS. One of the challenges for the State will be the communications from the local agencies to the back-up system after the switch over has occurred. The State Network Services Division will have to design connectivity to the local agencies with this contingency in mind. The

State would like to have fall-over to the back-up system occur as quickly as possible, but in any event, in no more than four hours.

5.1.3 Telecommunications

The connectivity of all sites is 56 K except for Juneau SEARHC, Anchorage's ANHC, and L Street clinics, which consists of T1 lines. Bethel's Anchorage location is slated to have the newly offered 3 MB TLS. As part of the server consolidation project, IT Network Services is planning to upgrade other Anchorage and Fairbanks WIC clinics to T1 lines. Telecommunication connectivity to the villages presents technological challenges to those agencies whose staff travel to the remote clinics or have CPAs onsite. Because of the remoteness of many of the communities in Alaska, satellite communications are common, with the end result that there is additional latency in transaction processing due to the built-in latency in satellite telecommunications. Additionally, sunspots can cause disruption to network services.

Consequently, it is important that the WIC IS application be developed and tuned to operate in a bandwidth limited telecommunications environment. A requirement that will be built into the contract with the DDI contractor will be to perform a proof-of-concept demonstration of the WIC IS from a remote site. This demonstration will be scheduled to occur within two months following the start of the DDI contract. The DDI contractor will be asked to utilize the State telecommunication infrastructure from a local agency such as Bethel to access the proposed WIC transfer system. The intent of the demonstration is twofold:

1. Obtain an idea of how well the transfer system currently performs within a challenging telecommunications environment; and
2. Provide the DDI vendor with an understanding and appreciation of the challenges being faced in running a web application within the Alaska environment.

The reason for performing the demonstration early within the contract is to ensure that the DDI vendor obtains the understanding of the challenges prior to expending significant effort in the development phase that may need to be redone.

5.1.4 Security

The State of Alaska Governor and Legislature has mandated that all state agencies meet the State of Alaska Information Technology and Telecommunication Security Policies. Consequently the DDI vendor will be required to provide a security plan for the proposed WIC IS prior to its implementation that will help ensure the new system is secure and will not compromise the security of the Alaska data processing environment. It is MAXIMUS' understanding that the Department of Health and Social Services (DHSS) Computer Security Officer and Security Supervisor must

approve the requirements for security within the RFP before the RFP can be released. Consequently the DHSS Computer Security Officer and Security Supervisor will be provided access to the draft RFP for a WIC IS DDI Contractor for review and comment.

The State of Alaska Information Technology and Telecommunications Security Policies define the requirements for Security. Per the policy, access to the State's internal wide area data network (WAN) and its connected departmental/agency local area data networks (LANs), access is only through approved and controlled enterprise ingress/egress points. This policy applies to the local agencies without exception. Access from the Internet must include approved firewall devices, DMZ networks, and either active network intrusion prevention systems (NIPS) or network intrusion detection systems (NIDS) or both NIPS and NIDS between networks external to the State WAN and the State WAN. All ingress/egress traffic must be monitored for real-time reporting to the State's security event correlation engine and enterprise logging servers. No traffic from an external network will be allowed direct access to the State WAN; all external connections must go through a NIPS/NIDS system and at least two sets of firewalls separated by a DMZ before the external connection can access internal State services. The ingress/egress architecture will support application proxies. State services that require access to/from outside networks will be migrated to DMZ environments.

Additionally, the Security Policy requires that all departments and independent entities employ the use of "Strong" Passwords on all systems. For the new WIC IS, the policy requires that all passwords shall:

- Have a minimum length of 8 characters;
- Contain at least 3 of the following 4 characters (upper case letter, lower case letter, number or special character);
- Enable history whereby preventing the use of the last five (5) passwords;
- Expire at 90 days; and
- Lock out user for no less than 30 minutes (1/2 hour) after five (5) invalid attempts.

During an interview with the Network Services IT staff, a recommendation was made that if the new WIC IS application accessible over the Internet, that it should be implemented with Transport Layer Security Protocol (TLS) version 1 with Secure Socket Layer Protocol (SSL) Version 3 compatibility, or with SSL Version 3 by itself. It was recommended that older versions of SSL (prior to Version 3) not be supported because of potential security issues with these versions.

TLS 1.0 is supported in Internet Explorer (IE) 6 or later versions. All WIC desktops are running either Windows Professional 2000 SP4 or Windows XP Professional SP2 with Internet Explorer 6.

5.2 WIC IS Implementation Strategies

This section will present information related to the implementation and deployment strategies for a new WIC IS, including the technological challenges that may face Alaska.

5.2.1 System Development and Deployment

The State requires that a formal knowledge transfer of the new WIC IS occurs to the State IT staff during the Phase II development stage. The purpose of knowledge transfer is to communicate technical information regarding the new application to the State IT staff so they can take over support of the application following the completion of the warranty period. However the IT staff will not be responsible for training the users of the application in the State office and the Local WIC clinics.

Alaska WIC formed a Steering Committee to participate in the selection of a new WIC information system. MAXIMUS recommends that the Steering Committee remain involved throughout Phase II; however, as the project moves into the next phase, the dynamics of the group should be modified to include more local agency staff. It is believed local agency support will be critical to the acceptance of the new system, and having local agency leaders involve will pay dividends as these leaders will prove to be the champions of the new system during the implementation phase. These members typically:

- Help set policy that affect the information system;
- Receive training to be trainers during deployment; and
- Become the support givers and the cheerleaders during implementation.

The Phase II contractor will be required to develop recommendations for an equipment list based on the needs of the new information system, the minimum system requirements, and any other system requirements. Following the distribution of the list to the State, the State will have the responsibility to plan and update each WIC local agency to the specifications outlined prior to the implementation date for the respective local agency. Because the WIC and IT staff are in separate organizations, the responsibilities and timelines for planning and performing the upgrades must be clearly defined and monitored. The Project Manager, or a delegated staff member with project management skills, should be actively involved in communicating the requirements across the various stakeholder layers, as applicable, and ensuring appropriate follow up. It

will be critical, throughout the project, to track recommendations made by the Phase II contractor and ensure the recommendations are acted upon in a timely manner. In addition to the critical function of communicating and tracking decisions across the various stakeholders, additional project management responsibilities could include:

- Communicate and interact with WIC Staff (State and local agencies across Divisions and Departments);
- Communicate with Phase II contractor;
- Coordinate work orders;
- Coordinate JAD sessions with key stakeholders;
- Review design documents and coordinate final approval;
- Ensure all stakeholders are completing their responsibilities appropriately for all stages of the project, including training, conversion activities, testing, and rollout; and
- Assist with local agency site surveys (Staff, hardware, and software) during the pre-implementation stage.

The Project Manager is expected to be a full time position; the function is important to ensure a successful implementation of the new WIC IS. There are no specific technical skills required for the role, but excellent and full understanding of WIC and a basic concept of computers are essential.

5.2.2 System Implementation

While it is anticipated that the Alaska WIC staff will work concurrently with the Phase II contractor during all phases of the new WIC information system development and implementation, it is expected that the WIC staff will take a primary role in supporting the conversion of the existing data to the database of the new WIC IS. The current WIC information system is a distributed system, with the database of record being the distributed systems running on servers in each of the local agencies. Once a month data is replicated from the local agencies' servers up to the WIC Department central server so that monthly reporting can occur. Because the local agencies do not have the technical skills to make changes to the distributed system, it is assumed that the local agencies are running common software.

Because of the distributed nature of the existing environment, the recommendation is that a phased approach be utilized for the implementation of the new WIC IS. Following the completion of a pilot, the system should be rolled out to the other agencies following a schedule that will allow adequate training of local agency staff on the new system, as well as migration and conversion of data from the old WIC IS to the

new. It is anticipated that because of data integrity issues within the existing WIC IS, that a period of data scrubbing and clean-up will be required for each local agency being converted to the new system.

At this point it is not possible to provide a concrete recommendation as to how data should be converted from the old system to the new WIC IS. The conversion options need to be carefully evaluated in terms of the integrity of the data, ability to programmatically convert the data, local agency staff time required to support a data conversion, and the impact of lost statistical and financial data. There is ample time between now and implementation of a new system to make a final decision and to move towards cleaner data; one example is archive all categorically ineligible participants; another is to remove all duplicate records. In addition, during the conversion, edit routines can be developed to verify the integrity of the data, and to kick-out for additional follow-up data records that do not meet the integrity standards of the new system. It may be more cost effective and better for client services to have local agency staff research and clean-up client records with bad data than to re-enter all data into a new system. However, it is recognized that an approach to conversion cannot be selected until the new WIC IS has been selected, and an analysis of the conversion options and potential conversion issues has been completed.

5.2.3 Issuing Food Instruments

The State has three basic approaches for the issuance of food instruments to recipients. These are:

- Current process of issuing Alaska Treasury Warrants and using State staff to validate redeemed drafts;
- Third Party Financial Services Contractor; and
- Electronic Benefits Transfer (EBT).

In regards to utilizing Alaska Treasury Warrants, one suggestion made to the MAXIMUS Project team from the State was to centralize the printing and issuance of WIC Warrants at the State office; (this method may not actually be considered feasible because of increased labor hours and could significantly slow benefits to participants), as opposed to the current method of printing WIC food instruments within the LA clinics. The two alternatives of food instrument issuance (centrally or at in the clinic) are discussed further in the following section.

The FNS requirements for WIC food instrument processing are:

- Food Instruments are validated as being issued by the Local Agency responsible for the client.
- Food Instruments are redeemed within the date range specified, i.e., between the "First Day to Use" and the "Last Day to Use" dates on the draft.

- Food Instruments are redeemed by the participants, parents, or caretakers of infant and child participants, or proxies.
- The vendor must ensure that the purchase price is entered on the food instrument in accordance with the procedures described in the vendor agreement.
- For printed food instruments, the vendor must ensure that the participant, parent, or caretaker of infant and child participants, or proxy signs the food instrument in the presence of the cashier.
- The food instrument does not exceed the maximum amount established for the respective food package issued to the client within the vendor's peer grouping.
- Redeemed food instruments are reconciled to food instrument issued by the WIC IS system for WIC participants.

Within an EBT environment, the requirements are the same, although modified to fit within the EBT environment. For example, instead of requiring a signature on the draft in the presence of the clerk, in an EBT environment the participant, parent or caretaker of infant and child participants, or proxy will enter a secret Personal Identification Number (PIN) that is validated by the EBT system and used as an electronic signature. However, regardless of the method of food instrument issuance, the State Agency is required to meet the federal requirements for food instrument redemption.

Each of the three food issuance options listed above (current method of Alaska Treasury warrants and in-house validation of drafts, use of a third party financial services contractor, and EBT) is described in more detail below.

5.2.3.1 Alaska Treasury Warrants

Printing Alaska Treasury warrants in the WIC clinics is the current method of issuing food instruments for the Alaska WIC Program. The food instruments are printed directly from the current WIC IS System, and an issuance file is transmitted to the Alaska State office on a periodic basis (i.e., daily or couple times per week). Food instruments accepted by the vendors (authorized food retailers) will write in the amount for the value of the WIC food items sold entered on the WIC Warrant, have the client signed the warrant, and stamp the WIC Warrant with their vendor stamp. The WIC warrants are deposited within the vendors' banks and cleared through the State Treasury Bank. The State Treasury Bank will return checks that exceed a maximum price allowed for WIC warrants. However no other edit are performed on the WIC warrants by the State Treasury Bank.

While State WIC staff has the responsibility for validating that the drafts meet FNS requirements before being paid, the reality is that the current infrastructure is not conducive to allowing the State to meet FNS requirements. For example, the State WIC staff does not readily have access to redeemed WIC food instruments to verify that it was signed by the respective participant, parent, or caretaker of infant and child participants, or proxy. The value of the redeemed food instrument is not validated against the maximum price of the food package for the respective peer group of the vendor. Reconciliation of redeemed food instruments against issued food instruments is not performed on a timely basis.

A new WIC IS can assist with certain functions, such as reconciliation. However other functions, such as checking the date of redemption during the valid time frames for using the food instrument, or that the respective participant, parent or caretaker of infant and child participants, or proxy has signed the food instrument, will continue to be performed outside of the WIC IS system.

If Alaska Treasury warrants will continue to be used for WIC food instruments, then the infrastructure must be built to support the FNS requirements for validating redeemed WIC food instruments. Edits need to be in place to ensure food instruments are only redeemed during the authorized period, redeemed only by authorized retailers, does not exceed the maximum allowable price for the prescribed food package, and has been signed by the respective participant, parent, or caretaker of infant and child participants, or proxy.

To date, the State Bank has not been able to provide the appropriate infrastructure that will allow State WIC staff to perform the required validations of the redeemed WIC food instruments. There does not appear to be any indication that this will change in the future, even with the implementation of a new WIC IS. In addition, the future direction for WIC food instruments is EBT. Although EBT is not recommended for Alaska during the implementation of a new WIC IS, the belief is that EBT for WIC food instruments will be viable in the future for Alaska. Consequently, implementing an expensive infrastructure to support the validation of redeemed WIC food instruments is not in the best interests of the State.

During interviews with the State staff, a recommendation was made to issue food instruments (State Treasury warrants) to WIC recipients from a central State site. In this method, Treasury Warrants would be produced centrally following the end of the business day for the WIC IS, and the warrants would be mailed to the WIC recipients the following day. The advantages to this method are:

- Issuing Treasury Warrants would allow the State to utilize an existing banking relationship, and simplify the implementation as the State would not need to go out to bid for another contract and potentially establish a new relationship while implementing the new WIC IS;
- The bank supporting the existing Treasury warrants is an in-State bank; and
- Reconciliation of redeemed food instruments against issued food instruments, as the State would have first hand knowledge of WIC food instruments being issued.

However there are a number of disadvantages to the process of using Alaska Treasury Warrants as food instruments:

- The bank utilized for the Treasury Warrants most likely will have a lack of WIC banking experience, which will create issues and additional expense to the State in reconciling the food instrument issuance.
- The overnight process of issuing Treasury warrants does not meet WIC Federal Regulations, which requires that each local agency using a retail purchase system shall issue a food instrument(s) to the participant at the same time as notification of certification. Such food instrument(s) shall provide benefits for the current month or the remaining portion thereof and shall be redeemable immediately upon receipt by the participant. Local agencies may mail the initial food instrument (s) with the notification of certification to those participants who meet the criteria for the receipt of food instruments through the mail, as provided in § 246.12(r)(4).
- Additionally, the Department may not consider this a feasible approach because of the increased labor hours at the central office and the delay in participants' receiving benefits.

Consequently, printing of WIC food instruments from a central State site and mailing it to the WIC client is not recommended as a viable alternative for issuance of WIC food instruments.

5.2.3.2 Third Party Financial Services Contractor

The second method for issuing food instruments to recipients is to utilize the services of a third party financial services contractor that specializes in performing the unique WIC banking services when redeeming WIC financial food instruments. There are two firms that specialize in providing WIC banking services to the State WIC Agencies. These two firms are FSMC (web site -

<http://www.fsmcweb.com/jsp/WIC%20Payment%20Processing.html>) and

Covansys Corporation (web site - <https://www.wicbanking.com/WICBanking/Public/AboutBanking.aspx>). FSMC provides banking services to 12 WIC States Agencies, while Covansys provides banking services to 13 WIC State Agencies. The services offered by both of these firms for WIC draft processing include:

- Bank posting (food instrument clearing at the bank of account);
- Data capture and edit of vendor number (ensuring food instrument is redeemed by a valid WIC vendor authorized by the State);
- Visual edits (food instrument is signed by respective participant, parent or caretaker of infant and child participants, or proxy, instrument is redeemed by vendor within the issuance period, and there are no modifications/alterations to the payable amount, payee, or authorized food package);
- Capture payment and vendor information;
- Max price checking for the food package;
- Online access to images of redeemed WIC food instruments;
- Provision of a number of financial reports regarding paid and returned WIC food instruments, including reports by authorized food vendor; and
- Provision of redemption files to feed back into the WIC IS that can be used for vendor management and high risk vendor analysis⁷.

Services provided by FSMC and Covansys are on a per transaction (i.e., Food Instrument) basis, with a separate charge for returned WIC food instruments. The price would depend upon the specific requirements for validation and reporting for the WIC Agency. A range of pricing for cost comparison for this service follows:

- Per food instrument validation - \$0.08 -\$0.11
- Per item rejection (returned food instrument) - \$.85 - \$2.00

Assuming an average of 50,000 redeemed food instruments a month, with a 2% return rate (1000 food instruments returned each month), the cost to the State for this service would be between \$4,850 and \$7,500 per month.

The advantages to this option are:

⁷ It should be noted that the Vendor Management function within the WIC IS is responsible for generating high-risk vendor reports; information on redemption trends is provided by the banking contractor.

- Assuming the implementation of a transfer WIC IS, the DDI contractor will have experience with working with third party financial services contractor in other states, especially when considering the limited number of companies providing these specialized WIC banking services.
- The third party financial services contractor will have up to date technology and best practices as a result of its experiences supporting other States for WIC banking services.
- The banking solution provided by the third party financial services contractor should meet the WIC federal requirements for bank services and benefit issuance reconciliation, as it most likely will be a solution already implemented in other states⁸.

The disadvantages to this solution are:

- The third party financial services contractor will most likely be an out of state vendor, requiring a long distance relationship with an out-of-state vendor.

5.2.3.3 Electronic Benefits Transfer

The third option for redemption of food instruments is Electronic Benefit Transfer (EBT). In this option, WIC participants utilize financial industry plastic card technology, similar to an ATM bank card, to redeem food instruments. For WIC transactions, both online (magnetic stripe cards that access the available benefits from a central host computer) and offline (a smart card that contains the WIC balance on a computer chip embedded in the plastic card) technology has been used in other states, and would be available to the State of Alaska.

WIC EBT is the technology of the future for WIC food benefit redemption. There are a number of advantages for WIC. However, unlike the food stamp program, the existing commercial payment infrastructure is not easily adaptable to an electronic WIC payment transaction. This is because a WIC food instrument is not just a payment transaction, but is also a prescription for a food benefit package. The technology in the store front-end needs to be able to receive a food prescription, either from a WIC issued smart card, or from an EBT host, and validate that food items being purchased by the client have been prescribed by the WIC clinic, and are part of the food prescription. In a paper WIC food instrument process, the cashier performs this action. In an EBT environment, the point-of-sale (POS) equipment in the store lane must perform this function.

In the food stamp arena, retailers can either integrate the FS purchase transaction into their check-out lanes POS equipment, or obtain at no cost government sponsored POS equipment that will handle FS purchase

⁸ Additionally, a banking contractor could potentially provide reports on food instruments that exceed peer group limits.

transactions. Because a FS purchase is very similar to a PIN-based debit card transaction, a large percentage of retailers have chosen to utilize their own POS equipment for FS EBT. Those retailers that choose to utilize government provided equipment are provided low end POS equipment based upon an FNS POS allocation formula (supermarkets are provided a POS terminal for every \$11,000 of FS sales, all other stores type are provided a POS terminal for every \$8,000 in FS sales). In the early years of FS EBT, States were required to be cost neutral on EBT. That is the cost of EBT could not exceed the cost of benefit issuance using food stamps. Although this requirement was later removed, in almost all cases, EBT was less expensive than benefit issuance using the previous food stamp coupons.

In the WIC environment, cost neutrality has been harder to achieve. This is because WIC EBT technology in the store front-ends is significantly more expensive to implement and support than the paper WIC food instrument. Exacerbating this situation, there are not the same processing standards as in the FS environment that allow multi-state retailers, such as Safeway and WalMart, to implement a common solution across multiple States. As an example, Wyoming, Nevada, Texas, New Mexico, Washington, and Michigan all have WC EBT programs. The WIC EBT technology that is used in more than one state is the solution for Texas and New Mexico. All of the other solutions are currently unique solutions only applicable within the respective State. Consequently, in the other WIC EBT States there has been minimal retailer integration, meaning that either all or the majority of retailers are using State provided equipment for WIC EBT.

While the current situations sound ominous for WIC EBT, it should be noted that the technology is still immature, and that standards are being developed and costs are coming down. EBT is in the future for WIC; however it is not here now. Two States, Washington and Michigan, have implemented online WIC EBT pilots using magnetic stripe cards similar to the cards used for the FS program. However there is no cost data from either pilot available, and cost data is not expected to be available for a while.

In Wyoming, which has had a WIC EBT program for a number of years, the cost per case is approximately \$4.00 per month. In order to keep the cost down, Wyoming is acting as their own prime contractor, and provides many of the retail management and customer service functions directly. Other services, such as equipment installation at retailers and card purchasing is managed and contracted directly by the State. It should be noted that none of the retailers in Wyoming are integrated, that all retailers have government-sponsored equipment. Some of the larger stores, such as WalMart and Safeway, have purchased additional WIC EBT POS equipment from the State. Account processing and settlement is

performed by Stored Value Systems (SVS), however SVS is moving away from supporting offline WIC EBT systems, and while they are continuing to support the Wyoming WIC EBT program, and not making any enhancements or improvements to the system. Finally, both the smart cards and POS equipment being used by Wyoming are obsolete and no longer commercially available. Wyoming has enough cards to last for approximately three years, but will be required to implement a new system after that period.

Nevada is also using SVS for account processing in their WIC EBT program. Nevada, like Wyoming, is performing the role of integrator, and is supporting many of the required WIC EBT functions itself, such as retailer equipment installations. And like Wyoming, it also faces the same challenges in that none of its retailers are integrated, and the POS equipment being installed in the stores is obsolete and no longer commercially available. It is our understanding that the lack of POS equipment has stalled the rollout of the Nevada WIC EBT program.

The Texas/New Mexico WIC EBT projects are currently the most successful WIC EBT programs, mainly because of their involvement with the retailers and success in getting the retailers to integrate WIC EBT into the store front-ends. Like Wyoming and Nevada, Texas and New Mexico are offline programs using smart cards. However, unlike Wyoming and Nevada, both Texas and New Mexico perform all the processing in-house. There is no contractor providing EBT WIC processing services for either Texas or New Mexico.

Both Texas and New Mexico have made, and continue to make significant investments in order to process and settle WIC EBT transactions. While operational costs have been estimated at under \$1.00 per case per month, the implementation costs have been significant. Texas paid for the programming to implement WIC EBT in the front-end for a number of the major supermarkets. In addition, Texas is making a one-time payment to retailers of \$200 for each check-out lane to purchase and implement the card readers that can process the State's WIC EBT smart cards. For WIC retailers that do not have front-end equipment that can be modified to accept WIC EBT, Texas is reimbursing the retailers for the purchase of commercial electronic cash register (ECR) equipment that can process the Texas WIC EBT transactions. Reimbursement is on a formula that parallels the FS model for receiving government supplied POS equipment. Specifically, Texas will equip a check-out lane with ECR equipment that can handle WIC EBT transactions for every \$8,000 in monthly WIC redemptions the retailer performs, up to a maximum of four check-out lanes. The one-time reimbursement is averaging \$11,000 for one lane, \$18,000 for two lanes, \$25,000 for three lanes, and \$33,000 for four lanes. Both Texas and New Mexico are in the process of rolling out their WIC EBT programs.

When looking at WIC EBT, there are a number of advantages going for it, including:

- The technology does exist to utilize EBT as a means of food package issuance to clients. EBT has been successfully implemented in a number of states, including New Mexico, Texas, Michigan, Wyoming, and Nevada.
- Project evaluations have demonstrated that EBT is a better method for food package issuance in terms of client dignity and acceptance. Clients prefer EBT to paper food instrument.
- FNS requires that all new WIC IS be implemented EBT ready. Adding support for EBT in the new WIC IS will be part of the implementation expense paid by FNS.

However, despite the advantages, there are significant issues in implementing WIC EBT for food instrument issuance. These are:

- WIC EBT is sometimes assumed to be identical to Food Stamps EBT; however, it is much more complicated because of WIC-specific food lists that are basically food prescriptions for recipients. The retailer point-of-sale (POS) systems must be able to recognize and process these specific food prescriptions to ensure clients only purchase food items in the appropriate quantities issued to them by the WIC agency.
- While FNS will pay for ensuring that a new WIC information system is EBT ready (i.e., the interfaces have been developed), FNS will not pay for implementing EBT within the new WIC IS.
- The majority of the retailer POS systems cannot handle WIC EBT. In the current environment, the cost to retrofit these systems to handle WIC EBT, or to support EBT-only POS systems for these WIC authorized retailers, is significantly more costly than the existing paper food instrument system.
- Experience is still being gained with the industry-developed transaction processing standards implemented for WIC EBT. Based upon the experience of States who have implemented WIC EBT, it appears that transaction processing standards currently published under the auspices of ANSI will be modified in the near future to take into account the experiences and best practices of the States that have implemented WIC EBT.
- Unlike the FS EBT program, the majority of States that are implementing WIC EBT are performing a much greater hands-on role in the implementation and ongoing support of the WIC EBT program.

While WIC EBT is a viable option for the State, and we believe that WIC EBT is the future for redemption of WIC food instruments, implementing WIC EBT at the same time as a new WIC IS will be a major challenge that increases the risk and issues for the State. As noted from the current WIC

EBT pilots, all of the States utilizing offline solutions are acting as their own integrators. None of the Contractors that provide WIC IS are in the WIC EBT processing business. There are no proven vendors in the market that can implement an offline WIC EBT System. Online WIC EBT Systems are still unproven. A final consideration is the issue of implementation costs. While FNS has stated that they will pay to ensure new WIC IS are EBT ready, they will not pay for WIC EBT to be implemented in the new WIC IS. So Alaska would either have to use their NSA funds to implement EBT, or obtain an additional source of funds for WIC EBT.

5.2.3.4 Recommendation for Food Instruments

The recommendation from MAXIMUS for food instrument issuance during the initial implementation of the WIC IS application is to issue paper food instruments and utilize the services of a third party financial services contractor for banking services. This choice has the advantage of being a proven solution for WIC food instrument issuance that adheres to federal regulations. The estimated operational cost for this solution is \$4,850 to \$7,500 per month, and would help position the State to be in compliance with FNS regulations regarding validating and reconciling WIC food instrument redemptions. The existing WIC IS transfer systems that would be considered for Alaska would already have the interfaces built into the system to support the interface to a third party financial services contractor, so implementation costs should be minimal. With the tools provided by a new WIC IS and the information received from a third party financial services contractor, the State vendor staff could focus on compliance and vendor investigations. In addition, the State would not require the services of temporary help in order to reconcile food instrument redemptions.

WIC EBT, while preferred by clients, as well as being the stated direction of FNS, is not far enough along in its implementation cycle to be a viable alternative for the State of Alaska. Implementation of a new IS always carries certain risks for the State. Compounding the risk by adding WIC EBT to the mix is not a prudent decision. In today's vendor processing environment, WIC EBT will be more costly for the State than paper food instruments. However, implementing a WIC IS that is EBT ready will allow the State to consider WIC EBT in the future, as it becomes mainstream and the technology at the vendor locations has been upgraded to support it.

Continuing to utilize State Warrants for WIC food instruments is also not recommended, as it is currently not meeting federal WIC regulations, and there is no expectation that there will be changes in the State Treasury bank processing that of State WIC Warrants that will support compliance with federal WIC regulations. In addition, we do not believe the State Treasury bank will ever have the wherewithal to perform automated vendor management functions, such as maximum pricing, that is already supported by the WIC third party financial services contractors.

ATTACHMENT 1: TERMS AND ACRONYMS

This section presents terms and acronyms used in the document.

TERM/ ACRONYM	DEFINITION
AKSAS	Alaska State Accounting System
AKWIC	Alaska WIC Information System
Applicant	<i>See participant</i>
BPR	Business Process Review
Check	<i>See warrant</i>
CHR	Community Health Representatives – positions funded through in-kind contributions
Client	<i>See participant</i>
EBT	Electronic Benefits Transfer
EDD	Expected Due Date
Food Benefits	Food Prescription. The specific set of foods prescribed by a nutritionist for an individual WIC participant for a specified period of time.
Food Package	Multiple warrant types make up a food package type; a participant receives one food package per month.
FI	Food Instrument. This is the check that is issued to a participant each month. For the purposes of this document, “warrant” is the same as “food instrument.”
FRED	USDA FNS Functional Requirements Document for a Model WIC Information System
FSP	Food Stamp Program
FTE	Full Time Equivalent
Grocer	<i>See vendor</i>
HEAT	Customer Service Tracking system used to track incoming calls and maintenance follow-up.
IAPD	Implementation Advanced Planning Document
IS	Information System
IT	Information Technology

TERM/ ACRONYM	DEFINITION
MOA	Municipality of Anchorage
MOV	Mail Order Vendor.
NTE	Not to Exceed - Vendor price limit.
Participant	This term is used broadly in this document to describe a person receiving WIC services/ benefits.
PC	Personal computer, desktop computer
RD	Registered Dietitian
Recipient	<i>See participant</i>
RFP	Request for Proposals
Retailer	<i>See vendor</i>
RPMS	Record Patient Monitoring System (Indian Health Service medical health record system)
SEARHC	South East Alaska Regional Health Corporation
STARS	Store Tracking and Redemption System (Food Stamp Program)
USDA	United States Department of Agriculture
Vendor	A commercial entity (such as a grocery store or pharmacy) that provides of food benefits in exchange for warrants
Voucher	This is the warrant that is issued to a participant each month
Warrant	This instrument is issued to a participant each month. For the purposes of this document, “warrant” is the same as “food instrument” and “check.”
WIC	Special Supplemental Nutrition Program for Women, Infants and Children
YKHC	Yukon-Kuskokwim Health Corporation