



WIC Grantee Caseload & Funding Formula Analysis

State of Alaska Task Order 06-0339

Final Report

Version 4.0

December 20, 2006

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Published by
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Change History Log

Date	Pages	Summary of change	New Issue	Authorized by
11/14/06	All	Original (Based on Preliminary Findings Report)	1.0	Wendell Rylander
11/27/06	Various	Edits to address questions and comments from the State.	2.0	Wendell Rylander
12/05/06	Various	Edits based on additional feedback from the State	3.0	Wendell Rylander
12/20/06	Page 44 and Appendix E	Clarification of breastfeeding data sources	4.0	Wendell Rylander

Executive Summary

This Final Report is the last major milestone on the path to development of a new funding formula for Local Agencies that provide WIC services to eligible residents of the State of Alaska. The report summarizes the findings developed as a result of interviews, data gathering and research. The report also discusses a funding formula recommendation along with other recommendations that were developed as a result of the research effort.

The Alaska State WIC program is part of the Family Nutrition program run by the Department of Health and Social Services' (DHSS) Office of Children's Services (OCS). The Alaska WIC State Agency is funded principally by a grant from the United States Department of Agriculture (USDA). The WIC program provides supplemental foods and nutrition education to eligible women, infants and children.

Alaska's WIC program serves an average monthly caseload of 25,700 participants; a number which dips in the summer because of subsistence fishing, hunting and berry gathering activities of many Alaskan Natives, rising again in the winter when these activities decline.

WIC recipients obtain services from Local Agencies. Each Local Agency comprises one or more staffed WIC clinics. All Local Agencies are grantees of the State Agency. Their respective monthly caseloads range from 4,433 clients at the largest urban provider to 115 at the smallest village agency. WIC recipients include people of many ethnicities and cultural backgrounds.

The State Agency disburses funds to Local Agencies on an annual basis. A funding formula developed in 2004 as a joint effort between the State Agency and the Local Agencies did not correlate well with the agencies' caseloads and its use was terminated. Subsequent funding for fiscal years 2005 through 2007 was determined for each Local Agency based on the agency's historical funding along with a consultation with State Agency staff. The State Agency had discretion to adjust a given grantee's funding level within the limitations of the total available funds and needs of other Local Agencies.

The current funding process still has flaws with changes in agency caseload not necessarily well addressed by changes in funding. The consequences of inadequate funding include overtaxed agency employees, lowered quality of service and potential clients left without services. In order to address these problems, DHSS hired CTG to:

1. Identify alternatives for WIC service areas;
2. Identify a methodology for projecting WIC caseload within a service area;
3. Develop recommendations for a Local Agency caseload standard (e.g. the minimum percentage of assigned caseload that a Local Agency must serve);
4. Develop recommendations, if appropriate, for a minimum number of clients that would be served by a Local Agency and/or a staffed WIC clinic; and
5. Develop recommendations for a formula by which funding is distributed to Local Agencies.

DHSS also asked CTG to advise the department on the effects a funding formula might have on DHSS' Affirmative Action goals. DHSS is making a concerted effort to reach and assist Alaska's most vulnerable populations, which include ethnic minorities, Native Alaskans and the homeless.

DHSS intends to use the resulting methodology to determine fiscal year 2008 grants to Local Agencies, with disbursement beginning July 1, 2007.

DHSS asked CTG to use an open, inclusive approach to developing the formula, ensuring that responsible state employees and Local Agency leadership had full opportunity to offer information and insight and to participate meaningfully in the creation of a new funding formula. As part of its funding process research, CTG contacted and / or interviewed all of the Local Agencies, the US Department of Agriculture, agencies in Montana and Missouri as well as various state employees.

Local Agencies, in response to questionnaires, telephone interviews, teleconferences and site visits, described various challenges they face in reaching and serving their clients. The agencies' client populations live in urban, suburban and rural environments. Many clients are members of ethnic minorities, and in rural areas, are predominantly Native Alaskans. Agency clients speak a multitude of languages and may have a limited education. Rural agencies and clients face a number of transportation and communications challenges. Rural agencies have more difficulty hiring and retaining staff and face higher costs for transportation, heat, postage and telephone services. Urban agencies may face higher salary expenses because of union contracts or competition for skilled personnel, but in rural communities, this appears to be offset by operational costs and costs associated with high staff turnover.

Some agencies can offer extensive help with good follow-up, while other agencies, their resources over-extended, find it difficult to offer even the minimum required to support their clients. Agencies who can take advantage of indirect agreements with the USDA are able to stretch their budgets further than those that must pay all expenses directly through the grant.

The USDA and the states of Missouri and Montana provided useful insights into the WIC funding process in general and in different approaches to dealing with problems similar to those experienced in Alaska. In addition, CTG has reviewed a number of data sources that have potential as inputs to an Alaska funding formula. We reviewed data from the US Census, Medicaid, client data from DHSS, geographic/zip code data from the US Postal Service, population distribution data, energy cost data, transportation cost data, data regarding the Consumer Price Index and comparative salary data. While not all of these were useful for creating a funding formula, some of them were particularly applicable.

The State Agency asked CTG to moderate a public meeting to review the Preliminary Findings Report. The purpose of the meeting was to seek feedback from the Local Agencies and members of the public regarding various aspects of this report and the evolving formula proposal. Items raised at that meeting that had not been included in the Preliminary Findings Report have been included in this Final Report.

The formula includes factors addressing personnel costs, geographic cost differentials, travel requirements and tasks requiring particularly large amounts of time, such as caring for high risk participants.

In the Preliminary Findings Report, we:

1. Presented information gathered during the interview process,
2. Discussed various data sources encountered during our research, discussing their advantages and / or disadvantages,
3. Discussed factors being considered for inclusion in possible funding formulas, and
4. Discussed the expected overall structure of the funding formula.

The State Agency held a public meeting to review this document. The State asked CTG to provide a data analysis consultant and a moderator for the public meeting. The purpose of the meeting was to brief the Local Agencies and members of the public regarding various aspects of this report and the proposed formula.

1. Introduction

1.1. Project Scope & Principal Goals

The Alaska State WIC program is situated within the Family Nutrition program run by the Department of Health and Social Services' (DHSS) Office of Children's Services (OCS). Alaska's WIC program is funded principally by a grant from the United States Department of Agriculture (USDA). The WIC program provides supplemental foods and nutrition education to eligible women, infants and children. Residents of Alaska are eligible for WIC services if:

1. They are pregnant or breast-feeding, are an infant (0-1 year of age) or are a child (1-5 years of age),
2. They are income-eligible (at or below 185% of the federal poverty level), and
3. They are deemed to be at risk for nutritional deficiency.

Alaska's WIC program serves an average monthly caseload of 25,700¹ participants; a number which dips in the summer because of subsistence fishing, hunting and berry gathering activities of many Alaskan Natives, rising again in the winter when these activities decline.

WIC recipients obtain services from Local Agencies (LA). Each Local Agency comprises one or more staffed WIC clinics. All Local Agencies are grantees of the Alaska WIC State Agency. Their respective monthly caseloads range from 4,433 clients at the largest urban provider to 115 at the smallest village agency. A list of agencies and their caseloads is included as Appendix D.

Federal regulations (7CFR246.7) require that a "Competent Professional Authority" (CPA) employed by the Local Agency determine a WIC participant's nutritional risk and prescribes supplemental foods. Registered Dietitians (RD) / Degreed Nutritionists are currently the only WIC agency staff members in Alaska who are permitted to approve a nutritional care plan for recipients deemed to be at high risk for nutritional deficiency. Typically, Local Agencies are staffed by some combination of the following:

Position Type	Description	Competent Professional Authority?
Degreed CPA	Generally includes graduates of degree programs such as Registered Nurses (RN), health educators, Home Economists, etc. (list is not inclusive).	Yes

¹ As of May 2006. See Appendix D.

Registered Dietitian / Degreed Nutritionist	Registered Dietitians (RDs) and individuals holding a BS, MS or PhD in the field of nutrition are considered degreed CPAs. <i>However, RDs/Degreed Nutritionists are the only WIC staff members who can approve a care plan for participants who are nutritionally high risk.</i>	Yes
Non-Degreed CPA	An individual who has completed the University of Alaska WIC CPA paraprofessional program and has successfully passed the program's certification exam.	Yes
Lactation Consultants	Individuals who are International Board Certified Lactation Consultants (IBCLC), Lactation Consultants (LC) or peer counselors. These positions function solely to provide support and lactation consultations to breastfeeding mothers and their nursing infants.	Dependent on whether individual can function as a CPA according to one of the preceding definitions
Clerical/Office Support	Staff that directly support WIC program activities, but do not assess nutritional risk, counsel participants or prescribe supplemental foods. Example: clerical, reception or office manager positions.	No
Other	Individuals do not provide direct WIC services. These positions indirectly support the WIC program as Executive Directors, bookkeepers, etc.	No

The State Agency disburses funds to Local Agencies on an annual basis. A formula was developed to determine grants to Local Agencies during the 2004 fiscal year. This formula, developed in a joint effort between the State Agency and the Local Agencies, was found to be flawed and its use was terminated. Subsequent funding for fiscal years 2005 through 2007 was determined for each Local Agency based on the agency's historical funding along with a consultation with State Agency staff. The State Agency had discretion to adjust a given grantee's funding level within the limitations of the total available funds and needs of other Local Agencies.

Family Nutrition Programs strategic plan focuses on four goal areas:

1. Increase caseload to service 100% of projected eligible clients
2. Achieve cost effective efficiencies in state office and WIC agencies
3. Meet federal standards of Quality Service
4. Reduce overweight in children

Alaska DHSS has identified a number of objectives related to program services. Objectives include:

1. Assure program continuity in the face of flat, or reduced, federal funding
2. Meet or exceed federal caseload targets

3. Develop quality client services state-wide
4. Achieve program efficiencies in administrative and operational costs by redirecting resources for targeted program improvements
5. Establish an equitable funding formula for grantees (Local Agencies)

In light of these objectives, DHSS hired CTG Inc. to:

1. Identify alternatives for WIC service areas;
2. Identify a methodology for projecting WIC caseload within a service area;
3. Develop recommendations for a Local Agency caseload standard (i.e. the minimum percentage of assigned caseload that a Local Agency must serve);
4. Develop recommendations, if appropriate, for a minimum number of clients that would be served by a Local Agency and/or a staffed WIC clinic; and
5. Develop recommendations for a formula by which funding is distributed to Local Agencies.

DHSS intends to use the resulting methodology to determine fiscal year 2008 grants to Local Agencies with disbursement beginning July 1, 2007.

In this Final Report, CTG makes recommendations relating to the five objectives identified above.

In the Preliminary Findings Report, incorporated into this Final Report, CTG

1. Presented information gathered during its interview process,
2. Discussed various data sources encountered during the interview process, discussing their advantages and / or disadvantages,
3. Discussed factors being considered for the Final Report, and
4. Discussed the overall structure of the funding formula.

DHSS held a public meeting on October 30 to review the Preliminary Findings Report. The meeting was held in Anchorage, with access via teleconference for participants who were not able to attend in person.

At DHSS' request, CTG provided a data analysis consultant and a moderator for the public meeting. Additionally, CTG's Director of Data Analytics participated in the meeting by telephone. Other participants in the meeting included: representatives from ten of the seventeen Local Agencies, representatives from the State Agency, from DHSS' Grants and Contracts unit, from the University of Alaska CPA training program and from the Food Bank of Alaska.

The meeting provided DHSS and CTG with feedback from the Local Agencies and members of the public regarding various aspects of the report and the evolving formula proposal. Items raised at that meeting that had not been included in the Preliminary Findings Report have been included in this Final Report.

1.2. Previous Attempt to Create Funding Formula

The State Agency and the Local Agencies collaborated on a funding formula intended for use beginning with fiscal year 2005. This formula defined three categories of independent variables (inputs to the formula):

1. Base funding, which was derived from caseload and salary index;
2. Economic factor, which was intended to compensate Local Agencies outside of Anchorage for operating in communities with a higher cost of living, as compared to Anchorage; and a
3. Travel factor, generated for each grantee first by stratifying Local Agency into three groups (rural, urban and rural-urban) and then calculating funding for a Local Agency based on a percentage of clinics operated by that Local Agency within its assigned group.

Attempts to use this formula quickly illuminated its shortcomings:

1. The salary index favored agencies with higher personnel costs, providing an incentive to provide services with higher-cost labor, instead of using lower-cost labor in tasks which do not require a CPA or Registered Dietitian. The index also did not accurately reflect use of contract staff.
2. The Economic Factor was problematic. It was supposed to reflect the cost of living, personnel travel and other operating expenses. The formula overestimated the impact of these costs and set aside more money than the grantees themselves budgeted. Reasons for this were several:
 - a) The use of a consumer price index (CPI) led to food becoming a proxy for other costs; the assumptions underlying this linkage were not validated; moreover, current price indices for certain areas, such as Dillingham, were not even available.
 - b) The consumer price indices for several communities served by a Local Agency were averaged, with the underlying assumption being that the Local Agency's caseload was distributed evenly throughout its service area. The State Agency noted that, in the case of SEARHC, which serves the panhandle of Alaska, this was not the case, and resulted in an inappropriate calculation for purposes of disbursing SEARHC's grant.
 - c) Irregular, unusual use of the CPI was problematic, and the State Agency pointed to Alaska Family Services as an example of a Local Agency whose grant was short-changed \$5,800 using this formula.
 - d) The formula applied the same travel factor to all agencies, regardless of the distance traveled between "home" clinics and satellite clinics. This produced substantial inequities. The State Agency noted that stratifying Local Agencies into bands defined by travel distance would have been much more reasonable. The State Agency suggested a band system like the following:
 - First band: up to 60 miles
 - Second band: up to 300 miles
 - Third band: Greater than 300 miles
 - e) These problems interacted to produce grant figures which did not correlate well with the cost of servicing caseloads. Increases and decreases in a Local Agency's funding from

the previous year did not necessarily correlate with increases or decreases in the Local Agency's caseload size and related costs.

A table of the caseload and funding calculations from the formula is included in Appendix C.

The State Agency concluded that:

1. The formula had to be abandoned
2. The State Agency needed a new formula which would:
 - a) Accurately reflect increases or decreases in grantee caseload, and
 - b) Promote the best interests of WIC and its participants.

2. The State Agency's View of WIC Funding

The State WIC Agency, a division of DHSS, is committed to identifying and helping any eligible Alaskans who need nutritional assistance. In addition, the state is committed to achieving its Affirmative Action goals, which include reaching out to ethnic minorities, Native Alaskans and the homeless. The state's 2004 attempt at crafting a funding formula was intended to ensure fairness in the allocation of funds, and to ensure that every Local Agency had the opportunity and means to identify and serve its clients. Unfortunately, this formula did not work as hoped. The State Agency was very concerned that this funding formula resulted in an inequitable distribution of resources.

Following the abandonment of the 2004 funding formula, the State Agency was forced to allocate funds using a combination of funding history and a case-by-case consideration of each Local Agency. Essentially, this meant that, for each Local Agency, the state would begin with the Local Agency's grant amount from the prior year and consider the Local Agency's request individually. Local Agencies' requests reflected the costs the Local Agency projected it would have to incur during the upcoming year, based on how many clients it expected to serve, salaries (including raises) for employees, and office and travel costs. While the State Agency's managers were quite conscientious about each Local Agency's situation, they recognized that without an objective, measures-based framework, the grant-making process consisted of a set of ad hoc decisions which inevitably led to inequities. Some agencies received funding inadequate to keep pace with caseload growth, while others received overly generous funding.

These inequities have serious consequences. An under-funded Local Agency may see its staff being overworked, handling administrative responsibilities and unable to offer the kind of attention its clients need to take maximum advantage of their food benefits. Clinics in this position may not be able to provide services at the "Best Practices" level as outlined in the Nutrition Service Standards. Finally, a Local Agency may simply be unable to meet the state's expectations in reaching and servicing all the clients who need help from WIC.

Recognizing that this situation is untenable and concerned with the impact of static federal funding in the face of increasing costs, the State Agency asked CTG to assist them in developing a new funding formula that would rationalize the allocation of WIC grants. The state emphasized the importance of a fair, equitable, reasonable and defensible method of determining funding.

The State Agency asked CTG to pursue an inclusive approach to developing a funding formula recommendation. The state wanted to ensure that all stakeholders – state officials and Local Agency management – had access to the project team. By inviting all stakeholders to communicate openly and fully during the project, CTG could harness the knowledge and experience of many professionals who are dedicated to the well-being of a vulnerable population, and assure the state's constituents that they had a voice in the end product. This report reflects these collective voices. During the research phase of this project, multiple opportunities were provided for stakeholder input:

1. A questionnaire was distributed to all agencies. Respondents were offered anonymity to encourage frankness.

2. Follow-up telephone interviews were held with respondents.
3. Site visits were held which included face-to-face meetings with state officials in the WIC and Medicaid programs, contract administration, the Alaska Departments of Labor and Workforce Development, the Alaska Department of Education and Early Development, along with visits to Local Agencies in Juneau, Anchorage, Bethel and Kotzebue.
4. Teleconferences were held to permit Local Agencies to share information, offer feedback, ask questions and express concerns.
5. An “open door” policy was instituted which invited and encouraged any stakeholder to contact CTG at any time with questions, concerns or relevant information.

The State WIC Agency noted that not all Local Agency administrative costs are funded equally. Some Local Agencies receive generous reimbursement for their administrative costs via federally negotiated indirect rates which are factored into their grant awards. Other Local Agencies, which do not have such indirect rates, must try to budget directly for their administrative costs – including staff salaries – in the grant agreement. This in itself produces inequity. Working conditions in Alaska magnify this inequity.

Finally, the state asked CTG to help identify any pockets of underserved population so that these areas could be targeted for future service.

3. The Local Agencies' View of WIC Funding

In support of the Alaska WIC State Agency project to develop a formula by which funds would be distributed to WIC Local Agencies, CTG sent a questionnaire to the 17 agencies listed in the table at the end of this document. Fifteen responses were received. These responses were followed up and clarified by individual telephone interviews. The results of these questionnaire responses are compiled and summarized herein.

Developing a funding formula requires review and assessment of a variety of records related to WIC operations. It also requires gathering information directly from agencies that provide services to WIC clients, hence the questionnaire. In order to minimize the impact on individual agencies, the questionnaire was limited to items that we felt only the Local Agencies could provide.

It is the project team's intention that information gathered will be used in such a way as to maintain respondent anonymity. In order to maintain that anonymity, some responses were edited when this document was compiled. Every effort was taken to ensure the intended meaning of the comment was maintained, while minimizing the likelihood of identifying individuals based on the content and the context of the comment.

This section is a summary of the responses received. This summary has been organized around key focus areas, with attention being paid to sub-topics that appeared to warrant particular attention, either as barriers to service or as factors that affect agency operating costs.

Related appendices are included at the end of this document. Appendix A is a glossary of key acronyms used in client responses. Appendix B is a list of the Local Agencies that were contacted during the questionnaire process.

3.1. Geography

Geographic cost differentials affect a number of categories which are discussed in subsequent sections. The cost of living in remote locations is higher than in urban areas, primarily due to transportation modes, fuel and food delivery. Local Agencies serving remote locations spend more on postage to send materials to clients and more on travel to visit remote villages. Staff turnover in rural locations is often higher, requiring the Local Agency to spend resources to replace departed staff members. Heating costs in the winter mandate using small spaces, limiting the number of clients that can be handled. The combined effect of these geographic factors is to cause a higher per client service cost than in urban areas.

On the other hand, urban clinics may have to deal with unionized labor, which tends to increase the cost of agency workers; however, this appears to be more than offset by the higher operational costs and turnover effects of the rural agencies.

Local Agencies have had different experiences with distance delivery in geographically dispersed populations. One respondent said that one of the biggest barriers to service is the lack of a local office in a rural area. The mail introduces significant delays, and the lack of direct contact with WIC staff can lead to misunderstandings regarding certification requirements. In contrast, another agency reported that, while the mail can be a barrier to service, that agency succeeded in getting rural clients to sign up and use the mail and the telephone and there were no serious complaints about using the mail and telephone. In balance, the feeling was that face to face visits are more effective with clients than phone and mail-based service – client cooperation improves and service and educational delivery are more likely to be optimal.

The lack of local WIC stores can be a problem. Agencies experience difficulty certifying clients who use the mail and receive food boxes from Fred Meyer. Clients are discouraged from participating by having to wait for boxes which are delayed by inclement weather, or by receiving foods they don't want (such as dried eggs) or the frequent presence of broken containers in the boxes.

3.1.1. Weather

Weather can prevent clients from coming to the clinic and it can force the postponement of WIC staff trips. Face to face visits in rural areas often means use of an airplane; and inclement weather can force staff to delay returning. This can increase travel costs by 5-10% annually for agencies which make such trips. Inclement weather also prevents food shipments from arriving at remote areas, which leads to shortages at stores or delays in families' receipt of food boxes.

3.1.2. Transportation

Rural agencies must deal with higher costs of fuel for vehicles. The cost of transportation to the clinics is high, for both employees and clients. In rural areas with remote populations, travel by aircraft or water is the only option to reach outlying villages.

Employees must commute to work and travel to clinic satellites to serve clients. They also travel to attend conferences. Most employees live beyond walking distance to work and, with gas costing \$5 or more per gallon in rural areas, the cost of transportation becomes a factor in the retention of employees.

When employees travel long distances to satellite clinics, fewer employees remain to cover the home clinic. In some cases this may mean a single person has to greet and assess clients, answer the telephone, and attend to administrative chores.

In urban settings, many clients can use public transportation to reach clinics. In others, clients use taxicabs. However, in many locales, clients have trouble reaching clinics because of the long distances involved. The combination of long distances, lack of resources (including a client's not having sufficient money for taxi fare) and clients' conflicting personal priorities results in "no shows" to clinic appointments.

3.1.3. Technology

Many rural clients do not have telephones. Attempts to reach a client can involve calling a relative or friend's home and leaving a message, then hoping that the message will be relayed soon. A return

call from the client may never happen. Incomplete applications can take a long time to resolve when the WIC clinic has to call clients at a neighbor's message phone.

Many rural clients do not have access to the Internet. Providing a service interface on the Web does not help them.

Some agencies have limited computer equipment – they share printers and work stations. Those that travel need laptops that may not be available. All agencies responding to the survey were eagerly awaiting a state decision to overhaul the WIC computer system. (Note: replacement of the current management information system, AKWIC, has begun.) Agencies described AKWIC as a constant source of extra work, delayed work completion and inefficiency.

3.2. Cultural Factors

Respondents referenced a number of items that appeared to be best categorized as cultural challenges. These challenges ranged from clients whose subsistence lifestyle takes them out of contact with WIC agencies for extended periods to clients who do not understand the need for documentation to determine their eligibility.

3.2.1. Foreign Languages

School systems in Alaska serve children who speak 92 different languages. WIC Local Agencies have identified at least 26 languages among their clients, including English, Spanish, Russian, Tagalog, Vietnamese, Korean and Siberian, along with various Native Alaskan languages. This can create barriers to communication for WIC agency staff. Consequences include difficulty with the sign-up and certification process, longer appointment times due to staff members having to struggle to understand what clients are trying to tell them, and misunderstandings, which can lead to poor service and tension between agency staffers and clients.

Lack of ability to communicate in native languages can and does reinforce preexisting resentment by those Native Alaskans who would already prefer to deal only with officials of their own ethnicity or tribe.

It can be difficult to obtain the services of translators in many languages. Some agencies cannot afford to use fee-based telephone services. At times, children in the clients' families are asked to translate, which increases the risk of miscommunication when children have difficulty comprehending and translating ideas beyond their grasp. It was suggested that the state should provide a telephone number that WIC agencies could call to provide interpreter services.

3.2.2. Appropriate Nutrition Education Materials

Local Agencies criticized the state for supplying materials in English and Spanish only. At the least, the agencies want the state to begin printing brochures in Russian. Local Agencies also criticized the state for not designing written materials with cultural sensitivity in mind.

3.2.3. Literacy

Literacy among WIC clients constitutes a barrier for service. Many WIC clients, especially those living in rural communities, have no more than an eighth grade education (some with only a fourth grade education) and their reading comprehension ranges from grade school level to functional illiteracy. Some rural populations have large numbers of illiterate people, and other clients who have difficulty completing paperwork. The forms themselves are described as complicated for some people.

Many Local Agencies would like to see materials written in simpler language for clients; however at least one respondent cautioned against adopting a condescending attitude toward clients by offering materials which communicate through pictures.

3.2.4. Culturally Appropriate Foods

Sometimes the food choices available to clients constitute a barrier to service. WIC food prescriptions can contain items that are incompatible with clients' dietary customs or items that clients cannot consume. For example, many Native Alaskans and Asian people are lactose-intolerant, yet WIC selections prominently feature dairy foods.

3.3. Budget

The cost of running a WIC Local Agency has risen over the past several years, while state support has remained flat. This has resulted in a widening gap between "have" and "have-not" agencies; where well-funded parent agencies provide substantial in-kind contributions to their WIC agencies. These in-kind contributions reduce operating costs by covering some or all of the costs of ancillary personnel salaries, rent for clinic space, telephones and utilities.

3.3.1. In-kind Contributions

Some Local Agencies receive substantial in-kind contributions from parent agencies. In-kind contributions can include salaries of administrative and human resource personnel, salaries of professionals providing ancillary services, rent for clinic space, telephones and utilities. This permits agencies which receive in-kind contributions to spend a larger portion of their WIC budget on client services. When this kind of support is provided generously, it allows WIC personnel to afford a lot of time and attention to clients.

Some Local Agencies get little or no in-kind support and must rely entirely on the WIC grant to pay for services. Core personnel often end up performing administrative tasks, leaving less time to provide educational services. These agencies complain of not being able to provide as full a service. Over time, agencies not receiving in-kind support, faced with rising costs and flat state support, find themselves cutting back on services. Services such as education and breastfeeding support between quarterly WIC visits are among the first to be cut.

3.3.2. Rural Versus Urban Costs

Rural agencies serving remote locations generally have higher costs in the following areas:

- postage to send materials to clients
- higher staff turnover
- fuel for heating and transportation
- telephone
- travel to villages and outposts.

Urban agencies may have to deal with unionized labor, which tends to increase salary costs. However, this appears to be offset by higher operational costs and turnover effects of the rural agencies.

3.3.3. Other Costs

As part of obtaining WIC funding, agencies have several service mandates that they are required to perform, but which take away time from WIC activities associated with direct client services. Among other tasks, these include voter registration, additional vendor monitoring, immunization screening and administrative tasks such as breast pump returns and tracking. Particularly for agencies that do not receive in-kind contributions, these un-funded activities take away significant time from the resources available for WIC activities.

Another large indirect cost is employee health insurance and fringe benefits. For smaller agencies, the health insurance can be particularly onerous.

Some agencies indicated that their ability to negotiate agreements on indirect rates for expenses with the federal government has helped them stretch their budgets. Other agencies, without such agreements, have had to pay for all costs directly from their grants.

3.3.4. Village Travel

In rural areas with dispersed populations, travel by aircraft or boat is the only option to reach outlying villages. This is a significant cost in both direct travel expense and in reduced availability of service personnel while they are traveling. When employees travel to satellite clinics, fewer employees remain to cover the home clinic. In some cases this may mean a single person has to greet and assess clients, answer the telephone, and attend to administrative duties.

3.3.5. Disparities in Salaries

Local Agencies with well-funded parent agencies can pay larger salaries in order to reduce staff turnover. Rural agencies without in-kind contributions must live within the available grant budget. In recent years, WIC funding has not accommodated growth. Raises, cost of living increases, promotions and health insurance must be funded from a pot which remains flat at best. This limits the ability of rural agencies to keep staff, leading to additional resources being spent on replacing departed staffers rather than servicing clients. Some urban clinics may have unionized labor, which

tends to lift salaries. But this appears to be offset in rural agencies by higher operational costs and the impact of staff turnover.

3.4. Personnel

3.4.1. Retention

It is difficult to keep remote outposts staffed; turnover is high and the Local Agency must expend resources to replace departed staffers. Contributing factors include the cost of living in remote locations (food, fuel, transportation) and the limited opportunity some agencies have to fund raises, cost of living increases and promotions from state funding that remains flat. It can be difficult to maintain staffing for small agencies as employees with good customer services skills, foreign language fluency, and other abilities are not always available.

3.4.2. Coordinators' Added Responsibilities

At Local Agencies that belong to parent organizations, coordinators and other staff frequently have to attend to activities pertinent to the parent organization. Coordinators and Registered Dietitians in agencies with little funding for extra staff must perform tasks normally allocated to secretaries or medical assistants, such as handling human resource issues and payroll, performing inventories or ordering supplies. Managing remote satellite offices also takes time away from WIC service activities. Consequently Registered Dietitians and coordinators have less time to spend on high-value tasks, such as education and breastfeeding support.

While recent efforts to use non-degreed Competent Professional Authorities (i.e. graduates of the University of Alaska CPA paraprofessional program) have offered some advantages, it presents Registered Dietitians with additional training and supervision tasks.

3.5. State Administration

3.5.1. Outreach Responsibilities

Outreach occurs in hospital nurseries and neonatal units; at school visits; at health fairs; during community celebrations and other events, and via other service professionals, such as lactation consultants, hospital discharge planners, and social workers. Agencies also use posters, flyers and the mail. While Local Agencies in general seem satisfied that these activities are effective, they have varying opinions about how best to execute outreach. Some Local Agencies consider outreach to be the responsibility of the State Agency, while others prefer to engage in local, culturally specific outreach and want the state to pay for it.

Some Local Agencies want the state to increase spending on centrally purchased media spots – advertisements and commercials and public service announcements. Their view is that Local Agencies already have their hands full running their operations. They also note the advantage of all agencies promoting the same, consistent message, developed by the state.

Other agencies have a different view. They note that the state cannot tailor centralized outreach to fit many different cultures and languages. They would prefer to prepare their own materials, and conduct their own outreach activities.

One outreach challenge is that approximately one quarter of eligible clients regard WIC as charity and are reluctant to sign up for services.

All agencies acknowledge that they could do greater outreach, given greater resources.

3.5.2. State / Local Agency Relationship

A number of Local Agencies expressed concerns about their working relationship with the State Agency. Concerns included:

- Delays in receiving grant payments
- Duplicate and contradictory requests for information by the state.
- Lack of state experience and understanding of the realities of operating a Local Agency.

Delays in payments can disproportionately affect smaller Local Agencies, with fewer resources, than larger agencies. An agency described having to “float” its payroll for two months, while waiting for DHSS to send its payment.

3.6. Other Factors

3.6.1. Vendor Relations

During the public meeting held October 30, 2006, in Anchorage, Local Agencies commented that dealing with WIC food vendors, while in the majority not difficult, can involve situations where large amounts of staff time are required. At least one Local Agency staff member described problems that required hours of her time to resolve. The following problems were described, but are not entirely inclusive of all problems that might occur:

- A retail store may not have WIC-approved items in stock when a client enters the store.
- The clerk does not process the transaction correctly, or is unable to process a transaction for some other reason
- A food box shipped to a client has the wrong foods in it, is missing an ordered food item (for example, milk) or arrives with damaged containers and contaminated food
- A vendor updates a branded food item and causes confusion at the retail level
- Farmers’ Market Vendor stamps are not accepted by a bank
- Local Agency must respond to DHSS policy changes involving food packages or vendors.

Problem resolution can be hampered when the client involved is living in a remote village with limited access to a telephone, relying instead on the US Postal Service for communication and food shipment.

Local agencies described a high rate of turnover of cashiers in stores, leading to frequent training and orientation of new workers unfamiliar with WIC requirements and procedures. Local agency coordinators, while acknowledging that they are not supposed to be the primary trainers of these vendor personnel, have said they feel a burden to ensure appropriate vendor training – clients who have difficulty with a vendor will come to the Local Agency for resolution.

The impact, in terms of hours lost dealing with vendors, varies from agency to agency. One agency describes monitoring as requiring a few hours a month, with the most frequent problem brought to its attention requiring three hours of a staffer's time to resolve. Another Local Agency said that responding to recent changes in DHSS policy with regard to vendors required 100 hours of time, and that the most frequent and serious food issue was an infant formula shortage. When totaled, these hours translated into the equivalent of the loss of ten days' time in one WIC counselor's schedule.

3.6.2. Training Opportunities

The Local Agencies commented on Alaska's policy of not allowing out of state travel for WIC related training. Many agencies felt that not enough specialty training, especially certification training, was available in Alaska. Examples they pointed to included training for lactation consultants, and training related to obese children, or children with diabetes, which, they stated, was available only by flying to Seattle or other cities in the lower 48. Travel costs to reach conferences in Anchorage or Fairbanks are considerable and even onerous at times.

A small number of Local Agencies did not agree that there was insufficient training available. They pointed out that past conferences in Alaska featured noted speakers from the lower 48 who spoke on a number of subspecialty topics. Moreover, they said, there are opportunities for distance or web-based learning for WIC staff who want it. Local Agency personnel who participate in out-of-state conferences have been asked, upon returning, to share what they learned. There is a perception among some Local Agency staff that such knowledge sharing does not routinely happen.

3.6.3. Regionalization

A common point of contention is the issue of regionalization. Several agencies expressed concerns about the prospect of regionalization, specifically regarding the consequences of one agency absorbing another, or contracting for services with another. Agencies objecting to regionalization point to loss of tribal autonomy, loss of cultural sensitivity when delivering client services, and the fear that the "acquiring" agency may abandon rural clinics in small communities and relegate them to a mail service model. Others feel that the addition of clients from the absorbed agency might cause a lowering of quality as the client to staff ratio rises. A few agencies are not concerned about regionalization and would be willing to participate.

4. The USDA's View of WIC Funding

The US Department of Agriculture (USDA) provides the funds used to pay for clients' food benefits, and to pay the administrative and operational costs of the agencies delivering the benefits. In response to queries from the project team, the USDA offered these observations:

1. USDA confirms that administrative and operational funding is likely to be flat in the near future. States are using different strategies to try to rationalize their allocations.
2. USDA does not require a state to use, nor does it endorse any one approach to allocating administrative / operational funds to Local Agencies.
3. USDA is not aware of any states implementing or enforcing staffing standards (that is, minimum standards determining how many of what type of staff member should be employed by an agency with a given client population, with the goal being a specific client-staff ratio.)

5. How Other States Fund WIC Programs

The State Agency recognizes that other states have struggled to develop fair and equitable ways to disburse WIC funds. The State Agency asked CTG to help it examine how other states allocate operating funds, intended to pay operating expenses, to local WIC agencies. For purposes of comparison, the State Agency requested that CTG interview WIC agencies in Missouri, a Midwestern state with a very large number of urban Local Agencies (more than one agency within a city), as well as suburban and rural agencies; and Montana, a mountainous state with a client population comparable to Alaska's, and with fiscal, logistical and political factors similar to those that Alaska faces. The comparable Montana factors include geography (though Montana's is not as severe), flat funding and the presence of Native American tribes.

5.1. Missouri

Funding Scheme: Per-client per-month flat rate, \$8.75 per client per month.

Discussion: Missouri's WIC program is formally known as the Special Supplemental Nutrition Program for Women, Infants and Children, and serves 134,000 clients throughout the state. Local Agencies in Missouri include those serving urban areas, suburban and rural areas. Among these agencies, average monthly caseloads vary from over 9,000 at the largest agency to less than 200 in several rural agencies. Statewide, the average monthly agency caseload is approximately 1,200, but the range is skewed toward the lower end. The largest agency caseloads are found in Kansas City, with one agency seeing over 9,000 clients per month; the second largest WIC agency sees over 7,000 clients per month. Outside Kansas City, St. Louis and Springfield (a region with a high proportion of impoverished residents), there are several agencies with clients numbering in the thousands. More than one agency provides services in the two largest urban areas in Missouri, which are Kansas City and adjoining areas of Jackson County, and St. Louis city and county. The reasons for the assignment of Kansas City clients to more than one agency are historical and political in nature, and there is resistance to change. About 40 agencies serve 200 or fewer clients per month each, and scores of others serve up to 600 clients each.

Missouri requires that high risk cases be seen by a nutritionist; qualification as a nutritionist requires 15 hours of college-level nutrition education. In most cases, the local agency employs a Registered Dietitian for this purpose, but the agency could also, legally, satisfy the requirement by employing a nurse who has completed the requisite nutritionist curriculum. When an RD is used, the RD is allowed to act in a managerial role, overseeing up to six other professionals delivering service. Most agencies, however, are not large enough to employ such a scheme.

WIC agency coordinators may be nutritionists; at larger agencies the administrator and nutritionist are separate. At smaller agencies, one person functions in both roles. Nutritionists supervise other staff, create treatment plans, and carry out client education; coordinators oversee administrative functions, such as budgets, work flow, WIC food instruments, and clinic schedules.

Missouri has the highest number of WIC agencies of the two states interviewed for this project. There is a WIC provider in each county and certain urban counties are served by more than one. When the WIC Program was initiated in Missouri, the state wanted local public health providers (LPHP) to assess potential clients, enroll them and provide them with benefits. This they did, but subsequent changes in Medicaid funding and a movement by LPHPs out of direct service provision resulted in some discontinuing their WIC operations. In addition to the LPHPs, six federal Health Centers, four hospitals, three community action agencies and one faith-based organization run WIC clinics. None are Native American tribal organizations. None are managed directly by the state health department.

The state of Missouri funds Local Agency WIC operations with a per-client model, currently paying \$8.75 per client per month. This amount pays for core WIC functions, plus additional mandates such as breastfeeding support, conferences for staff and special projects. If an agency does not spend all its funds during a fiscal period, those funds could be directed to another agency that is having budget difficulties. In-kind services provided by the Local Agencies' parent organizations do not affect the funding formula.

Salary and benefit structures differ among agencies; in general, urban agencies claim that they must offer higher salaries and more generous benefit packages to attract professionals due to a higher cost of living in the cities and competition.

Missouri is well served by an interstate highway system as well as good local roads. The large metropolitan areas are served by public transportation. Clients generally have little difficulty coming to WIC clinics, so the state need not spend significant sums on client or staff transportation.

In 2002, the state hired Burger, Carroll and Associates (BCA) to analyze the WIC program and create at least three funding models which could help Missouri improve the cost-effectiveness of WIC service delivery in the state. BCA developed four models:

1. A per-client model which stratifies local agencies by caseload size into five bands
2. A per-client model which attempts to account for variables which affect cost, such as clinic size, salaries and travel costs
3. A stratification model similar to the first model which assumes that salary is the only expense which substantially affects the cost of delivering WIC services; and
4. A model which assigns a base amount to each agency and reserves 10% of the state's WIC budget as a discretionary pool, to be allocated according to results of negotiation between state staff and local agency staff. This last model assumes that it is not possible to account objectively and accurately for the many variables which could possibly affect a given local agency's expenses.

At the time the analysis was developed, the environment was not conducive to changing the current funding method. Consequently, the State Agency chose to continue funding WIC services with the funding model that was in use prior to the study.

Missouri has made an effort to save money managing WIC. For example, many training sessions are held in local district offices to minimize travel expenses. In addition, the state is delivering certain services by telephone and Webcam (internet) to reduce the cost of service delivery and allow each nutritionist to reach more clients.

The state health department considered implementing a regionalization system to reduce the administrative overhead associated with the WIC program in general. However, the state chose not to implement such a plan for a variety of reasons.

5.2. Montana

Funding Strategy: Two-tiered reimbursement based funding to pay operating expenses; \$156/client/year for the first 200 clients (minimum client size is 200) and \$134/client/year for additional clients.

Discussion: Montana's WIC agency serves 21,500 clients through 28 Local Agencies with a reimbursement-based funding scheme that features two bands. The number of WIC clients has been dropping even as the state's population has been growing; most new residents are retirees who have relocated. Montana's 28 agencies are the result of a restructuring, which saw 43 agencies two years ago. In 2004, Montana's 43 agencies ranged in caseload size from 30 to 2,500 monthly clients and were paid in a three-band scale.

Included in Montana's Local Agencies are seven tribal agencies which serve communities that, according to their advocates, suffer a 62% unemployment rate. The system was inefficient. Smaller agencies scattered in rural areas had difficulty providing their clients with consistent service; in particular, they experienced difficulty retaining the services of a Registered Dietitian. A rural agency could not afford, nor did it have enough work for, a full-time Registered Dietitian. In Montana a Registered Dietitian's pay ranges from \$12-30 per hour.

With available funding remaining flat, the state was compelled to act. In addition to reducing the number of agencies, which included the absorption of one agency into another, the state reduced the number of funding bands from three to two, and imposed a minimum monthly caseload size, of 200 clients per agency.

The state faced several challenges with the restructuring. Some Local Agencies were amenable to being taken over; others feared a loss of autonomy and that a reduction in quality of service to their clients would occur. Tribal agencies objected to being taken over by non-tribal agencies, and vice-versa. Another objection was that while the state would save some money by not having to deal with as many agencies, the surviving agencies would experience an increase in certain costs, such as travel, as they took on coverage beyond their local communities, and might lose local matching fund grants. Methods of accounting and salary scales were not consistent from agency to agency.

The current minimum caseload is controversial. Some have told the state that, to achieve significant savings, the minimum caseload size should be set to 500. The proposed higher limit would be politically problematic, especially because several tribal agencies are currently serving fewer than 500 active clients per month (but not fewer than 200), and the closing or consolidation of tribal agencies would lead to a reduction in the proportion of Native Americans employed to serve WIC clients. This reduction is not consistent with Affirmative Action goals and was perceived as a threat to the autonomy not only of tribal agencies, but others as well. Additionally, tribal agencies pointed out that any decrease in their WIC

budget would force the diversion of indirect funds to WIC related demands. These funds provided other services to an impoverished population.

The state's funding formula pays a set rate, \$156/client/year (\$13/client/month) for the first 200 clients, then lower rate of \$134 per client per year (\$10.83/ client/ month) for any additional clients. A satellite clinic serving at least 50 clients receives reimbursement beginning at the higher rate. A satellite clinic serving fewer than 50 clients is considered part of the main clinic site when counting participants. Lead agencies which take over other areas earn a fee for doing so, also on a two-banded scheme. Lead Agencies serving another area with more than 30 participants received \$1,588 for lead services. If the other area has less than 30 participants, the Lead Agency would receive \$794 for providing lead services.

Local Agencies are paid for clients they actually see. They submit monthly claims to the state, due by the 28th of the following month. The state sends reimbursement within 30 days of receiving the claims. The state will only pay to the limit of the budget allocation. If a given agency exceeds its planned budget, that agency must find another source of funding to close the gap.

6. High Level Findings

CTG collected much information during the course of this project, with the aim of understanding which findings are germane to the development of a fair, equitable and defensible formula. Some findings can be translated directly into useful input for the funding formula; others play a supportive role. Still others are either expected to be reflected in the funding formula's output or are not relevant to the funding formula, although clearly important to the Local Agencies' delivery of service.

6.1. Findings that have contributed directly to the recommendations

Findings which contributed to CTG's recommendations, and to the formula itself, include those describing Local Agency caseloads, geographic distribution of WIC clients, Medicaid caseload data, travel costs, the comparative demands placed on Local Agencies by clients at high risk of nutritional deficiency and certain DOL supplied wage data. When combined with information regarding Alaska geography (zip codes, towns and boroughs), these data provide the basis of a supportable funding mechanism and recommendations for how to best implement it.

6.2. Findings that did not contribute directly to the recommendations

CTG learned of many challenges facing Local Agencies as they attempt to reach their clients and service their caseloads. These are important to the Local Agencies, and it is important for the State Agency to understand them as well. They are germane to this report. However, they do not function as inputs to a formula. Rather, the funding mechanism must use good objective data to support the Local Agencies and make it easier for them to answer these challenges.

The challenges the Local Agencies described to CTG are varied in nature. They include, but are not limited to:

- Clients' reluctance to participate because of cultural or language barriers
- Burden of training of CPAs in an already overworked clinic
- Trying to set or comply with desired standards of service
- Obtaining specialty and subspecialty training needed to care for clients
- Finding resources with which to conduct effective outreach

7. Factors Considered

7.1. Funding Mechanism

There are many possible funding formulas, from simple ‘dollars per participant served’ to complicated mathematical expressions applied to every possible spending variable. CTG strove to build a mechanism that considers sufficient information to allocate funds in a fair and equitable manner, while maintaining ease of comprehension and accessibility to necessary data in future years. We examined the following approaches:

7.1.1. Standard Grants

This approach, which follows current funding practices, would reimburse Local Agencies directly for costs such as personnel services, travel, facility expenses, supplies and equipment. Agencies that have negotiated indirect rate agreements with the federal government are also reimbursed indirectly for administrative costs.

A new funding formula would apply various factors against a base grant award. Factors might include: caseload numbers, various indices such as cost of labor, cost of travel, cost of facilities, locations of clinics, outreach expectations and adjustments for other agency-specific items (e.g. a high percentage of high risk participants consumes more than the usual professional time).

7.1.2. Provider Agreements with Grants

In this approach, Local Agencies are reimbursed through a grant agreement for such costs as travel, facility expenses, supplies and equipment. (A formula might be developed to determine maximum travel funding for a grantee.) Indirect rates would be calculated only against these grant-funded costs.

All other costs – e.g. personnel expenditures – would be reimbursed through a “provider agreement.” Simply put, the provider agreement would pay Local Agencies on a cost-per-participant basis for the number of clients served in a given month. For each grantee, the base cost-per-participant rate might be adjusted to accommodate a number of factors such as geographical costs differentials, cost of labor, percentage of high risk participants, etc.

Example: The State Agency establishes a base rate of \$10 per participant per month. A formula adjusts this base rate for Local Agency A – which is located in rural Alaska – to 110% of the base rate, or \$11 per participant. If Local Agency A serves 1,000 participants in September, it would be reimbursed \$11,000 (1,000 x \$11). Additionally, the Agency would be reimbursed for any grant-funded expenditure (e.g. travel, facility expenses, supplies, or equipment) it incurred during the same period.

7.2. Service Areas

Currently, there is a rough *de facto* division of Alaska which defines service areas where clients receive WIC services. The residents of each rural area are generally, but not always exclusively, served by one Local Agency. The Local Agency may not be physically located within the service area; for example, clients in the Aleutian and Pribilof Islands are served by the APIA, which is based in Anchorage. An urban area may have more than one Local Agency serving it; Anchorage has five Local Agencies. Alaska's WIC clients include a number of Native Alaskan tribes. Members of a given tribe will generally seek the services of a Local Agency affiliated with that tribe. The result is that the Local Agency's service area may be defined more by ethnicity and language than geographic boundaries. The WIC service areas evolved historically rather than being defined by the State of Alaska.

The characteristics of a service area strongly influence not only what a Local Agency must do to serve it, but whether a given Local Agency can serve it. These characteristics include geography and weather. Anchorage, which has good roads, relatively mild weather compared to other areas of Alaska, and public transportation, has five agencies serving its clients. Bethel, where villages are often accessible only by air or water, has one agency. In Anchorage, reaching potential clients is more a function of educating them as to the value of WIC and persuading them to come to a clinic. In rural areas, reaching clients is challenging due to physical inaccessibility.

7.3. Caseload Projections

A Local Agency's caseload is the number of clients it is actively serving. A Local Agency's active caseload increases as new clients sign up (e.g. mothers give birth, WIC-eligible clients take up residence in the Local Agency's service area) and decreases as clients depart (e.g. a child reaches his or her fifth birthday, a family moves out of the Local Agency's service area). A Local Agency's caseload includes clients who are defined to be at high risk, and those who are not. While clients at high risk are usually a minority of a total caseload, each of them typically requires from two to four times the amount of attention and time required by a client not at high risk. Moreover, DHSS requires that a Registered Dietitian or degreed nutritionist personally evaluate each high risk client and prepare a care plan for that client, including referrals and follow up to referrals.

The size of a Local Agency's caseload, and the proportion of that caseload consisting of high risk clients, determines the demand placed on the Local Agency's resources. DHSS's previous attempt to create and use a funding formula resulted in grant disbursements not correlated to this demand. CTG will propose and include in its Final Report a method of projecting caseload size intended to minimize the discrepancies produced by the earlier funding formula endeavor.

7.4. Caseload Standards

Performance to caseload standards indicates to what extent the Local Agencies, and by extension the Alaska WIC program, are meeting the nutritional needs of the target population. Alaska WIC currently uses 80% as the Local Agency standard for serving assigned caseload. Other states have caseload

standards in excess of 90%, and the Federal Government has expressed concern that the standard in Alaska is too low.

The Local Agency Caseload Standard is a threshold. If a Local Agency is operating under the threshold, the State Agency could choose to reassign caseload to other Local Agencies which have capacity to serve the target population.

7.5. Minimum Clinic / Agency Size

The State Agency believes that, to be viable, a Local Agency must have sufficient resources to carry out the various responsibilities which comprise the WIC mission, including a requirement to meet a caseload standard (currently 80% of assigned caseload). In other words, what is the smallest Local Agency which can realistically expect to remain viable in an environment of flat or reduced administrative or operational funding?

Direct measurement of agency size is difficult. Different mixes of skills and costs make comparisons very problematic. The measure used by many states is the number of clients served per month. Montana has set a minimum agency size of 200 clients per month in order for a Local Agency to obtain funding, in the belief that this will result in administrative cost savings. Montana is considering raising its minimum. Missouri, on the other hand, has no formal minimum size and many agencies have fewer than 200 clients.

Determining a minimum Local Agency size could be addressed simply through economics. An agency could determine for itself whether or not they are receiving enough funding from the formula to operate effectively, regardless of the caseload. If funding is insufficient, the agency could choose to forego bidding in the next grant cycle.

Aside from a purely laissez-faire solution, the state may choose to make a determination as to an appropriate measure. After making allowances for rural/urban factors, minimum caseload appears to be the simplest measure that correlates reasonably well with cost of operations. Taking advantage of lessons learned from other states, a minimum caseload similar to the one in Montana may be a reasonable starting point, with adjustments being made based on experience and the needs of certain isolated client populations.

7.6. Under-served Populations

DHSS believes that there are under-served populations in all regions of Alaska, which potentially could include members of ethnic minorities, Native Alaskans and the homeless. DHSS has confirmed the importance of reaching and helping the most vulnerable of Alaska's citizens. Moreover, DHSS has adopted Affirmative Action goals for reaching such populations. Conducting effective outreach is one important tool for accomplishing this goal, along with efficient, culturally sensitive care.

The funding formula and recommendations CTG is developing will assist the state and the Local Agencies in reaching under-served populations by better correlating administrative and operational funding to caseload and the costs associated with caseload, namely travel and time, and by improving the

Local Agencies' operational efficiency. When a Local Agency operates more efficiently, its staff becomes more productive. More of its budget, and staff time, are available for Affirmative Action-related goals. This will result in the Local Agencies being able to allocate more resources to outreach activities, and staff training can focus on caring for ethnic minorities or the homeless.

CTG will be using Medicaid data to assist the State and Local Agencies in targeting under-served populations. If the state has other sources of data concerning these populations, CTG can assess their utility as inputs to a formula.

There is an important caveat to acknowledge here. CTG will address neither quality of service, nor overweight-related goals. Several Local Agency coordinators have pointed out that they can handle more clients on a given clinic day if they spend less time with each client. If setting a caseload requirement results in a given clinic increasing throughput at the cost of lowering the quality of care, such a standard will work at cross-purposes with the state's Affirmative Action objectives.

7.7. WIC Population Dispersal

The geographic distribution of WIC clients plays a major role in determining the expense of caring for them. A Local Agency whose clients live in relatively close proximity to the main clinic, and who can use local roads to reach the clinic, can serve many more clients than a Local Agency, with the same budget, that has to deal with clients scattered across many villages, separated by geographic barriers such as tundra or rivers. To account for this, CTG will model population dispersion and equip the funding formula to reflect its influence.

7.8. Economic Indices Relevant to Operating Costs

Local Agency operating costs include, first and foremost, salaries and benefits, and second, the cost of maintaining and heating or cooling offices, and transportation. CTG is evaluating information sources which compile employment compensation, personal income, cost of living and retail energy costs for regions within Alaska, with the specific intention of using data which are of sufficient detail, geographic granularity, timeliness and reliability as inputs to the funding formula.

7.9. Vendor Relations

Alaska's WIC clients procure their food in one of two ways:

- They receive WIC food instruments (FIs) at a WIC clinic. FIs include a prescribed list of WIC foods which the client can obtain at a WIC-approved retail store. The client presents the FI to the store clerk at the check-out counter. The vendor then processes the FI through its bank as it would any other check or warrant. The vast majority of Alaska's WIC participants receive their food benefits with FIs.

- They receive boxes of food via the postal service from a WIC mail-order vendor based in Anchorage. Mail-order food boxes are common in remote, rural villages where there are no WIC-approved retail vendors.

The majority of transactions, whether at retail locations or by mail, are processed correctly; clients go home with the food they are supposed to receive. However, a variety of problems can and do occur, requiring the attention of the retail store, the vendor and the Local Agency to address. Sometimes a problem can be easily resolved; or it may take hours and careful follow-up.

The number of vendors that Local Agencies oversee and monitor varies by agency. One Local Agency, YKHC, has oversight responsibility for nearly 40 vendors. In general, difficulties may increase as the number of vendors rises.

7.10. Centralized Support Services

In order to identify potential savings associated with sharing between agencies, CTG is considering the potential for offering centralized support services.

7.10.1. Registered Dietitian

7.10.1.1 Background

Registered Dietitians (RD) are highly trained and well paid professionals. In Alaska, a Local Agency typically uses Registered Dietitians to approve protocols and to provide personal attention to high risk clients. Local Agencies face two important problems: Registered Dietitians can be difficult to find and recruit, and smaller Local Agencies may not be able to employ a full-time Registered Dietitian efficiently. That is, a Registered Dietitian may be hired, only to spend substantial amounts of time performing tasks which do not require specialized Registered Dietitian training or certification. This may occur when:

- A Local Agency has too few clients and / or few high risk clients requiring a Registered Dietitian's attention, or
- A Local Agency has inadequate administrative support, so that in addition to nutritional services, the Registered Dietitian must perform administrative and clerical tasks.

Clearly, every Local Agency requires a certain amount of Registered Dietitian service, but not every agency needs a full-time Registered Dietitian. A rural agency may have difficulty recruiting a part-time Registered Dietitian if the Registered Dietitian is unable to find other work to create a full-time income. Moreover, whether a Local Agency hires a Registered Dietitian full-time or part-time, the Local Agency incurs certain human resource and legal obligations.

7.10.1.2 Registered Dietitian Service Bureau

One way to help Local Agencies make cost-efficient use of Registered Dietitians is to provide Local Agencies with the services they need, without requiring that the Registered Dietitians work

for the Local Agencies. This could be accomplished through a Registered Dietitian ‘Service Bureau.’ The Service Bureau could employ an appropriate number of Registered Dietitians who would be available to provide services to Local Agencies.

CTG anticipates that the Service Bureau, as envisioned, would primarily serve smaller agencies, i.e. those agencies that have difficulty locating and/or employing Registered Dietitians, and/or those agencies whose caseloads do not merit employing at least one full-time dietitian. The Service Bureau could potentially assist other Local Agencies whose full-time Registered Dietitians may be over-burdened with work.

A Registered Dietitian Service Bureau, because it becomes the focal point for delivery of Registered Dietitian services, can also become a training asset, making it easier for new Registered Dietitians to gain experience and coaching.

A Registered Dietitian Service Bureau offers the following advantages:

- It could offer agencies access to the amount and type of Registered Dietitian service they require;
- It should find it easier to recruit Registered Dietitians by being able to offer full time employment; and
- It could employ Registered Dietitians in a cost-efficient manner.

Registered Dietitians offer consultations in person, by telephone, or via the Internet. The specific organizational structure and operation of a Registered Dietitian Service Bureau, and its implementation, are beyond the scope of this project. CTG anticipates that the state would create an implementation plan for such a Service Bureau. Regardless of whether the Bureau is operated by the state itself, or a state contractor, this implementation plan would presumably include:

- Location of the Service Bureau’s administrative headquarters and to whom its Administrator would be answerable;
- Geographic assignment of Registered Dietitians;
- Written protocols for service delivery and care plans, including procedures by which a Local Agency requests a consultation by a dietitian; and
- Credentialing and training requirements for Registered Dietitians.

7.10.1.3 Caseload Threshold for Service Bureau Use

The concept of a Service Bureau of Registered Dietitians was developed as a result of discussions and interviews related to developing a Local Agency funding formula recommendation. As envisioned, such a Bureau would principally be used by Local Agencies with small caseloads. Additional work is needed to determine the actual caseload threshold at which it is more effective for a Local Agency to use a Service Bureau rather than employ a Registered Dietitian. Determining that threshold is beyond the scope of this project.

Conceptually, however, a caseload threshold could be determined based on an assessment of the clinical work a Registered Dietitian performs and the different types of clients that require varying amounts of effort to service. Another factor may be the difficulty in hiring and retaining RDs in a particular locality.

The caseload threshold may mark the point at which the RD, who is a clinician by trade, is spending significant amounts of time performing tasks not specifically related to seeing clients. Determining where the threshold lies requires assessing at least the following:

- What percentage of a working day should a Registered Dietitian use to interview, evaluate, and write a treatment plan or follow-up note for clients?
- What percentage of a working day should a Registered Dietitian use to handle administrative or ancillary tasks?
- On average, how much time should a Registered Dietitian spend with different types of clients if he or she is performing his or her tasks in an efficient manner?

Once this assessment is complete, a caseload threshold could be determined. Local Agencies above the cutoff, that is, where the dietitian is spending the appropriate percentage of time in clinical work, would continue to employ their own dietitians, but would be welcome to call on the Service Bureau for other reasons.

If a given dietitian is devoting substantial work time above what is reasonably within the definition of a full-time job, the risk of providing suboptimal service increases. In such cases, the Local Agency might consider using the assistance of the Service Bureau to help assure that each client receives appropriate attention and service.

DHSS may wish to survey other organizations to determine if there is a consensus on this subject. The feedback it receives may help determine its course of action.

7.10.2. Possible Service Models

A Registered Dietitian Service Bureau might be offered by state employees, or by a state funded contractor organization.

State Employee Model

In this model, DHSS employs Registered Dietitians in accordance with its civil service employment policy and procedure. These state employees are available to consult with Local Agencies. They provide the necessary professional oversight to evaluation and dietary treatment, approve protocols, assess high risk clients referred to them and create treatment plans. A DHSS department manager or section head is responsible for managing this in-house Registered Dietitian service bureau.

Private Contractor Models

- Non-profit Service Bureau, in which a non-profit agency acts as the Bureau to provide WIC Registered Dietitian services to independent Local Agencies
- ‘Super Agency,’ in which a non-profit Service Bureau acts as the parent agency to a number of sub-contracted WIC clinics. Besides standard Registered Dietitian services, the super agency could offer an expanded array of administrative services, training, etc.
- For-profit Service Bureau, in which the state contracts with a for-profit entity, modeled along the lines of an institutional food service company, to provide WIC Registered Dietitian services to clinics. To implement this, DHSS could issue an RFP and rank responses by such factors as technical competence (both clinical and managerial), track record dealing with high risk clients in other settings (for example, hospitals, nursing homes or other institutions whose clients have special nutritional needs) and amount bid.

8. Data Analysis

A funding formula, like any other statistical expression, has independent variables representing the factors affecting funding and from these produces a funding value, a number representing the recommended budget for a given agency. The utility of the formula depends not only on the validity of the concept it expresses, but also the quality and type of data available to the state as input for the formula. CTG evaluated a variety of potential data sources, in order to determine the utility and reliability of each. Some data sources represent valuable inputs for the funding formula while others are either not useful or not available to DHSS. Information in this section is summarized as a table in Appendix E.

8.1. Census Data

Every 10 years, the United States Census Bureau distributes millions of census forms and employs an army of census takers to tally the population of the United States. These data record the age, gender and race of a person, how many individuals (and of what age) reside in a household, and where that household is located. The Census Bureau also calculates average household incomes and estimates how many residents have health insurance. Census data can give us an indication of potentially under-served WIC eligible population.

Availability: Aggregate census data are freely available from the Census Bureau.

Limitations: Census bureau data are collected only every 10 years, during years ending in zero; use of a dataset that is now nearly seven years old would be problematic. Moreover, some statistical reports released by the Census Bureau are even older. CTG notes that the Alaska Department of Labor (DOL) has generated much more recent population estimates based on Permanent Fund dividend data. DOL indicates that another limitation specific to the 2000 Alaska Census: pages from the census form were lost, resulting in an undercount of rural residents. Specifically, children 0-5 years of age were undercounted and are significantly under-represented in the Alaska census data.

8.2. Medicaid Data

Data on Medicaid recipients are collected by the Alaska Department of Health and Social Services (DHSS). These data include such information as name, address, date of birth, gender and other information which is pertinent to this project. As Alaska is home to Native American populations, it is propitious that patients served by the Indian Health Service receive Medicaid benefits; this allows Alaska's WIC program to use Medicaid data to locate persons who are potentially eligible for WIC benefits.

Currently, persons whose incomes are at, or below, 175% of the federal poverty line are eligible for Medicaid benefits. Since the upper limit of eligibility for WIC is set at 185% of the federal poverty line, all Medicaid recipients meet the financial criteria for WIC eligibility. While this situation may change in

the future, the State Agency will, at present, find Medicaid data useful in reaching out to potential WIC recipients and enrolling them.

WIC data also include zip codes, which will allow CTG to determine, and work with, the dispersion of potential clients.

Availability: Medicaid data are available to the WIC program via a formal request to the state Medicaid office. Medicaid data are updated monthly; participant cases are audited every six months to verify eligibility.

Limitations: Use of Medicaid data is subject to HIPAA. The state WIC agency must take reasonable care to safeguard any information identifying an individual from accidental release or misuse. Since the Medicaid recipients who are potential WIC recipients represent a subset of all potential WIC recipients (there are persons who earn between 175% and 185% of the federal poverty line who are eligible for WIC but not for Medicaid), the use of Medicaid data will not reveal all potential applicants to the state WIC program. Finally, Medicaid is a voluntary program for the individual. If an individual does not apply, they will not show up in DHSS data.

8.3. Local Agency Client Distribution Data

DHSS has supplied CTG with a dataset reflecting the location of all active clients for each Local Agency. This allows CTG to determine where each Local Agency serves clients and, combined with data from Addresses.com or the US Postal Service, to define realistic service area boundaries.

Availability: These data are available from DHSS.

Limitations: None.

8.4. Zip Code Town/Borough Location data

Data correlating zip codes in Alaska to towns and boroughs are available from websites such as Addresses.com and the US Postal Service. These data allow CTG to demonstrate WIC population dispersal on maps and more easily demonstrate the effects of geography.

Availability: These data are freely available from the Web.

Limitations: These data are transcribed manually into an Excel spreadsheet and should be reviewed and revised whenever a zip code boundary is changed or a new zip code added. While the US Postal Service can be expected to remain in business for the foreseeable future, Addresses.com or any other Internet site are subject to the vagaries of the market for their services.

8.5. Alaska Birth Rates and Pregnancies

The Alaska Bureau of Vital Statistics (BVS) collects data about the natural growth of population in Alaska, including births, but not pregnancies. BVS calculates a fertility rate based on births where the mother is between 15 and 44 years of age. Data are available by census tract.

Availability: These data are freely available from BVS.

Limitations: CTG found several significant limitations:

- Data are available only down to census tract.
- The time lag in data collection varies from 9 to 18 months; the time lag is longest for Alaska residents giving birth out of state.
- Birth data cannot be correlated to income data.

These data, while certainly important in the context of the WIC program, would have a statistically insignificant effect on any disbursement formula. Unless there is a dramatic upsurge or down surge in the fertility rate of one service area relative to other service areas, the effects of these data will be overwhelmed by other formula components (e.g. targeted under-served populations.)

8.6. Geographic Cost Differentials

8.6.1. Cost of Facilities

The cost of facilities includes such costs as rent or mortgage, heating, cooling, water supply, electricity, telephone and the Internet. These costs vary by region of Alaska, due in part to differences in geography and weather.

Because we have no formal Cost of Facilities index to consult, we seek datasets which can serve as proxies. For example, there are indices for the average selling price for houses, rents for three bedroom houses, rents for two bedroom apartments, and housing affordability. These may have value in determining office space costs in the Local Agency communities. There is still an open question as to the strength of the correlation between costs of housing and costs of office space.

8.6.1.1 Cost of Living Indices²

Cost of Living indices reflect the change in prices of goods and services which are purchased by individuals with their personal funds. Cost of Living indices are often confused with Cost of Labor indices (which reflect the local market for skills.) While there is some correlation, the market for goods and services does not dominate the market for skills. For example, in an area

² Often referred to as Consumer Price Indices (CPI) or Cost of Living Allowances (COLA)

with a surplus of accountants, hiring accountants is cheap, even if the cost of food is high. Cost of living can vary more wildly than cost of labor. When energy costs spiked recently, few salaries were changed to accommodate the higher cost of living.

For purposes of the WIC funding formula, these datasets may correlate more closely to facilities costs than to labor costs.

Availability: CPI data are readily available, and there is more than one organization generating them.

Limitations: While some datasets are free, Economic Research Institute and Runzheimer charge a subscription fee. CTG has been told that most areas of Alaska are covered, at the level of individual towns, and thus, these datasets would be useful within this project.

- Military “Outside Continental US” (OCONUS) data: this cost of living index does not include housing. According to the US Department of Defense, the OCONUS COLA is designed to equalize purchasing power between members overseas – or in this case, service members living in Alaska – and their Continental-US-based counterparts. Based on military living patterns and the prices of approximately 120 goods and services, this COLA considers spending for food consumed at home, food consumed away from home, clothing, personal care, tobacco and alcohol, car purchase, personal care, household operations, transportation, recreation, medical care, and telephone. Spending for shelter expenses are not part of the COLA. The OCONUS COLA index is highly dependent on the proportion of shopping done in on-base facilities. In general, the higher the proportion of on-base shopping, the lower the index. OCONUS covers these areas: Anchorage, Barrow, Bethel, Clear Air Station, USAF (south of Nenana), College (near Fairbanks), Cordova, Delta Junction, Dillingham, Fairbanks, Galena, Homer, Juneau, Kenai/Soldotna, Ketchikan, Kodiak, Kotzebue, Metlakatla, Nome, Petersburg, Seward, Sitka, Spruce Cape (on Kodiak Island), Tok, Unalaska, Valdez, Wainwright, and Wasilla.
- Alaska Consumer Price Index (CPI): this cost of living index is based on food, energy, and lumber costs. It is from the University of Fairbanks’ Cooperative Extension Service, and is completed four times per year. The Alaska DOL finds this a useful measure because of the many locations covered. Alaska DOL cautions, however, that it is not a comprehensive survey, and uses the same market basket for all communities; though rural and urban areas may have very different sources of food (e.g. subsistence harvested foodstuffs vs. groceries). The communities covered are: St. Paul, Naknek-King Salmon, Dillingham, Bethel, Haines, Dutch Harbor, Cordova, Homer, Kodiak, Seward, Delta Junction, Sitka, Kenai, Juneau, Ketchikan, Anchorage, Fairbanks, and the Mat-Su area.
- Runzheimer International: This commercial provider offers CPI data to government customers, and has supplied data in the past to the Alaska Department of Labor. Runzheimer’s data are used in publications such as DOL’s *Alaska Economic Trends*. According to the company’s website, Runzheimer’s CPI includes:
 - Home market values own/rent (including property taxes, utilities, insurance)

- Transportation costs (retail and wholesale fuel prices can be broken out as well)
- Taxes
- Goods and Services

Runzheimer develops its data through surveys, interviews and on-site data collection. Use of Runzheimer data requires a selection of an 'index family;' for example, the state might select a family of four with an annual income of \$60,000. Runzheimer would then supply COLA data for as many towns as desired in Alaska. As a custom data developer, Runzheimer will cover whatever area to whatever granularity the customer desires. Many customers apply the resulting data to other households, because it is not cost-efficient to purchase data for multiple index families. The company states that the error which results in applying these data to, for example, a childless couple, is far smaller in magnitude than the cost of purchasing data for several indices.

Alaska DOL does not have a subscription to Runzheimer's data services; DHSS would have to purchase current data from the company. A company representative stated that Runzheimer can supply sufficient data regarding a selected 'index family' for this project for approximately \$7,500.00. Of course, the company charges a fee for each future data request.

- Economic Research Institute (ERI). This commercial provider offers CPI data for various regions in Alaska; these data are included in a software module available by subscription. The annual subscription cost is \$889.00.

ERI's CPI includes the following:

- Consumables (food)
- Transportation
- Health Services
- Housing/utilities/property tax
- Income/payroll tax

ERI aggregates cost of living and salary data from 1935 sources through surveys, research and publications review. These sources include city, state and federal government agencies, Chambers of Commerce and a variety of non-profit organizations. The data are updated at least annually. ERI's database contains cost of living comparison information for the following Alaska locations: Anchorage, Fairbanks, Juneau, Anchorage-Bayshore, Anchorage-Diamond, Anchorage-Hillsdale, Anchorage-Sand Lake, Anchorage-South, Eagle River, Bethel, Dillingham, Fairbanks-Hamilton Acres, Fairbanks-Hillside, Fairbanks-Shannon Park, Fairbanks-Taku/Westgate, Fairbanks-University West, Dutch Harbor, Juneau-Downtown, Juneau-North Douglas, Juneau-Out The Road, Juneau-The Valley, Homer, Kenai, Seward, Soldotna, Ketchikan, Kodiak, Matanuska-Susitna Borough, Palmer, Wasilla, Nome, Anaktuvuk Pass, Barrow, Wainwright, Kotzebue, Coffman Cove, Naukati Bay, Polk Inlet, Thorne Bay, Sitka, Skagway, Delta Junction, Tok, Cordova, Glennallen, Naknek, Valdez, Petersburg, Wrangell and Galena.

8.6.1.2 Cost of Leasing Office Space

Local Agencies require space for clinics and administrative workers, and the cost of this space, whether owned or leased, is a significant portion of non-personnel expenses. This cost is an important datum, even if it is covered, or “free” space is provided by, a parent agency.

Commercial office space is generally divided into three classes: A, B and C:

- **Class A:** Excellent location and access, professionally managed, new or high-quality building, attracting high quality tenants, leases competitive with new buildings. This definition also is intended to imply that high-quality communication infrastructure (telephone, high-speed Internet access) is present.
- **Class B:** Good location, adequate management good quality construction, good quality tenants, minimal sign of deterioration or obsolescence of facilities or infrastructure. Rental rates are generally lower than in Class A buildings.
- **Class C:** Older buildings, which are functional but not equal to class B. Some Class C office spaces may actually be walk-up offices above retail businesses. Communication infrastructure may, or may not be, adequate for certain intended purposes.

CTG investigated several potential sources of data regarding commercial office space throughout Alaska:

- **Commercial brokers:** CTG contacted The Staubach Company, Trammell Crow and CB Richard Ellis, three leading commercial brokers in the United States. All three house research departments collect the type of data desired for this project. None collect any data about Alaska commercial property.
- **AlaskaRealEstate.com:** This is a Multiple Listing Service (MLS) covering Alaska. This MLS provides tables providing business property sale figures for Anchorage, Matanuska-Susitna, the Upper Kenai Peninsula, Lower Kenai Peninsula, and “Rest of Alaska.”

Availability: Data are freely available from the website and are updated monthly

Limitations: All business space is lumped into one category; there are no distinctions made between Class A, B, C, office space. Not all regions of Alaska are covered in adequate detail. Moreover, these are sales data, not lease data.

- **Commercial Real Estate Appraisers in Alaska:** Real Estate Appraisers calculate estimates of the value of commercial real estate for purposes of sale, lease, or obtaining mortgages. CTG contacted two such appraisers: Howard and Wing, and Blacksmith Bethard and Carlson (BBC). Brian Bethard, a principal at BBC, explained that there are no databases of commercial properties in Alaska beyond listings in an MLS, and that an interested party would have to collect these data. BBC could collect such data, creating a table of office space lease values, broken down by classes. BBC estimates that the cost of setting up such a database the

first time would be \$4,000.00 per borough; the cost of subsequent updates to these data could be approximately \$1,000.00 per borough per update.

Availability: None. Must be created.

Limitation: Very costly to create.

8.6.1.3 Cost of Energy

The cost of energy, expressed as the cost of fuel for vehicles, and heating oil for buildings, may be helpful as a proxy for the cost of facilities. When prices rise, the cost of fuel can be a significant and growing percentage of overall operating costs (excluding salaries and benefits). DHSS would need regional fuel cost information in order to compare one region to another.

CTG examined both public and private sources of such data:

- **Oil Price Information Service.** This information service supplies retail fuel data to the American Automobile Association (AAA), including weekly prices for gasoline and diesel oil from thousands of filling stations in the United States; it covers most branded fuel. This information provider has data from Alaska, but CTG is still attempting to verify how many regions, besides Anchorage, are covered and to what depth.

Availability: Data are reliable and updated frequently, available from commercial data provider, subject to use agreement.

Limitation: May not cover Alaska sufficiently (CTG is investigating); obtaining data will likely require an annual subscription fee; terms of agreement not known yet.

- **US Energy Information Administration (EIA).** Supplies price data for various grades of gasoline, updated weekly. These data are available for state-wide sales only; Alaska data are displayed at http://tonto.eia.doe.gov/dnav/pet/pet_pri_refmg_dcu_SAK_m.htm.

Availability: These data are freely available from US EIA. They are current and updated frequently.

Limitations: They are not useful in comparing agency costs, because they do not allow a region by region comparison.

- **Lundberg Survey.** This is the leading oil industry surveyor in the United States. Lundberg offers datasets covering the price of various fuels in many cities around the country.

Limitation: Lundberg does not survey any locations in Alaska.

- **Anchorage Daily News.** The newspaper periodically surveys filling stations in various regions to collect pricing information.

Limitations: Performed only in connection with news stories; not a regularly scheduled survey. Methodology may be open to question if it changes from survey to survey.

8.6.2. Personal Income Data

CTG sought data regarding per-capita personal income in Alaska's towns and boroughs, in order to evaluate its utility as a benchmark for comparing incomes in these towns. These data would be used in conjunction with a Cost of Labor index and CPI data.

Availability: These data are freely available from the Federal Deposit Insurance Corp. (FDIC.) The FDIC data is compiled from secondary data sources, including banks and other federal government agencies such as the U.S. Department of Commerce. There are data for the following Alaskan geographic areas: Aleutians East Borough, Aleutians West Census Area, Anchorage Municipality, Bethel Census Area, Bristol Bay Borough, Denali Borough, Dillingham Census Area, Fairbanks North Star Borough, Haines Borough, Juneau City and Borough, Kenai Peninsula Borough, Ketchikan Gateway Borough, Kodiak Island Borough, Lake and Peninsula Borough, Matanuska-Susitna Borough, Nome Census Area, North Slope Borough, Northwest Arctic Borough, Prince of Wales-Outer Ketchikan Census Area, Sitka City and Borough, Skagway-Hoonah-Angoon Census Area, Southeast Fairbanks Census Area, Valdez-Cordova Census Area, Wade Hampton Census Area, Wrangell-Petersburg Census Area, Yakutat City and Borough, Yukon-Koyukuk Census Area.

Limitations: The time lag for release of data may range from 1-2 years. CTG obtained data from FDIC for the years 2000-2004. 2005 data are not yet available, and we do not know when they will be released. The tables aggregate and average all income data in the geographic area; there is no partitioning based on job category.

8.6.3. Cost of Labor Index

CTG sought to identify reliable sources of data concerning wages within each region of Alaska, to allow meaningful comparisons. CTG recognizes that wage scales do not vary only by occupation and region, but also by whether the employer is a for-profit or non-profit entity.

CTG investigated the following sources:

- Economic Research Institute (ERI). This data aggregator offers both an annual reference book and annually updated software package covering wages within each state. The book appears to be inadequate in coverage; however the software covers all relevant job titles (including, for example, dietitian and registered nurse). ERI aggregates salary and wage data from 1,935 sources through surveys, research and publications review. These sources include city, state and federal government agencies, Chambers of Commerce and a variety of non-profit organizations. The data are updated at least annually. ERI's database contains data from the following Alaska locations: Anaktuvuk Pass, Anchorage, Anchorage-Bayshore, Anchorage-Diamond, Anchorage-Hillsdale, Anchorage-Sand Lake, Anchorage-South, Barrow, Bethel, Coffman Cove, Cordova, Delta Junction, Dillingham, Dutch Harbor, Eagle River,

Fairbanks, Fairbanks-Hamilton Acres, Fairbanks-Hillside, Fairbanks-Shannon Park, Fairbanks-Taku/Westgate, Fairbanks-University West, Galena, Glennallen, Homer, Juneau, Juneau-Downtown, Juneau-North Douglas, Juneau-Out The Road, Juneau-The Valley, Kenai, Ketchikan, Kodiak, Kotzebue, Matanuska, Naknek, Naukati, Nome, Palmer, Petersburg, Polk Inlet, Seward, Sitka, Skagway, Soldotna, Thorne Bay, Tok, Valdez, Wainwright, Wasilla, Wrangell.

Availability: Available from ERI for an annual subscription fee of \$889.00

Limitations: Requires Subscription fee.

- Alaska Department of Labor (DOL). DOL provides wage data for professional titles of Local Agency workers at <http://www.labor.state.ak.us/research/wage/anchors.htm>. These data are available on the Web, and include state-wide wages and wages in four regions: Southeast Alaska, Anchorage/Matanuska-Susitna, Fairbanks and Balance of State. In addition, DOL provides a link for each occupational title to its counterpart in the US Bureau of Labor Statistics database, allowing a comparison between Alaska state-wide wage averages, the national average, and those of other states. While comparisons of each occupational title within many regions of Alaska cannot be made directly, a combination of these data with geographic cost data allow for a reasonable comparison to be generated.
- Alaska DOL Occupational Database. DOL maintains a database showing how many persons in each job title or category are employed in each borough or census area. These tables each include a column, "Total Wages," which should allow the calculation of an average wage for each occupational title, represented by a code number, in each borough. The data are located at <http://almis.labor.state.ak.us/?PAGEID=67&SUBID=212>. However, a review of the data tables showed that wage data were most often not available for the occupational titles most relevant to this project (Dietitian or Nutritionist, Nurse). The most recent dataset available to download is from 2005.

Availability: DOL data are freely available from the Web to anyone, at no cost. DOL updates these data once per year, which is sufficient for purposes of this project.

Limitations: DOL does not provide data specific to several regions of Alaska, including the Northwest Arctic, Southwest and western Alaska, the Aleutian Islands and eastern Alaska. These regions are combined into a "Balance of Alaska" category, which is of limited use for this project. The occupational database appeared promising, at first, but the absence of wage data for dietitian, nurse and even management categories from many boroughs' tables greatly reduces their utility; the lag time of two years reduces it still further. Additionally, DOL itself notes that these tables reflect the numbers of workers with skill sets reflected by assignment to specific job classifications. The tables do not distinguish between full-time and part-time workers. While these data may be available from compensation consultants in some cases, in other cases the State Agency would need to pay a contractor to perform surveys and collect them. Any datasets acquired from consulting firms would likely require

substantial payment now and annual payments to keep them up to date. While data are reported by industry – example: health care – the DOL averages wages across all employees within the industry, i.e. janitors to CEOs within a census tract. If there is only one employer representing a given industry on a particular census tract, DOL will typically exclude that employer from its wage dataset. This may affect a number of Local Agencies.

- Certain Local Agencies (or their parent agencies) may commission surveys for their own, internal use, but these data are not currently made available to the state, nor would they necessarily be helpful without identifying a common benchmark.

We also considered the following datasets:

- School District 2005, 1998: these cost of labor indices are based primarily on salaries. There was a 1984 cost of labor index that was based on personnel costs. In 1998 the index was modified to introduce other items such as supplies (minimal impact) and energy costs (about 5% of the index). A 2005 version attempted to adjust the data by how much a school district would need to pay to retain a teacher, which introduced questions as to the result's effectiveness. These indices were intended to be updated every two years, but no new index has been adopted since 1998.
- Federal Worker Alaska COLA: this cost of labor dataset relates to pay levels of federal employees in the state of Alaska. It is updated every three years. Its Alaska implementation has been delayed due to pending lawsuits; however it may have relevance for WIC purposes. It is a state-wide COLA, but is changing to achieve some differentiation among regions: Anchorage, Juneau, Fairbanks; and the balance of Alaska.
- State of Alaska COLA: Developed in the 1980s and not updated since. The McDowell Group studied geographic cost differences across Alaska in 1986 in order to gauge cost differentials of state employees serving in various Alaskan communities. The results are still used in state workers' salary schedules.

Limitation: Long out of date; however as still active dataset, this may have some utility.

8.6.4. Economic Data from the Federal Reserve Bank

Alaska is served by the Federal Reserve Bank (FRB) of San Francisco, which represents the 12th District of the Federal Reserve System. The FRB collects many different kinds of data about each of the states, and makes these data available on the Web. These include wages, median family income, real estate activity, industrial activity and unemployment rates. FRB's librarian referred CTG to ERI Inc. (see above).

Availability: FRB graphs are freely available through the Web.

Limitations: FRB data represent state-wide averages, and cannot be used for comparing one region to another. FRB does not collect data itself; rather the agency obtains data from other organizations, with an emphasis on the big picture. This explains the lack of granularity in these data.

8.7. Population Distribution

8.7.1. Cost of Travel

There are observable datasets relevant to cost of travel. Airfares between major airports are readily available from Internet sites and the airlines themselves. Ferry fares are similarly accessible.

Availability: Freely available

Geographic Precision: To town or borough.

Limitation: Not available for locations which have neither ferry nor air service.

8.7.2. Caseload

Current caseload is measured and is easily available in the WIC 505d report from DHSS. This reports the active population by zip code, which can be used in conjunction with Census and Medicaid data to identify target populations.

8.7.3. Potential Caseload

Unserved or underserved populations can be inferred from several data sources.

8.7.3.1 Census Data From 2000

This can be used to target Homeless individuals and those living in poverty

8.7.3.2 Total Population by Borough

This can be used to show general population and, when compared to current caseload, may show 'hot spots' of potentially under-served areas. The information was released on January 25, 2006 by the Alaska Department of Labor and Workforce Development, and is in *Table 2 Population of Alaska by Labor Market Area, Borough and Census Tract, 1990-2005*.

8.7.3.3 Total Population by Age and Gender

This can be used to pinpoint further likely areas for WIC eligible individuals. This information on population estimates is on the Alaska Department of Labor web site, and is titled *Table 1.6 Alaska Total Population by Age and Male/Female, July 1, 2005*.

8.7.3.4 Medicaid Data³

³ Medicaid data is discussed in more detail in section 8.2.

A custom report is obtained upon request which shows active Medicaid recipients who do not appear on the active WIC caseload reports. The most recent running showed in excess of 5000 Medicaid recipients who are potential WIC participants.

8.8. Other Useful Datasets

High risk participants and breastfeeding mothers: these cases typically take more than the standard amount of time per case, which affects a Local Agency's staffing needs. A funding formula could incorporate a factor for high risk participants/breastfeeding mothers that would reimburse Local Agencies at a higher rate for these participant types. The formula would necessarily rely on accurate data regarding historical levels of these participants by service areas. The following reports from AKWIC, Alaska's information system for WIC clients, provide information regarding these participants:

- Report 345: Breast and Formula Feeding Rates
- Report 346: Breastfeeding Initiation and Duration Rates
- Report 347: High Risk Summary, All client types
- Report 505a: Active Participation by Clinic (showing total counts of WIC participants and counts of partially and fully breastfed infants)

The above reports provide useful information relating to numbers of high risk participants and breastfeeding mothers. However, they do not provide an unduplicated count of such participants. For instance, a participant can be assigned more than one high risk. Furthermore, there may be instances when a breastfeeding mother is also a high risk participant.

If the State Agency chose to incorporate a factor for high risk participants/breastfeeding mothers into a funding formula, presumably it would want an unduplicated count of such participants, i.e. it would not want to count individuals twice – both as high risk and as a breastfeeding mother – in the formula. As such, the State Agency would need to develop a report that provides an unduplicated count of these participants.

9. Funding Formula Structure

9.1. Intended Function of the Formula

The purpose of the formula is to model real life service needs and to distribute federal WIC funds accordingly.

9.2. Funding Factors Being Considered

9.2.1. Caseload

The fundamental driver of cost consumption is the number of participants being served. Caseload determines the size of the staff required to handle both the clinical functions and the administrative functions of the agencies and clinics.

9.2.2. Geographic Cost Differentials

9.2.2.1 Personnel (Salary and benefits). The cost of personnel can differ geographically. For example, skilled personnel in rural areas may be difficult to find. Support personnel may, however, be less expensive in rural areas, due to more competition for the jobs in areas suffering from high rates of unemployment.

A partial solution to the problem may be to provide remote Registered Dietitian services to clinics or agencies via a Registered Dietitian Service Bureau where no Registered Dietitians are available, Registered Dietitian turnover is high, or Registered Dietitian services are cost prohibitive.

9.2.2.2 Energy. While a much smaller component than personnel, the cost of operating an office or clinic also enters into this picture. A significant subcomponent is the cost of energy. CTG is evaluating the use of fuel prices, if available in sufficient regional detail, as a potential proxy.

9.2.3. Travel

Some service areas have transportation systems which allow participants cost effective travel to the clinic; for example by bus. Other service areas are spread out, so the skilled personnel need to travel to the participants. This gives rise to the need for client-related travel funds. In general, the greater the number of unstaffed clinics, the greater the amount of travel funds consumed.

Non-client related travel funds are used for coordinator conferences. As each agency has only one coordinator, this should be a limited funding need. Any coordinator(s) residing in the city hosting a conference has negligible non-client travel fund needs.

9.2.4. Other Time-consuming Factors

High risk and breastfeeding participants require more attention from skilled professionals. In addition, travel to remote locations by skilled professionals takes time. These factors all lead to more time expended per participant. Since other factors depend on caseload numbers, the final formula may need to consider an ‘adjusted caseload’ number. This adjusted caseload number may then be used to accommodate the differences among agencies’ average time expended per participant. For example, one high risk individual may take two to four times the amount of time needed for a non-high risk individual. Also, including travel time, 10 remote participants may take the same amount of time as many more participants in an urban center.

Vendor relationships are another time consumer. In general, vendor oversight by a Local Agency will take minimal time. However when vendor issues arise, Local Agencies report that the effort may take days to resolve. The risk of serious time impact rises with the number of vendors associated with a Local Agency.

10. Funding Formula & Operating Models

10.1. The Formula and Its Independent Variables

The Alaska WIC funding formula allocates Federal WIC funds to Grantees in a fair and equitable manner. The main allocation driver is the assigned caseload per Service Area. The distribution also incorporates adjustments for:

- Geographic cost differentials, including Cost of Labor indices, Cost of Living Adjustments, and travel cost considerations;
- Time associated with providing WIC services to high risk or breastfeeding participants;
- Administrative time for overseeing WIC vendors; and
- Travel time and costs associated with 1) travel to outlying clinics or communities to provide client services, and 2) coordinator travel to AKAWIC conferences. Travel dollars for individual trips vary based on the mode of transportation and the competitive market forces which determine the cost of each trip. For example, it may be very expensive for a grantee to travel to Anchorage, while relatively inexpensive to travel to clinics from its base of operations.

The formula uses several sources for Cost of Labor / Cost of Living differentials in order to temper any single index bias. A weighted average of the indices is used also due to the varying ages of the datasets.

For example, a recent index A indicates a 4% difference from the base and an older index B indicates a 2% difference from the base. A simple averaging of the indices would give a 3% difference. However, a weighted average might assign a weight of 75% to index A, because it is more recent in date and believed to be more trustworthy than Index B, which is weighted at only 25%. The weighted average of the two would be a 3.5% difference. The 3.5% would still be influenced by index B and its sources, but would be closer to index A with its more recent input.

The formula arrives at a weighted average of the following cost of labor / cost of living indices:

- 1986 McDowell study of geographic pay differentials, still in use in Alaska State Agencies
- 2006 Federal Alaska COLA
- 1998 School District pay differentials
- 2006 OCONUS pay differentials

Other important datasets which influence funds available by Service Area:

- Outreach caseload – currently the formula focuses on the large number of unserved individuals adjunctively eligible through the Medicaid program who are not currently on the WIC rolls. (The formula is designed to accept, however, other under-served population datasets, such as the homeless.) The combination of the current active WIC caseload and a subset of the under-served Medicaid population will in fact constitute assigned monthly caseload for any given service area.

- Total current FTEs – this influences how much personnel time is available for travel to clinics or conferences
- Grantee base community – this has a direct impact on travel costs

10.2. Use of the results

The funding formula will primarily be used to specify assigned caseload and available funding, by service area, for a future WIC Request for Proposals (RFP).

The RFP will first identify assigned monthly caseload for individual service areas. Assigned caseload will be based on historical data relating to active WIC caseload and an unserved Medicaid population. Assigned caseload figures would be provided for the number of high risk participants, breastfeeding mothers and “standard” clients (i.e. non-high risk or breastfeeding participants).

The formula will also determine RFP funding levels. Funding will be separated into two separate streams:

- **WIC Service funds**, which would include costs such as personnel services, facility expense, supplies, equipment, miscellaneous costs and all indirect charges (i.e. costs for which a vendor could be reimbursed under a federally-negotiated indirect rate).
- **Travel funds** for travel to outlying clinics/communities to provide WIC services and for coordinator travel to conferences.

Respondents to the RFPs would provide a budget for costs associated with providing services to the assigned caseload. Budgets for WIC Services and Travel could not exceed the available funding as identified in the RFP.

At the State’s discretion, the RFP would require vendors to submit a proposal and budget to provide services to 100% of the assigned caseload for a service area. Vendors that could not provide services to all of the assigned caseload could potentially form a consortium of providers that would provide WIC services to the entire service area. The consortium would submit one grant proposal. If the proposal receives the highest points during the review process, the state would award one grant to the consortium. (See sections 11.1 and 11.5(5) below for recommendations relating to a single WIC provider in a service area.)

11. Recommendations to DHSS

CTG's mandate during this project was to develop a funding formula. CTG recognizes that DHSS will not implement a funding formula in a vacuum and the formula itself is but a tool. There are many ways to use a tool and many contexts in which its effects may be felt. As any tool can be used ineffectively, it is CTG's intention to offer recommendations which will assist DHSS in achieving useful results when using the formula.

11.1. Service Area Recommendations

Appendix F includes maps that present current and under-served caseload in suggested service areas that group populations according to a combination of geographic, cultural and historical factors. Caseload counts by service area are shown in the following table.

Service Area	A SFY05 Average Monthly Caseload ⁴	B Medicaid Unserved ⁵	C Potential (A + B)	D % Unserved (B / C)
Aleutian & Pribilof Islands	157	31	188	16%
Anchorage	9,149	2,392	11,541	21%
Bristol Bay	481	80	561	14%
Fairbanks	4,664	716	5,380	13%
Kenai	1,688	488	2,176	22%
Kodiak	609	104	713	15%
Kotzebue	719	73	792	9%
Matanuska-Susitna	2,349	921	3,270	28%
Nome	665	218	883	25%
North Slope	530	81	611	13%
Southeast	1,737	644	2,381	27%
Valdez	334	62	396	16%
Yukon-Kuskokwim	2,097	544	2,641	21%
Total Caseload	25,179	6,354	31,533	20%

As can be seen from this table, there are significant numbers of potential WIC clients who are not being served. As also can be seen from this table, there are large differences in the percentage of potential WIC clients that go unserved in different service areas. The characteristics of a service area strongly influence what a Local Agency must do to serve the area. In recent practice, a service area may be served by more than one Local Agency while in other circumstances one Local Agency may service more than one service area.

⁴ Current caseload counts are the fiscal year 2005 average monthly caseload based on a May 5, 2006 AKWIC report 505a.

⁵ Unserved population figures are the 2006 WIC eligible Medicaid clients who are not receiving WIC assistance as provided by the State Agency.

Based on our assessment of the information gathered regarding Local Agency operations and funding characteristics, CTG recommends that DHSS consider the efficacy of funding multiple Local Agencies to cover a single service area. A review of the comparative operating costs per case handled of agencies that serve the same client base indicates that some agencies make more efficient use of WIC funds than do other agencies. A service model that funds just one Local Agency per service area, based on responses to a Request for Proposal (RFP), would permit the state to focus more closely on underserved cases within the terms of an RFP for Local Agency services.

11.2. Caseload Projection Recommendations

Medicaid eligible infants, children and pregnant women are, by definition, eligible for WIC. According to Medicaid records, Alaska has more WIC eligible clients than are currently participating in WIC. Medicaid is able to provide counts by zip code of infants, children under five years old and women who are pregnant. AKWIC reports provide counts of caseload by zip code. Although this does not represent 100% of unserved individuals, wherever the Medicaid count by zip code is larger than the AKWIC count, the difference represents under-served WIC clients,

Medicaid can provide WIC with names and contact information for their unserved WIC eligible clients. This would be an efficient way for Local Agencies conducting outreach activities to contact many unserved WIC clients.

We know from Medicaid and WIC records (see table in section 11.1) that Local Agencies are currently serving about 80% of potential clients. About half of this unserved population is located in the general vicinity of the two largest metropolitan areas, Anchorage and Fairbanks. While the state wishes to serve a larger percentage of the potential cases, consideration needs to be given to the relative difficulty of increasing caseload in a rural area versus an urban area. Although the funding formula is designed to adjust for the costs of servicing remote clients, it is not designed to account for the higher outreach costs per *new* case in rural areas versus urban areas.

CTG recommends that DHSS set caseload targets and focus outreach efforts by service area based on a combination of the percent of unserved potential clients in a service area and the expected degree of difficulty in outreach efforts connecting with those clients.

11.3. Caseload Standards Recommendations

DHSS expects the federal government to raise the target performance level of a Local Agency, so that instead of reaching and serving at least 80% of assigned caseload, it serves at least 90% of those potential clients.

Recommending the adoption of a caseload standard is not a trivial task, because setting an expectation for what percentage of potential caseload a given Local Agency can realistically meet should involve examination of the following factors:

- What is the Local Agency's current assigned caseload, and by what margin is it meeting its current requirement (i.e. how far above 80% has it achieved?)
- What is the projected caseload for that agency?

For example, a Local Agency that currently serves 94% of potential caseload, and is not projected to see a substantially different caseload in the future, could meet a 90% standard with little difficulty. On the other hand, a Local Agency currently struggling to meet 80% of caseload and facing substantial growth in that caseload will find itself in serious trouble.

In anticipation of the expected revision in the federal caseload standard, CTG recommends that DHSS adopt a caseload standard whereby a Local Agency must serve a minimum of 90% of assigned caseload. In particular, CTG recommends that future Local Agency funding proposals include specifics of how the agency plans to ensure that it reaches at least 90% of its assigned caseload. This would encourage Local Agencies to think about the problem early and potentially minimize any dislocations experienced once the federal standard comes into effect.

11.4. Minimum Clinic/Agency Size Recommendations

In section 7.5 of this report, we discussed two possible methods of arriving at a minimum Local Agency size. However, our recommendation in section 11.1 is that the State fund only one Local Agency per service area. This implies that the minimum agency size should equal the caseload target for that service area.

The states interviewed as part of this study indicated that they were not able to develop any logic for picking a minimum caseload size except to say that they believed the larger the minimum caseload, the more efficient the operation of the clinic. Significant additional research would be necessary to determine whether a specific minimum caseload size could be recommended and defended as logical in light of the geographical challenges faced in servicing Alaska's WIC clients. As a result, CTG makes no specific caseload minimum recommendation except as implied by the recommendation in section 11.1.

11.5. Other Recommendations

1. CTG recommends including a factor in the funding formula that makes an adjustment for the number of vendors in a service area. The larger the number of vendors that a Local Agency must monitor, the larger the adjustment in the funding formula.
2. CTG recommends developing standard budget and financial report templates that Local Agencies, would use when responding to WIC RFPs and reporting monthly expenditures. In particular, an RFP budget template would gather budget and staffing information critical for updating the WIC funding formula. At a minimum, the template would organize additional data elements not currently gathered by the state, including:

Personnel services data, including:

- Name and FTE by position type (Degreed CPA, RD/Degreed Nutritionist, Non-Degree CPA, Lactation Consultants, Clerical/Office Support, and other staff not providing direct WIC services.)
- WIC cost
- In-kind cost and the value of other parent agency contributions

Travel data, including:

- Coordinator travel to Conferences
 - Client services travel, including
 - Village/clinic name
 - Distance from main clinic
 - Number of trips per year
 - Cost per trip
 - Other travel
3. Telemedicine facilities are currently available in a number of rural communities, and are an effective way for physicians to evaluate patients and guide local medical workers in patient treatment. With the cooperation of local village clinics, already manifest within the WIC program, WIC Local Agencies could piggyback on such facilities. Registered Dietitians could interact with clients via a telemedicine facility. This would offer many of the advantages of face-to-face contact with a client, without the expense and time involved in travel to remote locations. CTG recommends that DHSS take steps to investigate the viability of enabling Local Agencies to use telemedicine facilities to serve remote WIC clients.
4. Often high risk or breastfeeding treatment plans are similar across categories of clients. CTG recommends that DHSS develop and document best practice nutrition plans for the more common circumstances and provide these to Local Agency Registered Dietitians. This could reduce the amount of time an RD may need to spend on similar clients.
5. Section 11.1 recommends that the State Agency contract with only one Local Agency per service area. The funding formula arrives at an assigned caseload and associated funding levels for each service area. These figures will depend primarily on planned case load and available federal funding.

CTG recommends using a Request for Proposal process to select a single Local Agency provider for each service area. The RFP could specify which community in the service area would serve as a base for WIC services. The RFP could even indicate that proposals must situate satellite clinics at specified sites (e.g. military bases, neonatal intensive care units, neighborhood health centers, etc.). Additional information that would be helpful to elicit from a proposal includes:

- Location of primary facilities

- Location of satellite clinics
- Planned staffing at the primary and satellite clinics
- Planned hours of operation at primary and satellite clinics
- Strategy for serving remote clients who are not able to come to a clinic
- Plans for reaching out to underserved populations
- Plans for ensuring that the agency meets its assigned caseload service targets
- Philosophy of service

Appendix A: Glossary

CPA	Competent Professional Authority
FEMA	Federal Emergency Management Agency
IHS	Indian Health Service
JCHAO or JCAHO ⁶	Joint Commission on the Accreditation of Healthcare Organizations
LA	Local Agency
MOV	Mail Order Vendor
NICU	Neonatal Intensive Care Unit
OSHA	Occupational Safety and Health Administration
PSA	Public Service Announcement (public service commercial or ad)
RD	Registered Dietitian
State Agency	Alaska WIC State Agency
UAA	University of Alaska in Anchorage
WIC	Women, Infants and Children Program

⁶ Both acronyms are in common use.

Appendix B: Local Agency Contacts

Name	Local Agency	City
Christie Frederick	Alaska Family Services (AFS)	Wasilla/Palmer
Jamie Wolkoff	Aleutian / Pribilof Islands Assoc (APIA)	Anchorage
Caren Webb	Anchorage Neighborhood Health Center (ANHC)	Anchorage
David Brown	Armed Services YMCA (ASYMCA)	Anchorage
Suzy Nelson	Bristol Bay Area Health Corp. (BBAHC)	Dillingham
Gwyn Anderson	Kodiak Area Native Association (KANA)	Kodiak
Tracy Gregg	Maniilaq Association (Maniilaq)	Kotzebue
Bonna Lindsey	Metlakatla Indian Association (Metlakatla)	Metlakatla
Margaret Duggan	Municipality of Anchorage (Muni or MOA)	Anchorage
Sue Arts	Native Village of Eyak (NVE)	Valdez
Cheryl Streitz	North Slope Borough (NSB)	Barrow
Marie Trigg	Norton Sound Health Corp. (NSHC)	Nome
Lynn Copoulos	Providence Medical Center (Providence)	Anchorage
Ann Burtness	Resource Center for Parents and Children (RCPC)	Fairbanks
Susan Hennon	South East Alaska Regional Health Consortium (SEARHC)	Juneau
Renee Legan	Tanana Chiefs Conference (TCC)	Fairbanks
Ester Jarin-Ocampo	Yukon-Kuskokwim Health Corporation (YKHC)	Bethel

Appendix C: Caseload / Old Formula Comparison

Grantee	Average Monthly Caseload			Formula Funding		
	A	B	C	D	E	F
	SFY04	SFY05 (thru May 2005)	% Change SFY04 to SFY05	SFY05 Grant	SFY06 Grant (as calculated by formula)	% Change SFY05 to SFY06
Alaska Family Services (AFS)	2,391	2,586	8%	\$352,163	\$371,772	6%
Women's Resource Center (AFS) ⁷	1,734	1,683	-3%	\$355,495	\$322,125	-9%
Aleutian / Pribilof Islands Assoc (APIA)	168	155	-8%	\$87,993	\$76,036	-14%
Anchorage Neighborhood Health Center (ANHC)	1,474	1,410	-4%	\$330,952	\$326,421	-1%
Armed Services YMCA (ASYMCA)	1,365	1,631	19%	\$231,290	\$267,765	16%
Bristol Bay Area Health Corp. (BBAHC)	473	484	2%	\$179,537	\$196,655	10%
Kodiak Area Native Association (KANA)	616	607	-1%	\$192,297	\$160,187	-17%
Maniilaq Association (Maniilaq)	628	678	8%	\$181,300	\$197,088	9%
Metlakatla Indian Association (Metlakatla)	103	117	14%	\$44,379	\$45,644	3%
Municipality of Anchorage (Muni)	4,790	4,639	-3%	\$1,013,204	\$978,976	-3%
Native Village of Eyak (NVE)	293	315	8%	\$120,961	\$104,868	-13%
North Slope Borough (NSB)	406	436	7%	\$153,029	\$166,187	9%
Norton Sound Health Corp. (NSHC)	691	724	5%	\$187,648	\$210,740	12%
Providence Medical Center (Providence)	1,932	2,088	8%	\$373,245	\$385,467	3%

⁷ The Women's Resource Center is part of the Alaska Family Services Local Agency, but for analytical purposes was split out for this table.

Resource Center for Parents and Children (RCPC)	3,725	3,707	0%	\$637,594	\$620,775	-3%
South East Alaska Regional Health Consortium (SEARHC)	1,691	1,707	1%	\$398,339	\$362,681	-9%
Tanana Chiefs Conference (TCC)	1,346	1,356	1%	\$270,542	\$295,321	9%
Yukon-Kuskokwim Health Corporation (YKHC)	2,450	2,525	3%	\$569,733	\$586,219	3%
TOTALS	26,276	26,848	2%	\$5,679,701	\$5,674,927	0%

Source: Page 6 of attachment to All Local Agencies Memorandum No-05-14 dated July 7, 2005. (Note: minor calculation errors in source data percentages have been corrected in the table above.)

Appendix D: Agency Caseloads as of May 2006

Agency	Rural	Urban	Clients Seen Directly	Clients Not Seen Directly ⁸	Total Caseload May 2006
Alaska Family Services (AFS)	X	X	3,816	139 ⁹	3,955
Anchorage Neighborhood Health Center (ANHC)		X	1,314		1,314
Armed Services YMCA (ASYMCA)		X	1,767		1,767
Aleutian / Pribilof Islands Assoc (APIA)	X			214	214
Bristol Bay Area Health Corp. (BBAHC)	X		132	385	517
Kodiak Area Native Association (KANA)	X	X	590	111	701
Maniilaq Association (Maniilaq)	X		250	563	813
Metlakatla Indian Association (Metlakatla)	X		115		115
Municipality of Anchorage (Muni)		X	4,433		4,433
Norton Sound Health Corp. (NSHC)	X		211	497	708
North Slope Borough (NSB)	X		267	157	424
Native Village of Eyak (NVE)	X		188	149	337
Providence Medical Center (Providence)		X	1,883		1,883
Resource Center for Parents and Children (RCPC)		X	3,342		3,342
South East Alaska Regional Health Consortium (SEARHC)	X	X	1,204	419	1,623
Tanana Chiefs Conference (TCC)	X	X	738	546	1,284
Yukon-Kuskokwim Health Corporation (YKHC)	X		289	2,005	2,294
Total			20,539	5,185	25,724

Source: Data provided by State of Alaska. (Note: minor calculation errors in source data totals have been corrected in the table above.)

⁸ Clients not seen directly are clients that do not travel to a staffed WIC clinic. Staff may see these clients when traveling to provide services in a village. Services may be vouchers via mail or mail order boxes.

⁹ Estimated count.

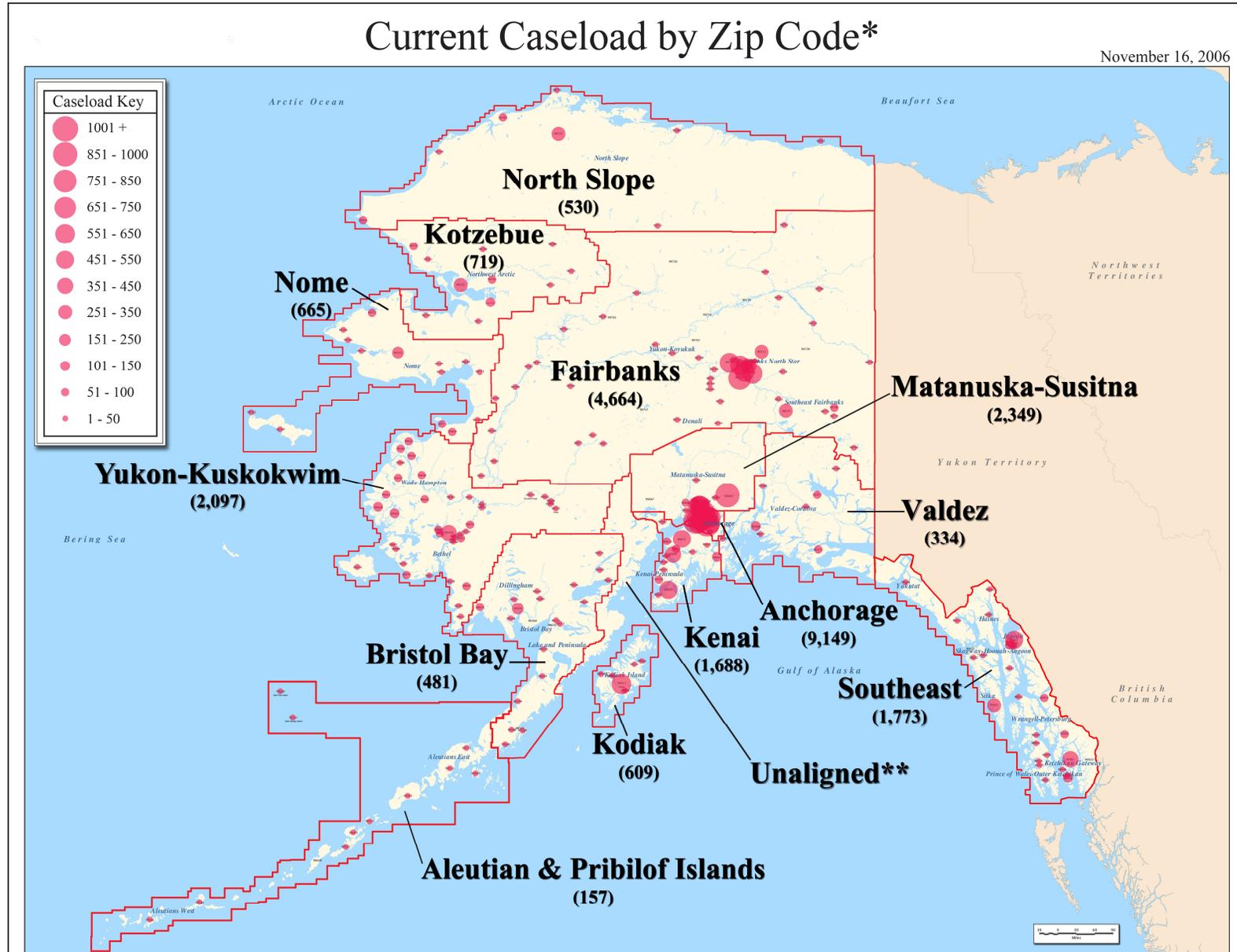
Appendix E: Data Sources Summary

Data Type	Data Source	Contains	Ease of Availability	Frequency	Geographic Specificity	Other Limitations
Census	US Census Bureau	Population and location	No Cost	10 years	Census Tract	
Medicaid	DHSS	Personal data and address	No Cost	Monthly	Street Address	HIPAA
WIC Client Distribution	Local Agency/DHSS	Personal data and address	No Cost	Monthly	Street Address	HIPAA
Zip Code	US Postal service	Zip code, town, borough	No Cost	Every few years	Zip Code	Update every few years
Birth and fertility	Alaska Bureau of Vital Statistics	Birth and fertility	No Cost	9 - 18 months	Census Tract	Incomplete for project; cannot correlate to income
Cost of Living	US Military - OCONUS	120 goods and services, including food, clothing, personal care, household operations, transportation, medical care, telephone, etc.	No Cost	At least yearly	Various Alaska communities	OCONUS; Does not include housing
Cost of Living	Alaska CPI	Food, energy and lumber costs	No Cost	Four times yearly	Various Alaska communities	Based on food costs; not good proxy
Cost of Living	Runzheimer International	Home market values, transportation costs, taxes, goods and services.	Cost	As frequently as desired	Town / borough	Very costly for more than one index family
Cost of Living	Economic Research Institute	Food, transportation, health services, housing, utilities, income & payroll tax	Cost	As frequently as desired	Various Alaska communities	Must combine with geographic module
Cost of Energy	Oil Price Information Service	Retail/wholesale vehicle fuel price	Cost	Weekly	Town*	*Most towns/boroughs represented
Cost of Energy	US Energy Information Administration	Retail vehicle fuel price	No Cost	Weekly	State	Insufficient granularity for in-state comparisons

Cost of Energy	Lundberg Survey	Retail vehicle fuel price	Cost	N/A	No data	Not available in Alaska
Cost of Energy	Anchorage Daily News	Retail vehicle fuel price	Unknown	Intermittent	Variable	Methodology and timing vary
Personal Income	FDIC	Personal income	No Cost	Uncertain, 2 years?	Town/borough	Time lag may be > 1 year
Cost of Labor	Economic Research Institute	Wage data	Cost	As frequently as desired	Town/borough	Must combine with geographic module
Cost of Labor	Alaska DOL	Wage data	No Cost	Yearly	Partial Region	Large portion of Alaska combined; lacks specificity
Cost of Labor	Local Agencies	Wage data	Unknown	Intermittent	Town	Not made available to State
Cost of Labor	School District	Wage data	No Cost	N/A	School District	Not updated since 1998
Cost of Labor	Federal Worker Alaska COLA	Wage data	No Cost	Every three years	Four regions	Only updated every 3 years. Primarily state wide with regions for Anchorage, Fairbanks, Juneau & Balance of Alaska
Cost of Labor	State of Alaska COLA	Wage data	No Cost	N/A		Not updated since 1980s
Cost of Labor	Federal Reserve Bank	Economic data	No Cost	Irregular	State	Insufficient geographic precision
Cost of Travel	Various	Air and ferry costs	No Cost	Daily	Town	Location must have air/ferry service
Caseload	WIC 505d Report (AKWIC system)	Caseload by Local Agency	No Cost	Monthly	Zip Code	
Potential Caseload	US Census Bureau	Population and location	No Cost	10 years	Census Tract	
Potential Caseload	Total Population by Borough – Alaska Department of Labor and Workforce Development	Population and location	No Cost	Yearly	Borough & Census Tract	
Potential Caseload	Total Population by Age & Gender – Alaska Department of Labor and Workforce Development	Population by state	No Cost	Yearly	State	
Potential Caseload	Medicaid	Medicaid recipient populations	No Cost	Monthly	Zip Code	
High risk participants / breastfeeding	Alaska WIC Management Information System	Report 345: Breast and Formula Feeding Rates	No Cost	User-defined date parameters	Local Agency and clinic	

mothers	(AKWIC)					
High risk participants / breastfeeding mothers	Alaska WIC Management Information System (AKWIC)	Report 346: Breastfeeding Initiation and Duration Rates	No Cost	User-defined date parameters	Local Agency and clinic	
High risk participants / breastfeeding mothers	Alaska WIC Management Information System (AKWIC)	Report 347: High risk Summary, All client types	No Cost	User-defined date parameters	Local Agency and clinic	
High risk participants / breastfeeding mothers	Alaska WIC Management Information System (AKWIC)	Report 505a: Active Participation by Clinic (showing total counts of WIC participants and counts of partially and fully breastfed infants)	No Cost	User-defined date parameters	Local Agency and clinic	

Appendix F: Maps



*Fiscal Year 2005 Average Monthly Caseload. Average State Total Caseload = 25,179

** Sparsely populated rural area with no recognized population centers. Eligible residents may obtain WIC benefits from Local Agencies that provide services in adjacent service areas

