



ALASKA WIC PROGRAM

Notice of Significant Changes for Authorized Vendors



The Alaska WIC Program is making significant changes to policies and procedures that will affect authorized WIC vendors. These changes include:

- ✦ Open enrollment period for new vendors (effective October 1, 2015)
- ✦ Revised vendor selection criteria (effective December 3, 2015)
- ✦ Draft revised Alaska WIC Vendor Manual (available January 4, 2016)
- ✦ Revised vendor peer groups (approval pending)
- ✦ Revised minimum stock requirements (effective with new peer groups)
- ✦ New infant formulas approved for Alaska WIC (effective March 1, 2016)
- ✦ Transition to electronic benefits (EBT) for WIC (to be implemented in 2017)

Open enrollment period for new WIC vendors: The U.S. Department of Agriculture (USDA) Food and Nutrition Program approves changes to Alaska's State Plan of Operation annually. In 2015, USDA approved a change in vendor operations to accept new vendor applications during an open enrollment period from January 1 through March 31 each year. Previously, Alaska accepted and processed new vendor applications at any time of the year. Vendor agreements for all vendors who were reauthorized in 2015, as well as for any new vendors authorized in 2016-2018 will expire on September 30, 2018.

Vendor selection criteria: As required under federal regulations, Alaska authorizes a sufficient number of vendors to assure reasonable participant convenience and access to WIC foods, and to ensure the lowest practicable food prices. Vendor selection criteria are also required to help State programs determine the number and distribution of qualified vendors who best meet participant and agency needs.

All authorized vendors are required to meet the vendor selection period throughout the period of authorization (currently October 1, 2015 – September 30, 2018), including any changes to the selection criteria during that period. A copy of the revised vendor selection criteria is attached to this notice.

Draft revised Alaska WIC Vendor Manual: On January 4, 2016, a draft revised Vendor Manual will be available on the WIC website at <http://dhss.alaska.gov/dpa/Pages/nutri/wic/vendors/vendorpandp-manuals.aspx>. The revisions

incorporate the changes to the program resulting from the transition to the SPIRIT management information system and the current banking procedures, as well as other program changes that have occurred since the 2011 revisions to the manual. A copy of the manual will be mailed to every vendor after the document has been updated with the peer group changes and reviewed by USDA. We welcome your comments and suggestions.

Revised vendor peer groups: State WIC programs are required to re-evaluate the effectiveness of their peer groups every three years. Alaska has submitted proposed changes to our peer groups that will more effectively group vendors by geography (required) and other similarities. We believe this more effectively manage the maximum allowable reimbursements for vendors. More information will be provided soon.

Revised minimum stock requirements (MSRs): Revised MSRs will be provided to vendors with the peer group update. Currently, MSRs are based on store size, as determined by the number of cash registers (A stores = 1-3 registers, B stores = 4-6 registers, and C stores = 7 or more registers). With the new peer groups, MSRs and store sizes will be associated with peer groups. There will be no increase in the numbers or amounts of WIC food items for any vendors resulting from the changes.

New infant formulas approved: Alaska WIC will add Similac Sensitive, Similac Total Comfort, and Similac for Spit-Up as approved WIC foods effective March 1, 2016. There will be a minimum stock requirement for Similac Sensitive, but not for the total Comfort or Spit-Up formulas. These formulas will appear on WIC checks only after February 29.

Transition to Electronic Benefits Transfer (EBT) for WIC: The U.S. Congress is requiring WIC benefits in all states to be issued and redeemed electronically by the year 2020. Alaska has teamed with seven other states in the Western States EBT Alliance (WSEA) to contract for electronic banking services. FIS, an international banking and payment processing company, has been selected to provide services for the Alaska WIC and SNAP (Food Stamps) programs. Planning for implementation of WIC EBT has begun. We expect to test the system in Juneau and Southeast Alaska in May-June 2017, and complete the transition statewide by November 1, 2017.

WIC-EBT will improve the shopping experience for participants and vendors. Eligible foods will be identified by UPC, the cashier will not be required to check ID or valid date of the benefit, or write in the sales total or purchase price, which will reduce errors and speed the transaction. Participants will be able to spend part or all of their benefits during any store visit, and all household benefits will be combined on a single card.

Alaska WIC Vendor Manual Section 2.1.1 Vendor Selection Criteria

Applicant and authorized vendors must consistently meet the all of the following criteria throughout the contract period, including any changes to the criteria. A WIC-authorized vendor must:

1. be in a location accessible to program participants and State and local WIC agency staff.
2. be authorized as a USDA Supplemental Nutrition Assistance Program (SNAP), or “Food Stamp,” vendor in good standing. The vendor may not have been suspended or disqualified by SNAP within the past three years. According to Federal regulations at 246.12(g)(3)(iii), unless denying authorization of a vendor applicant would result in inadequate participant access, the State agency may not authorize a vendor applicant that is currently disqualified from SNAP.
3. possess a current Alaska Business License.
4. possess a current Food Establishment permit issued by the Alaska Department of Environmental Conservation or the Municipality of Anchorage.
5. have at least the minimum square feet of space, consistent with the assigned vendor peer group, devoted to the sale of grocery items.
6. be open at least eight hours per day, six days per week.
7. maintain an adequate stock of WIC food items for the number of participants regularly accessing the store; at least the minimum required stocks of WIC foods must be in the store at all times.
8. purchase infant formula only from sources on the List of Authorized Suppliers of Infant Formula in Appendix I.
9. purchase WIC food items only from a wholesale supplier or other nonretail suppliers; no WIC approved foods may be purchased from other retail stores for resale to WIC participants.
10. provide an accurate and complete vendor application and price survey.
11. if previously authorized by the program, have a satisfactory compliance record with the previous vendor agreement
12. comply with business integrity requirements: a vendor applicant is not eligible if its current owners, officers, or managers have civil judgments entered against them, or have been convicted of any activity indicating a lack of business integrity. According to Federal regulations at 246.12(g)(3)(ii), unless denying authorization of a vendor applicant would result in inadequate participant access, the State agency may not authorize a vendor applicant if during the last six years the vendor applicant or any of the vendor applicant’s current owners, officers, or managers have been convicted of or had a civil judgement entered against them for any activity indicating a lack of business integrity. Activities

indicating a lack of business integrity include, but are not limited to fraud; antitrust violation(s); embezzlement, theft, or forgery; bribery; falsification or destruction of records; making false statements or claims; receiving stolen property; obstruction of justice; arson; conspiracy; officially removed from any federal, state, or local programs due to business improprieties.

13. derive less than 50 percent of total sales from the sale of WIC foods.
14. be in compliance with the program's competitive price requirements (be competitive with, and within the price limitations for similarly situated vendors in terms of type, size of store, and geographic location).
15. maintain and use a cash register system in conducting all business sales transactions, and provide a printed, itemized receipt to customers. "WIC" must be printed or written on the receipt.
16. maintain visible, posted prices of all WIC-authorized food items.
17. not provide incentive items or advertisements with the intention to solicit WIC participants.
18. comply with approved use of WIC acronym, logo, and facsimiles.