Maine Center for Disease Control and Prevention
WIC Nutrition Program

Effective: October 1, 2012
Revised: October 1, 2018

Policy No. FD-3

Food Benefit Redemption and Disposition

Authority
7 CFR §246.4(a)(14)(vi); §246.12(k) and 12(q)
22 MRSA §255;
10-144 CMR Chapter 286, § IV.O

Policy
1. The State Agency shall maintain a system that ensures the disposition of all issued food instruments (FIs), including benefits issued in paper form, eWIC cards, medical formula vouchers and direct order shipments.
2. The State Agency shall contract the review of food instruments issued in paper form and in eWIC accounts to a fiscal intermediary to ensure appropriate redemption and disposition.
3. Vendor redemption shall be monitored by the State Agency to ensure they do not reach unallowable reimbursement levels.

Procedures
1. To ensure appropriate food instrument disposition at each Local Agency, the State Agency monitors the following:
   1.1. The number of voided paper form FIs
   1.2. The number of redeemed FIs with no issuance record
   1.3. The number of voided FIs which have been redeemed
   1.4. Potential overissuance of food instruments
   1.5. Redemption of specific food benefit items
   1.6. Unredeemed food items
2. FIs that are reported to be lost, stolen, destroyed or inaccessible shall be addressed as follows:
   2.1. Valid and future dated paper form FIs reported as lost or stolen shall not be replaced unless specific approval is given and documented by Local Agency director or program manager.
   2.2. Circumstances warranting replacement include but are not limited to:
       2.2.1. Domestic violence
2.2.2. Family with no means to provide formula for enrolled infant
2.2.3. Family with limited means to provide food for enrolled participant(s)

2.3. Valid paper form FIs reported as destroyed or inaccessible may be replaced only with Local Agency director approval. Circumstances warranting replacement include but not limited to:

2.3.1. Disasters (e.g., fire, flood)
2.3.2. Domestic violence situations
2.3.3. Custody change

2.4. Local agency staff shall document detail regarding replacement of benefits in the participant electronic record.

2.4.1. Details regarding reason(s) for replacement shall be recorded in a general note.

2.4.2. The WIC Check/Food Replacement Affidavit (Appendix FD-3-A) shall be used when benefits are reissued for reported lost, stolen or inaccessible food instruments, or when replacing food instruments or physical food reported as damaged due to a natural disaster or power outage.

2.4.2.1. The affidavit shall be reviewed with and signed by the authorized representative.

2.4.2.2. The affidavit shall be scanned into the participant record.

2.4.2.3. The original copy of the affidavit shall be provided to the authorized representative.

2.5. Active eWIC benefit cards reported as lost, stolen, destroyed or inaccessible shall be inactivated before a new eWIC card is issued.

2.5.1. Replacement of current month food items shall include only the outstanding food item benefit balance for the household unit; assignment of these food items will be made to a new card account number.

2.5.2. Future month food items issued to the original eWIC card account number for the household may be reassigned to the new eWIC card account.

2.6. Local Agencies shall seek guidance from the State Agency as needed for issues regarding FI and/or food replacement.

2.7. The State Agency shall monitor the following reports for potentially overissued benefits, and will communicate specific cases to the Local Agency Director for staff training and/or participant repayment:

2.7.1. Voided/Stolen/Lost and Cashed Exceptions Report
2.7.2. SPIRIT Utilities Overissuance Report

3. If it is established that original FIs are transacted by a participant/authorized representative/proxy who has received replacements, the following actions will be taken:
3.1. A claim for cash repayment will be issued to the participant, authorized representative, or proxy who spent the benefit(s) (see OM-7, pg.2).

3.2. The participant will receive a written warning stating that a second occurrence will result in suspension from the Program for one (1) year. Naming of a new authorized representative for the duration of the suspension will be required.

4. If lost/stolen FIs are transacted by someone other than the participant, the State or Local Agency will conduct an investigation.

5. The State Agency screens vendor redemptions to ensure they do not exceed allowable reimbursement levels by the following:

5.1. The State Agency establishes maximum allowable reimbursement levels for:

5.1.1. Each vendor peer group
5.1.2. Each food instrument
5.1.3. Each food item by peer group

6. The State Agency establishes maximum allowable reimbursement using a percentage above the average redemption amount that may fluctuate based on extenuating circumstances.

7. The average allowable reimbursement levels include factors to reflect wholesale price fluctuations and inflation.

8. The State Agency contracts with a fiscal intermediary to screen all FIs. The intermediary uses a pre-edit (before payment) process to detect the following redemption issues:

8.1 Purchase price exceeds price limitations
8.2 Purchase price missing
8.3 Altered purchase price
8.4 Vendor identification missing
8.5 Invalid/counterfeit vendor identification
8.6 Transacted before specified time period
8.7 Transacted after specified time period
8.8 Redeemed after specified period
8.9 Altered dates
8.10 Missing signature
8.11 Mismatched signature
8.12 Altered signature

9. The Local Agency shall notify the State Agency of any destroyed/inaccessible FIs that need to have stop payment.

10. When the State Agency detects questionable FIs, suspected vendor overcharges or other errors or concerns, it shall take follow-up action within 120 days. It shall deny payment
or initiate claims collection action within 90 days of detection or completion of the review or investigation giving rise to the claim, whichever is later.

11. Direct bill vouchers, manufacturer formula invoices and rejected FIs are paid through ACH.