

# Maine Center for Disease Control and Prevention WIC Nutrition Program

Effective: October 1, 2020

Policy No. FD-3

Revised: May 1, 2020

## 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 benefits including benefits issued in eWIC cards, medical formula vouchers and direct order shipments.
2. The State Agency shall contract the review of benefits issued 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 benefit disposition at each Local Agency, the State Agency monitors the following:
  - 1.1. Potential overissuance of benefits
  - 1.2. Redemption of specific food benefit items
  - 1.3. Unredeemed food items
2. eWIC cards that are reported to be lost, stolen, destroyed or inaccessible shall be addressed as follows:
  - 2.1 Participants will need to contact their local agency for reissuance of eWIC card.
  - 2.2. Circumstances warranting replacement include but are not limited to:
    - 2.2.1. Disasters (e.g., fire, flood)
    - 2.2.2. Domestic violence situations
    - 2.2.3. Custody change
    - 2.2.4. Family with no means to provide formula for enrolled infant
    - 2.2.5. Family with limited means to provide food for enrolled participant(s)

- 2.3. Local agency staff shall document detail regarding replacement of benefits in the participant electronic record.
  - 2.3.1. Details regarding reason(s) for replacement shall be recorded in a general note.
  - 2.3.2. The WIC Card Replacement Affidavit (Appendix FD-3-A) shall be used when benefits are reissued for reported lost, stolen or inaccessible eWIC cards, or when replacing eWIC cards or physical food reported as damaged due to a natural disaster or power outage.
    - 2.3.2.1. The affidavit shall be reviewed with and signed by the authorized representative.
    - 2.3.2.2. The affidavit shall be scanned into the participant record.
    - 2.3.2.3. The original copy of the affidavit shall be provided to the authorized representative.
- 2.4. Active eWIC benefit cards reported as lost, stolen, destroyed or inaccessible shall be inactivated before a new eWIC card is issued.
  - 2.4.1. 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.
  - 2.4.2. Future month food items issued to the original eWIC card account number for the household may be reassigned to the new eWIC card account.
- 2.5. Local Agencies shall seek guidance from the State Agency as needed for issues regarding eWIC card and/or food replacement.
- 2.6. 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:
  - 2.6.1. Voided/Stolen/Lost and Cashed Exceptions Report
  - 2.6.2. SPIRIT Utilities Overissuance Report
3. Food prescription changes during current benefit period is maintained through the automated MIS system.
4. If lost/stolen eWIC cards 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 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 eWIC transactions. 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. When the State Agency detects questionable WIC transactions, 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.
10. Direct bill vouchers and manufacturer formula invoices are paid through ACH.