

FAQ's for Any Authorized Vendor (AAV) and Peer Groups
WIC Vendors (revised 02-26-07)

Revision January 8, 2007: Updated FAQ numbers 8, 18 and 24.

Revision February 26, 2007: Updated FAQ numbers 8 and 24.

AAV Related FAQ's

General

Q1: I hear that WIC is delaying issuing food instruments to any WIC authorized vendor. What is the new Any Authorized Vendor (AAV) implementation date?

A1: Please refer to the letter sent to all WIC Vendor Business Owners dated September 18, 2006. A copy of this letter is on our wicworks website. The link is: http://www.wicworks.ca.gov/grocers/information/VendorBusinessOwner_ltr0906.pdf.

WIC is extending the period for vendors to test food instrument serial number submission through October 20, 2006. This means that the food instruments will continue to include a specific vendor selected by the participant until the testing period is complete. We are extending the testing period to ensure that we receive a submission from each vendor store location. Implementation of AAV will occur on a date after October 20, 2006 and will be announced on both the vwix.dhs.ca.gov and the www.wicworks.ca.gov websites. Because we want to implement AAV as soon as all vendors have tested and the website is ready, we will be announcing the date only a few days before it becomes operational.

Q2: I heard that my store has to submit serial numbers from each food instrument (FI) that we redeem since the FIs will no longer be "vendor specific." Is that true?

A2. Yes. With the implementation of Any Authorized Vendor (AAV), WIC will issue FIs that participants can use at any WIC authorized vendor. It is necessary for vendors to submit to WIC the serial number for each food instrument they redeem since the food instruments will no longer be "vendor specific." You can do this using any of the three options available – using the telephone, accessing the Vendor WIC Information eXchange (VWIX) website, or setting up electronic submission of the serial numbers. Once the WIC Branch receives this information, we will then notify the State Treasurer's Office (STO) that those food instruments can be paid.

Q3: How do I get my user id, password or telephone pin number?

A3: All WIC vendor business owners received a letter from the WIC Branch in July, 2006 containing this information. If you are not the business owner, contact your business owner for this information. If you are the business owner and need this information sent to you again, call WIC Technical Support at 1-800-224-7472. Please be prepared to provide a fax number that can receive this information (revised 10/10/06).

Q4: Where is the food instrument serial number located?

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A4: The serial number is located on the bottom of the food instrument (FI). Refer to the July issue of the Vendor News newsletter which has a picture of the FI and illustrates where the 10 digit number is located. You can find this newsletter on our wicworks website. The link is:

http://www.wicworks.ca.gov/grocers/information/AAV_FinalNewsletter-06-26-06.pdf.

Q5: Can WIC recommend equipment to use to submit serial numbers?

A5: No. The WIC Branch cannot make recommendations on an equipment solution for submitting serial numbers. However, there is a "List of Companies Offering AAV Solutions to Vendors" on our wicworks website. The link is:

<http://www.wicworks.ca.gov/grocers/information/companies.html>.

Q6: Do I still deposit the food instruments in my bank?

A6: Yes. You still need to deposit the food instruments into your bank to be paid. But, before you deposit them, you must submit the serial numbers by one of the three options provided to vendors. We recommend that vendors confirm that the submission was accepted by WIC before depositing the food instruments. You may confirm the submission either at vwix.dhs.ca.gov or by calling the WIC Technical Support line at 1-800-224-7472.

Q7: What is the difference between the two websites, wicworks.ca.gov and vwix.dhs.ca.gov?

A7: The www.wicworks.ca.gov website (wicworks) provides WIC program information to vendors, local agencies, participants, and general public. The vwix.dhs.ca.gov website (VWIX) is restricted to WIC authorized vendors and can only be accessed by logging onto the system with a user ID and password. Vendors are required to report to WIC the serial numbers of the food instruments (FIs) they are redeeming prior to depositing them in the bank. One of the methods that vendors can use to report their FI serial numbers is through the VWIX website. Vendors may also use VWIX to confirm their serial number submissions and to obtain the current maximum allowable department reimbursement (MADR) rates for their peer group.

Q8: What will happen if vendors accidentally omit food instrument (FI) serial numbers while submitting through the VWIX (Vendor WIC Information eXchange) system or the vendor fails to submit any of the FI serial numbers and then deposit(s) them in the bank?

A8: If the vendor omits some food instrument (FI) serial numbers or fails to submit any of the FI serial numbers, the affected FIs are returned through the banking system to the vendor unpaid because WIC did not receive a serial number submission that included that FI. For FIs payable to "WIC Authorized Vendor," WIC will not be able to identify the vendor, peer group and maximum allowable department reimbursement (MADR) rate associated with the FI. The FI is stamped in red colored text and circled "Vendor Exceeds Max Amount" and then returned unpaid. This means that the FI has zero dollar value until the vendor submits the serial number enabling WIC to determine

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what peer group the vendor is in and the correct maximum allowable rate for that peer group.

In order to be reimbursed for an FI rejected for this reason, the vendor must submit the serial number to WIC and then redeposit the FI in their bank. However, there is an important factor that the vendor must consider before re-depositing the FI. Since the MADR for the FI will be the one in effect on the date that the serial number is submitted, the vendor must compare the "Exact Purchase Price" entered on the FI with the current MADR. If the MADR decreased since the original date that the FI was redeemed and the "Exact Purchase Price" amount entered on the FI exceeds the current MADR, the vendor must change the "Exact Purchase Price" amount. The vendor may follow these steps of:

1. crossing out the amount entered in the "Exact Purchase Price", writing in another amount that does not exceed the current MADR, and
2. using black ink, drawing a line through only the dollar amount encoded on the MICR line, and
3. re-depositing the FI into their bank for payment.

If you need assistance determining the current MADR for FIs that have ##### in the "Must Not Exceed" box, access the rate at vwix.dhs.ca.gov or call the WIC Technical Support at 800-224-7472.

Telephone Option

Q9: What is the telephone number for the telephone submission option?

A9: 1-888-942-4942

Q10: Will I get a confirmation of the number of food instruments (FIs) I submitted when using the phone option?

A10: Yes. Once you are finished entering all FI serial numbers, the telephone system will tell you the total number of FIs you have submitted. Ten minutes later, you may call the WIC Technical Support line at 1-800-224-7472 to confirm all the serial numbers were accepted. WIC Technical Support is available Monday through Thursday from 7:00 a.m. to 7:00 p.m., Friday from 7:00 a.m. to 5:30 p.m. and Saturday from 8:00 a.m. to 5:00 p.m.

Q11: How do I confirm the submission status after hours?

A11: After hours, you may confirm status only through the VWIX website (vwix.dhs.ca.gov) which is available 24 hours a day.

Q12: How do I submit for more than one store using the phone option?

A12: The telephone option only accommodates one vendor number (or one store) per call. In order to submit for more than one store, after you end each store you must end

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the call and then re-dial 1-888-942-4942 for each store and enter the serial numbers accordingly.

Website Option

Q13: What is the VWIX (Vendor WIC Information eXchange) website address?

A13: The VWIX website address is vwix.dhs.ca.gov. Please make sure not to type www before the address.

Q14: Why do I have two user ID's?

A14: WIC issued two user ID's per business owner or contract. Both user ID's have the same access to the VWIX (Vendor WIC Information eXchange) website. If more user ID's are needed, download the [AAV User ID Request Form](#) from our wicworks website and follow the instructions on the form. The link is:
<http://www.wicworks.ca.gov/grocers/information/AAVVendorForm.pdf>.

Q15: I submitted serial numbers for two of my stores. When I view the status of my submissions on the VWIX (Vendor WIC Information eXchange) website, I can't find the submissions for one of my stores. Where are they?

A15: The VWIX website organizes the submissions by date and time the file was sent. If you submitted serial numbers for more than one store in a single submission, both stores' information will be displayed in the detail. You can click on the highlighted and underlined numbers to view the submissions by individual store.

Peer Group Related FAQ's

Q16: Why is WIC no longer printing a dollar amount in the "Must Not Exceed" box of food instruments?

A16: On October 1, 2006, WIC implemented separate maximum allowable reimbursement rates for groups of vendors who have similar characteristics that predict prices (peer groups). The "Must Not Exceed" dollar amount will vary for food items between peer groups. When WIC issues food instruments (FIs) payable to any WIC authorized vendor, WIC will not know in advance which vendor will accept the FI. Therefore, WIC can no longer pre-assign the dollar amount to the "Must Not Exceed" box. That amount will vary by the peer group to which the vendor is associated. Most FIs printed prior to October 1, 2006, include a dollar amount in the "Must Not Exceed" box. Exceptions to this include the milk FIs and those printed made payable to above-50-percent vendors. All FIs printed beginning October 1, 2006, will not include a dollar amount in the "Must Not Exceed" box. Instead, the FI will be printed with "#####" in that box.

Q17: What are the peer groups and how do I know which peer group I belong to?

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A17: California's peer groups are based on three characteristics: vendor type, geography/location of the store, and the number of cash registers in the store. There are 16 peer groups. All vendors defined as above-50-percent will be in peer group 1. Vendors defined as regular vendors will be in one of the 15 remaining peer groups based upon the number of registers and their geographic location (county). Mailings to all WIC vendor business owners on September 1 and again on September 18 provided a list of stores and their peer group assignment. The August issue of WIC Vendor News provides a more detailed explanation of peer groups. You may obtain a copy of this newsletter on our wicworks website. The link is:
<http://www.wicworks.ca.gov/grocers/information/August2006WICVendorNews.pdf>.

Q18: Which cash registers in my store do you count to determine what peer group my store is in?

A18: WIC counts all cash registers in the store including those in check-out lanes, those in specialty departments like a deli or floral department, self-check out registers, and each kiosk (business within the store such as cell phone, jewelry, phone, clothing, etc.). All registers are included since all of them were counted and included in the analysis that was used to determine the cash register groupings for the peer groups.

Q19: How will I know what the maximum allowable department reimbursement (MADR) rate is for my peer group?

A19: On September 18, 2006 the WIC Branch mailed the MADR rates effective October 1, 2006 to all business owners. In addition, these rates are available on the VWIX (Vendor WIC Information eXchange) website at vwix.dhs.ca.gov. For all future rates, vendors must access them at vwix.dhs.ca.gov – rates will not be mailed. Further explanation for accessing MADRs using VWIX is provided in the letter to WIC vendor business owners (dated September 18, 2006) found on our wicworks website. The link is: http://www.wicworks.ca.gov/grocers/information/VendorBusinessOwner_ltr0906.pdf.

Q20: How often will the maximum allowable department reimbursement (MADR) rates change?

A20: MADR rates for each of the 16 vendor peer groups will be evaluated every two weeks using redemption data for vendors in that peer group for the preceding 12 weeks. Therefore, the MADR rates **may** change every two weeks. MADRs will be posted on our VWIX secure website, routinely (every two weeks) on Sunday at 12:01 a.m. and become effective the following Friday at 12:01 a.m. This allows vendors five days to review the rates and prepare for any changes. Vendors may access the MADR through the following link: <https://vwix.dhs.ca.gov/VWIX4/logon.jsp?action=protected>.)

Q21: If there is no maximum allowable amount printed on the FI, how will my cashiers know if they are entering a price that exceeds it?

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A21: MADR rates for food instruments are based on retail market prices of vendors within the same peer group. If your WIC food items are priced competitively for your peer group then price should not be an issue at the check stand.

Q22: How are maximum allowable department reimbursement (MADR) rates determined?

A22: The MADR rates for each peer group of regular vendors (peer group 2-16) are determined by first calculating the average redemption price WIC paid for the stores in each peer group. A tolerance amount is added to the average redemption price for each food instrument type depending on the amount of variance in the redemption prices as determined through a statistical calculation. For food instruments that have a variety of products that participants can select and/or that have a larger range of prices in the peer group, there is a higher tolerance i.e., cereal and combo milk/cheese/eggs. Where the variance is low due to limited product choices on the food instrument and/or a small range of prices, the tolerance is not as large i.e., formula and juice. With this tolerance built in, there will no longer need to be monthly updates for milk prices when the CA Department of Food and Agriculture makes monthly price adjustments.

The MADR rates for peer group 1 which includes vendors that meet the definition of above-50-percent vendor, the MADR rates are determining the average redemption price WIC paid to ALL regular stores in the state.

Q23: Can you tell me the peer group assignment of other vendors?

A23: No. Pursuant to federal regulation, that is considered confidential information that is only available to the authorized vendor's ownership. The business owner will have access to the peer group assignment of all stores within their contract.

Q24: What will happen if a food instrument (FI) is rejected for payment because the vendor's price exceeded the maximum allowable department reimbursement (MADR) rate for their peer group?

A24: FIs will be rejected for payment and returned to the vendor through the banking system if they have a dollar amount in the "Exact Purchase Price" box that is either greater than the printed "Must Not Exceed" dollar amount or greater than the MADR for the vendor's peer group (if there are #### in the "Must Not Exceed" box). The State Treasurer's Office will stamp the returned FI "Exceeds Max Amount". The vendor may follow these steps of:

1. crossing out the amount entered in the "Exact Purchase Price", writing in another amount that does not exceed the current MADR, and
2. using black ink, drawing a line through only the dollar amount encoded on the MICR line, and

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3. re-depositing the FI into their bank for payment.

If you need assistance determining the MADR for FIs that have #### in the "Must Not Exceed" box, access the rate at vwix.dhs.ca.gov or call the WIC Technical Support at 800-224-7472 if the MADR has changed since the FI was redeemed. If the FI serial number has already been submitted to WIC, you do not need to resubmit the serial number before re-depositing the FI.

Q25: When will WIC stop printing and specifying the vendor name and maximum allowable department reimbursement (MADR) on the food instrument?

A25: WIC implemented vendor peer groups and peer group based Maximum Allowable Department Reimbursement (MADR) rates on October 1, 2006. WIC is delaying the implementation of Any Authorized Vendor (AAV) to allow all vendors to have an opportunity to practice submitting serial numbers and to ensure that the Vendor Information eXchange website (vwix.dhs.ca.gov) is ready to accept vendor serial number submissions and provide feedback on the status of submissions. To accomplish this, the time period for vendor readiness is extended to October 20, 2006. WIC will phase in AAV as soon as all vendors have had an opportunity to practice their serial number submissions and WIC is satisfied that the WIC Information eXchange (VWIX) website is stable.

Q26: Was there a milk price update (grocer alert) for October 2006?

A26: We will no longer provide "milk only" price updates. Please refer to the letter mailed to ALL WIC Vendor Business Owners dated September 18, 2006. The milk MADR rates were included with the list of all food items in this mailing. You may obtain a copy of the September 18, 2006 letter on our wicworks website. The link is: http://www.wicworks.ca.gov/grocers/information/VendorBusinessOwner_ltr0906.pdf.

Q27: Can you fax me my Maximum Allowable Department Reimbursement (MADR) rates?

A27: Each WIC vendor business owner received a letter from WIC dated September 18, 2006. Attached to that letter is a copy of the MADRs for each peer group applicable to your store(s). If you require a copy of the MADRs, please make that request to your corporate office or business owner. If the WIC vendor business owner cannot locate the letter, there are two ways to obtain it:

- The corporate office or business owner must contact their WIC Grocer Consultant directly or call 916-928-8705.
- Access the VWIX website at vwix.dhs.ca.gov to view (and print) your MADRs. Instructions for accessing your MADRs on the VWIX website are attached to the September 18, 2006 letter to WIC vendor business owners. You may obtain a copy of this letter on our wicworks website. The link is: http://www.wicworks.ca.gov/grocers/information/VendorBusinessOwner_ltr0906.pdf.

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Q28: I have read through the various communications regarding peer groups, MADR rates, and AAV available on www.wicworks.ca.gov for Vendors. I still have a question on “something program related”, who do I call?

A28: For questions that are “program related” please contact your WIC Grocer Consultant directly or call 916-928-8705. Only that staff is authorized and trained to answer ‘program related’ questions for WIC vendors.

Q29: After AAV is implemented and a participant brings in a store specific food instrument (FI) payable to another store, can I accept it?

A29: No. If a participant presents a FI that has a store name different than your store name, you may not accept it. A store specific FI is only payable to the store listed on the FI.

Q30: Do we need to multiply the unit prices to make sure we don't exceed the MADR (& have FI rejected, etc)?

A30: No, if the unit shelf price is at or below the published unit MADR, the total sale amount will be below the MADR.

Q31: What is the 3 digit number printed next to the food category on the FI?

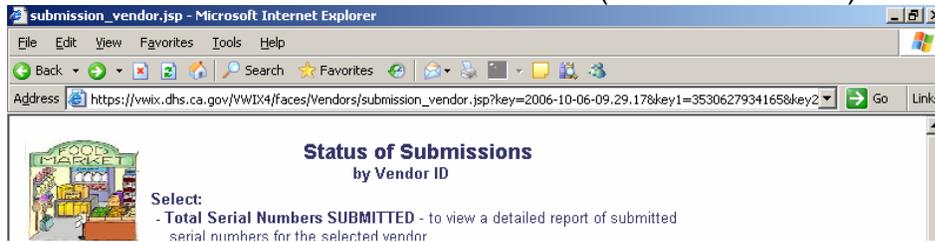
A31: The 3 digit number is the “Food Code”. We are including this number to help the store managers to match the food item with the correct MADR if they want to set up their store systems to check the redemption price against the MADR or if they want to revise a redemption price on a food instrument that has been rejected due to being submitted at an amount that is over the MADR.

Q32: Can the Maximum Allowable Department Reimbursement (MADR) rates be available electronically?

A32: The MADRs are now available for viewing and printing on our VWIX website. Instructions for accessing your MADRs on the VWIX website are attached to the September 18, 2006 letter to WIC vendor business owners. You may obtain a copy of this letter on our wicworks website. The link is:
http://www.wicworks.ca.gov/grocers/information/VendorBusinessOwner_ltr0906.pdf. Many vendors are requesting a MADR download function so that the MADRs can be utilized in an automated manner at the store. We will add this capability to our VWIX website in the near future. Once we have a projected availability for this functionality, we will announce it on our wicworks website at www.wicworks.ca.gov.

Q33: When using the VWIX function named Status of Submissions, I sometimes get unexpected results when I press the “Back” button on my web browser. Why is that?

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A33: The screen image above shows the Back button that is being referred to in the question. We are aware of this issue and will fix it. In the meantime, please avoid pressing the “Back” button when using Status of Submissions. Instead, to return back to another screen within Status of Submissions, use any of the buttons at the bottom of the screen that begin with the word ‘Return’. This will ensure that you receive reliable results.

Q34: What am I supposed to do when a when a participant brings in a FI with pound signs (#####) in the “Must Not Exceed” box?

A34: Complete the transaction and then follow-up with the store manager to clarify the direction provided by the WIC Program for processing FIs with “#####” in the “Must Not Exceed” box.

Q35: My store accepted a FI payable to a different store. What do I do?

A35: Mail the FI(s) with an explanation to: State WIC Program
Attention: Program Integrity Unit
3901 Lennane Dr.
Sacramento, CA 95834

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Glossary of Terms

- **AAV** – Any Authorized Vendor.
- **A-50's** – Above-50-Percent vendors. Vendors that derive more than 50 percent of their annual food sales revenue from WIC food instruments.
- **Access Code** – this is a four digit code used to identify the vendor when requesting a user id password reset.
- **EMA** – Exceeds Maximum Amount. A food instrument (FI) that is presented for payment that is over max value.
- **FI** – Food Instruments
- **FNS** – Food and Nutrition Service
- **Food Sales** – the sales of all foods that are eligible items under the Food Stamp Program (FSP)
- **FTP** – File Transfer Protocol. A client-server protocol which allows a user on one computer to transfer files to and from another computer over a TCP/IP network.
- **MADR** – Maximum Allowable Department Reimbursement. It is the most WIC will pay for a given food instrument.
- **MICR** – Magnetic Ink Character Recognition. A character recognition system using special ink and characters which can be magnetized and read automatically. The numbers at the bottom of each FI is printed in a special format that can be read automatically by a MICR reader machine.
- **Peer Group** – Vendors grouped together based on a set of characteristics that are predictors of the price they charge for a given food item
- **Telephone Pin Number** - This is a five-digit personal identification number that is used only for the phone submission option.
- **User ID** - This is a unique identifier which allows secure access to the VWIX website. May also be referred to as logon id.
- **Vendor Authorization Number** - This is the six-digit number identifying individual vendor. This number is different than the five-digit contract identification number.
- **Vendor Specific** – The FI is printed at the local agency made payable to a specific vendor (vendor authorization number, name, and address are printed on the FI). The participant can only redeem the FI at the store specified on the FI; a vendor cannot accept or redeem a FI made payable to another vendor.

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- **VWIX** – Vendor WIC Information eXchange. The vendors will submit the serial numbers of the WIC FIs that they redeem by one of three methods: FTP (file transfer protocol), a web page, or telephone. Through this web page, they can view the status of submission of their serial numbers. For information related to the three methods of submitting serial numbers, read the July issue of WIC Vendor News located on our wicworks website. The link is:
http://www.wicworks.ca.gov/grocers/information/AAV_FinalNewsletter-06-26-06.pdf.
- **WIC Authorized Vendor (WAV)** – this is what will appear in the “made payable to” space on WIC Food Instruments after the implementation of AAV