



California
Department of
Health Services
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Director

State of California—Health and Human Services Agency
Department of Health Services



GRAY DAVIS
Governor

October 4, 2002

GRO CER ALERT 2002-03

TO: ALL WIC GROCERS
SUBJECT: CHANGES TO FEDERAL REGULATIONS

Purpose

I am writing to provide you with information on changes to Federal Regulations, which the California Women, Infants, and Children (WIC) Supplemental Nutrition Program will implement on October 1, 2002. I have enclosed for your review a copy of the new federal regulations sections that affects grocers (vendors).

I have also enclosed an Acknowledgement of Receipt of the grocer alert, which must be completed by a representative at each store location and returned to the WIC Program.

Background

The U. S. Department of Agriculture (USDA) amended and adopted Sections 246.2 through 246.26 of Title 7 Code of Federal Regulations. These new provisions were published in the Federal Register, dated December 29, 2000. However, only Sections 246.2, 246.12, 246.18, and 246.26 will affect vendors.

The purpose of the new vendor regulations is to strengthen vendor management and increase program accountability by establishing mandatory selection criteria, training requirements, criteria to be used to identify high-risk vendors, and monitoring requirements. The regulations also streamline the vendor appeals process and clarify issues of vendor confidentiality.



Do your part to help California save energy. To learn more about saving energy, visit the following web site:
www.consumerenergycenter.org/flex/index.html

WOMEN, INFANTS, AND CHILDREN (WIC) SUPPLEMENTAL NUTRITION BRANCH
3901 Lennane Drive, P.O. Box 942732, Sacramento, CA 94234-7320
(916) 928-8500 Internet Address: www.dhs.ca.gov

**Specific
Changes**

Vendor Selection Criteria: The WIC Program must develop and implement criteria to select stores for authorization using the following criteria.

- Competitive price and price limitations.
- Minimum variety and quantity of supplemental foods.
- Business integrity.
- Current Food Stamp Program disqualification or civil money penalty for hardship.

Training Requirements: The WIC Program must provide both annual (yearly) training as well as interactive training (at least once every three years), to at least one representative of each authorized vendor.

Identifying High-Risk Vendors: The WIC Program must identify high-risk vendors at least once a year through the use of criteria developed by USDA and/or other statically-based criteria developed by the WIC Program.

Vendor Monitoring: The WIC Program must conduct two types of monitoring on a minimum of five percent each year of its authorized vendors.

- Routine monitoring visits (five percent).
- Compliance investigations (five percent).

Adverse Actions Subject to Abbreviated Reviews: Unless the WIC Program provides a full administrative review, the WIC Program must provide abbreviated administrative reviews to vendors that appeal the following adverse actions:

- Denial of authorization based on vendor selection criteria for business integrity or a current Food Stamp Program disqualification or civil money penalty for hardship.
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- Denial of authorization based on a WIC Program established criterion if the basis of the denial is a vendor sanction or a Food Stamp Program withdrawal of authorization or disqualification.
- Denial of authorization based on the WIC Program's vendor limiting criteria.
- Denial of authorization because a vendor submitted the application outside the established timeframes during which applications are being accepted and processed by WIC.
- Termination of a vendor agreement because of a change in ownership, location, or cessation of operations.
- Disqualification based on a trafficking conviction.
- Disqualification based on the imposition of a Food Stamp Program civil money penalty for hardship.
- Disqualification or a civil money penalty imposed in lieu of disqualification based on a mandatory sanction imposed by another WIC State agency.

Confidentiality of Vendor Applicant Information:

- The WIC Program must restrict the use or disclosure of confidential vendor information.

**Grocer
Implications**

Although the majority of the new federal regulations will not affect grocer responsibilities on a day by day basis, please take the time to review them. Please remember that in addition to complying with the Vendor Agreement, it is the responsibility of each vendor to comply with all federal and state statutes, regulations, policies, and procedures governing the WIC Program.

The WIC Program has developed a new Vendor Agreement, reflecting these new Federal rules. All vendors will receive this new Vendor Agreement.

All WIC Grocers
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Action Needed Please complete and return the enclosed Acknowledgement of Receipt by **November 8, 2002**. Please note that the return of the Acknowledgment of Receipt is required for **each** store location.

Questions If you have questions or comments, please contact your WIC Grocer Liaison at (916) 928-8705.

David Markell, Chief
Food Management and Integrity Section
WIC Supplemental Nutrition Branch

Enclosure

**ACKNOWLEDGEMENT OF RECEIPT
of Grocer Alert 2002-03
Changes to Federal Regulations**

Name of Store _____ WIC Vendor Number _____

Street Address _____

City and ZIP _____

Phone () _____ FAX () _____

I certify that I have received a copy of Grocer Alert 2002-03, Changes to Federal Regulations. I certify that I am either the owner or manager, responsible for this store location and for training and informing store personnel of WIC Program requirements. I understand that vendors assume legal responsibility for the actions of employees who violate WIC Program rules, and if I have questions about the content it is my responsibility to contact my WIC Grocer Liaison.

Print Name _____

Signed by _____

Title _____

Date _____

Please return by **November 8, 2002** to:

Women, Infants, Children Supplemental
Nutrition Program
3901 Lennane Drive
Sacramento, CA 95834

Attention: RMSU

or

FAX (916) 928-0608

NOTE: An Acknowledgement of Receipt must be submitted for each store location.