



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



March 17, 2010

ARNOLD SCHWARZENEGGER  
Governor

**VENDOR ALERT 2010-04**

TO: ALL WIC VENDORS

SUBJECT: UPDATE TO VENDOR ALERT 2009-15, MAXIMUM ALLOWABLE DEPARTMENT REIMBURSEMENT RATES: NEW WIC FOOD PACKAGES

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**Purpose** I am writing to update you on the Maximum Allowable Department Reimbursement (MADR) rates for the California Women, Infants and Children (WIC) Program Food Instruments (FIs). Since October 1, 2009 the WIC Program has utilized an interim MADR rate calculation methodology and that period is now ending. The WIC Program is resuming the fully automated MADR rate calculation process implemented in October 2006. You may see changes in the MADR rates.

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**Background** Vendor Alert 2009-15 explains the MADR rate process for the new WIC food package FIs, which became effective on October 1, 2009. Vendor Alert 2009-15 discusses the use of interim MADR rate calculation methodologies until at least 12 weeks of redemption data was available for running the fully automated MADR rate calculations. For specific detailed information on this temporary process, please refer to Vendor Alert 2009-15, which is accessible on WIC's website [www.wicworks.ca.gov](http://www.wicworks.ca.gov).

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**Fully Automated Calculations of Automated Rates** We have collected 12 weeks of new FI redemption data and, as stated in Vendor Alert 2009-15, WIC is returning to the fully automated MADR rate calculation process. Over the next two MADR rate cycles you may begin to see adjustments to the MADR rates. Please review the new rates for your store(s) peer group(s) every two weeks, as the rates become available, to ensure that you are aware of any changes.

The MADR rates for fresh fruits and vegetables FIs will not change for regular or Peer Group 1 vendors. On these FIs, the MADR rate will continue to be printed on the face of the FI in amounts ranging from \$3 to \$15. Please remember that participants must be permitted to pay the difference if the value of the fruits and vegetables they select exceeds the printed MADR rate. However, each fresh fruits and vegetables FI may only be redeemed for up to the MADR rate. If a fruit and vegetable FI is submitted for reimbursement with an amount greater than the printed MADR rate, it will be rejected and returned unpaid.



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**Important  
Reminders  
about  
MADR Rates**

Please remember that the MADR rate is the maximum amount for which the FI may be redeemed and reimbursed. It is not the price that vendors should use to determine or set their shelf price for supplemental food. Setting the shelf price for food items to maximize the opportunity to redeem the FI at the MADR rate could jeopardize a vendor's price competitiveness and vendor authorization.

Additionally, vendors must allow participants to purchase the full quantity specified on the FI and must not request that participants take less food if the price exceeds the MADR rate.

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**Thank you**

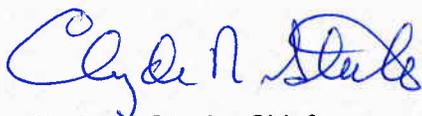
Thank you for your cooperation and patience during our transition period. We received a remarkably low volume of calls for assistance and complaints from participants due to your cooperation and commitment to providing WIC services in partnership with us.

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**Questions**

If you have any questions concerning these upcoming changes, please contact your WIC Vendor Consultant directly or call (916) 928-8705.

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Clyde R. Steele, Chief  
Vendor Management Branch  
California WIC Program