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VENDOR ALERT 2010-10

TO: ALL WIC VENDORS
SUBJECT: VENDOR'S RESPONSIBILITIES ON PROVIDING SUPPLEMENTAL FOODS TO WIC PARTICIPANTS

Purpose I am writing to remind all vendors of their responsibility as a California Women, Infants and Children (WIC) Program authorized vendor to sell the full amount of food identified on the face of the WIC food instruments (FIs) to all participants of the WIC Program. This letter outlines your responsibilities in regard to the acceptance of FIs from WIC participants.

Background State law (California Health & Safety [H & S] Code Section 123280 et seq.) governs all vendors and grants WIC the authority to establish "...reimbursement according to the system developed by the department." California Health & Safety Code Section 123315(a)(7) states that the authorized vendor shall "accept up to the maximum allowable department reimbursement as payment in full for the maximum allowable quantity of food listed on the food instrument." This includes selling the full quantity of food as prescribed even if your shelf price exceeds the maximum allowable department reimbursement (MADR) rate on the FI, as well as allowing participants the choice to select less than the full amount of food listed on the FI (infant formula excluded).

Vendor Compliance Requirements & Implications Your contractual agreement with the WIC Program requires that you comply with the following requirements when accepting FIs from WIC participants.

You must:

- Provide supplemental foods at the current posted shelf price or at less than the current price charged to other customers.
- Accept up to the MADR rate for the vendor's peer group as payment in full for the maximum quantity of supplemental food listed on the food instrument.
- Allow participants to buy the full amount of her/his food prescription even if the shelf price of the participant's selection exceeds the maximum dollar value of the FI. Remember, this is the participant's choice, not the vendor's.



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You may not:

- Require participants to purchase less expensive or less costly brands when the product list does not specify a particular brand.
- Charge participants for the cost of supplemental food beyond the stated "must not exceed" amount on the face of the FI.
- Require participants to purchase less than the full amount of prescribed foods.

You may:

- Lower store prices to equal WIC's MADR rate.
- Maintain current shelf prices, but accept WIC's reimbursement as payment in full for the maximum amount of food listed on the FI.
- Terminate your contract with the WIC Program with 15-days advance written notice.

To avoid contractual violations and limit confusion at the check stand, it is extremely important that vendors train their employees on "MUST NOT EXCEED" and "What to buy" amounts on WIC FIs. The "What to buy" statement on the FIs allow participants the option to buy less than the full amount of prescribed foods. Please note that, food instruments for infant formula continue to state "MUST BUY FULL QUANTITY" on the face of the FI. Therefore, you must provide the participant with the full quantity of infant formula at all times.

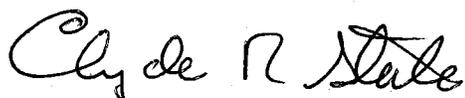
Your vendor authorization with the WIC Program will be terminated if it is determined that you failed to comply with your Vendor Agreement, Federal and State statutes, regulations, policies, and procedures governing the WIC Program.

**Important
Reminder
about
MADR Rates**

The MADR rate is the maximum amount for which the FI may be redeemed and vendors 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.

Questions

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



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