



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



EDMUND G. BROWN JR.
Governor

October 8, 2013

VENDOR ALERT 2013 - 06

TO: ALL WIC VENDORS

SUBJECT: NOTICE TO VENDORS OF UPCOMING SHELF PRICE SURVEY REQUIREMENT EFFECTIVE OCTOBER 17, 2013

Purpose

Vendors are reminded to prepare for major changes to the California Supplemental Nutrition Program for Women, Infants, and Children (WIC) Program. Changes include the requirement to submit a Vendor Shelf Price Survey every six months in order to determine competitiveness of vendors within the same peer group.

Vendors are invited and strongly encouraged to participate in a practice session for the Vendor Shelf Price Survey, which will be available in a series of two week test phases. The first test phase is October 7, 2013, through October 14, 2013. There will be a second test phase from October 14th through October 28th. It is highly recommended that vendors practice using the Vendor Shelf Price Survey during the test phase in order to familiarize themselves with the online survey before it becomes an authorization requirement.

Authority

Title 7 of the Code of Federal Regulations (C.F.R.) Section 246.12(g)(4) states that the Program must establish a vendor peer group system and distinct competitive price criteria and allowable reimbursement levels for each peer group. The Program must use the competitive price criteria to evaluate the prices a vendor applicant or authorized vendor charges for supplemental foods as compared with the prices charged by other vendors in the same peer group. The program must authorize vendors selected from among those who that offer the Program the most competitive prices and vendors are required to remain cost competitive throughout the authorization period.

Background

On September 17, 2013, the WIC Program issued Regulatory Bulletin 2013-01 which provided notice of Final Action for changes to Vendor Authorization Criteria. The Final Action will be effective on October 17, 2013. WIC Regulatory Bulletin 2013-01 can be accessed online at:

<http://www.cdph.ca.gov/programs/wicworks/Pages/WICRegulations.aspx>.

Vendor Shelf Price Survey Requirement

One of the major changes to the WIC Program outlined in WIC Regulatory Bulletin 2013-01 is the implementation of a Vendor Shelf Price Survey to determine competitive price criteria among peer groups. Effective October 17, 2013, vendors must enter shelf prices into the Vendor Price Shelf Survey using the Vendor WIC Information Exchange (VWIX) system. Vendors will enter prices into the Vendor Shelf



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Price Survey for “Market Basket” items. Market Basket items include the following 12 items:

- breakfast cereal (two sizes)
- cheese
- corn tortillas
- dry beans, peas, or lentils
- eggs
- bottled juice
- milk (whole and lower fat)
- infant formula
- peanut butter
- whole wheat bread

Vendors will enter the highest shelf price and the lowest shelf price for each item in the Market Basket. These prices will be compared against the average price for these items within the vendor’s peer group. If the vendor or vendor applicant exceeds 120% of the Average Overall Market Basket, the vendor is considered noncompetitive. See Article 4, Section 70600, of WIC Regulatory Bulletin 2013-01 for more details.

It is important that vendors ensure they can log into VWIX in order to complete the Vendor Shelf Price Survey. If you are unable to log into your VWIX account, please contact WIC Technical Support at (800) 224-7472.

A Vendor Shelf Price Survey User Guide is available to assist vendors in completing the Vendor Shelf Price Survey. The Vendor Shelf Price Survey User Guide is available on VWIX, or can be found on the WIC website at:

<http://www.cdph.ca.gov/programs/wicworks/Documents/VMB/ShelfPriceSurveyUserGuide.pdf>

Your support and cooperation during this time of transition is greatly appreciated. We look forward to our continued partnership with you as we implement the new Vendor Shelf Price Survey and Vendor Authorization Criteria.

Action for Vendors

Effective October 17, 2013, Vendors of the California WIC Program are required to comply with the Vendor Authorization Criteria, as established in WIC Regulatory Bulletin 2013-01. WIC Regulatory Bulletin 2013-01 can be found at the WIC Regulations website at:

<http://www.cdph.ca.gov/programs/wicworks/Pages/WICRegulations.aspx>.

Webinar

To obtain an overview of the Vendor Authorization Criteria, vendors are invited to attend a training webinar. This 30 minute online presentation will be held every Tuesday & Thursday at 2:00 p.m. beginning September 26, 2013 through October 17, 2013. To register, visit <https://wicworks.webex.com>, select the “Upcoming” tab, and then select “Vendor Authorization Criteria.”

**Email
Notification
and Alerts**

Vendors are encouraged to regularly check the California WIC Regulations website for actions related to changes to the WIC Program, including notices of when a proposed action or regulation is placed into effect. It is strongly recommended that stakeholders who wish to be personally informed of the proposed actions subscribe to WIC email notification by visiting:

<http://apps.cdph.ca.gov/listssubscribe/default.aspx?list=cphwicvendors>

Questions

For technical assistance please contact WIC Technical Support at (800) 224-7472.

If you have any questions, please contact your Vendor Consultant or call toll free (855) WIC-STOR or (855) 942-7867. You can also contact the WIC Vendor Management Branch by email: WICVENDORINFO@cdph.ca.gov.



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