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ELLEN: We are the planning contractor for the consortium of states that Kansas is a part of. We have, our company actually focuses on health and human services programs in all different capacities, and WIC is one of those programs that we work with. We’ve actually supported more than thirty state agencies in their planning activities and have supported a number of states in implementing their eWIC systems. So we are using that information from those experiences to provide to you information today. Our role in this project is supporting the three state agencies and all of the analysis and planning activities, documentation that needs to be done and submitted to USDA for approval for moving forward with eWIC. And along the way, we’re providing technical assistance and gathering information and answering questions for all the state agencies as they make decisions moving forward.

So the purpose of the presentation is to provide information to you as stakeholders of the WIC program about eWIC. eWIC is something that is mandated by Congress to be implemented by 2020. So we are seeing all states moving forward towards this goal. Again, this is high level, the states are still in the process of making decisions about how eWIC will be implemented, so we just want you to keep that in mind. And also keep in mind that this presentation was actually developed for all three state agencies, so you may see some terminology, or there’s information in here about different options, and keep in mind that the states, again, have not made decisions about every option that might be possible for the implementation.

We’re going to cover a number of different areas. The basics of eWIC, that’s how it works as far as issuance and redemption. More specifically, we’re going to talk about how eWIC works in the store. Clinic activities and eWIC, so what’s going to change, what are the functions that will be new, and a little bit about activities preparing foreWIC. Of course questions, but as Sandi mentioned, we are going to stop along the way so that you can ask questions. And I’ll take a break and Sandi will let me know what the questions are, and we’ll answer them at that time.

Alright. We’re going to jump into the basics and start with a little history. I think people are surprised to learn that eWIC’s actually been around for almost twenty years, or a little bit more than twenty years. Our first implementation of eWIC was in Wyoming in 1995. And they’d actually been working on it for a few years before that. And then they ultimately rolled out statewide in 2002. Right behind them we had Texas and New Mexico also rolling out systems. Now those systems are smart card systems. They use a card that has a chip on it, and the benefits are actually loaded onto that chip that sits on the card. That was the first version of eWIC that was out there, and then around 2005 we had two project, one in Michigan and one in Washington implement an online eWIC system that used a magnetic stripe card like you would use for credit or debit. So it’s the type that you would just swipe through a card reader at a store. So both technologies still exist and are used in a number of states. Ultimately, we had Kentucky and Michigan move forward with some systems that were online, and really those states that I’ve mentioned were kind of our forerunners in eWIC and paved the way. And those projects were all very successful, and because of that Congress mandated, they felt that this was an important technology. It was good for the program, and they decided to mandate that eWIC be implemented in all states by 2020.

Here’s just a quick list of the states that are currently operating eWIC. We have fifteen state agencies, six of them using smart card technology and nine of them using online technology. Just for your reference, Kansas has selected the online technology, so that’s, as we’re talking, just be aware that this technology is the type that uses a magnetic stripe card, again like you would use for credit or debit or traditional EBT.

I want to hit on quickly just the benefits of eWIC. Obviously for WIC staff, we have a lot more data, everything’s automated. So it improves efficiency and accuracy of information. It’s much easier to account for and reconcile benefits. In terms of benefits for, modifying benefits in the clinic, it actually is a much easier process, using an online EBT system or eWIC system benefits in an account that can be updated without the card being present. So it makes it a lot easier to handle situations like transfers, food package changes, formula changes, that kind of thing. Obviously, in the clinic you won’t have to be dealing with managing paper vouchers, maker printers, maker ink, any of that kind of stuff anymore. And as far as an issuance process, the benefit issuance kind of happens behind the scenes electronically and what you will be issuing to participants will be a card, and that really should be a one time thing when they’re first added onto the program. It’s not like they get a card every time that they come in. So that should eliminate some issuance activity. The times, for example, that you spend printing checks every time somebody is issued benefits. Obviously, there’s more data available for reporting. What’s great for state and local agencies is just being able to see and use that data to analyze the program, participant patterns, the states can look at what specific food items are being purchase and which ones aren’t. It can help in making adjustments to the food list. So there’s a lot of benefits from having a lot of data about what people are buying, when they’re buying, and how much they’re buying.

For the vendors, obviously we find that the in-lane process becomes more efficient. Less manual processes involved, which we’ll talk about in a little bit. It becomes less error-prone because we’re not relying on the cashier to identify WIC items and non-WIC items. That really becomes, the system is what determines what can be purchased. For the vendors, they don’t have to deposit anything, so all the payment process is automated and they’re able to save time in that area. There’s no counting or stamping or anything at the end of the day, so there’s some back office labor savings. And they don’t have any more rejected checks. So for those vendors that have to pay fees for rejected checks, those go away. So anything kind of related to check rejects and those types of things, that’s all eliminated.

Participants obviously like less stigma. Using a card, their activity in lane is more similar to other electronic tender types, so they’re not as easily identified. It does improve the ability for them to manage their benefits, as all benefits in a household will be combined into one account, which we’ll talk about in a minute. They’re able to have secure transactions because they will use a PIN or personal identification number to validate the transaction. If they lose their card, they haven’t necessarily lost their benefits. Benefits are sitting in an electronic account, not on the card. So if their card is lost, they can report it as lost or stolen or whatever the status is, and they’ll be able to get a new card linked to that account and access their benefits again. And the last item here is probably one of the best things for participants, is that they are now able to buy whichever items on their benefits that they want when they want to, so they’re not tied to buying certain foods that are on a check together. If they want to just buy a gallon of milk, they can just buy a gallon of milk. So it really improves their flexibility on when and how they want to use their benefits.

So in terms of issuance and how that works with eWIC, we like to compare and contrast to the paper system. Obviously, in paper we have a paper check that has information written on it that identifies the foods, the quantities, the dates, those types of things. And then we were reliant on the cashiers to validate that. And the checks are also issued to individual participants within a household, so as you know, each participant is going to have their own stack of checks for each month. So ineWIC, obviously we’re not printing anything anymore, so we’re going to have to take that information that’s on a check and make it into some kind of electronic coding system that a computer can understand. So we’ll talk about that in a minute. And then the other difference is that all the participants’ benefits are combined into one household account, and that’s another thing we’ll talk about in a later slide.

So I mentioned that the foods have to be represented in a way that a computer or cash register system can understand. So the way that’s done is that the foods are set up in a coding system that we call categories and subcategories. We start with a high level food like low fat/fat free milk, whole milk, cereal, beans, cheese, whole grains. Those are our high level. They’re kind of considered generic food types. And then within that, we have subcategories, which are more specific food types. Those would be, for example, within the beans category we would have peanut butter, dried beans, peas, canned beans. The low fat/fat free milk category, we’d have subcategories like 1%, skim, powdered milk, lactose free. So we go from the higher level to the more specific. And ultimately, what we’ll be dealing with is that more specific subcategory description.

And then associated with that are going to be units of measure. So gallon container, ounce, pound, dozen, can. These are all things, I mean the food types and these units of measure, they’re all things that you’re used to seeing on checks, but again, this is going to be turned into a coding system that you won’t have to know the codes, but we just want you to kind of understand that these are the components involved.

So from the USDA, we have a, this is a sample list of categories and subcategories. So here’s our categories here, just a few of them, not the whole list. So we’ve got cheese, eggs, cereal, legumes. This is our actual code that’s used in the system, this number here. Sorry, I’m not good with my highlighter. And you won’t have to know this, but just know that they’re using numbers in the background to represent that category. And the same thing here, here’s our subcategory. This is our description here, cheese, or a better example down here, our peanut butter and dry beans. These are our specifics and then here’s our codes that go with them. So again, the good thing is you won’t have to know these. We just like to point it out so you kind of understand what’s happening in the background.

Moving on. What you will see are things like this, which is, this is actually an example from a cash register receipt. This would be similar to something that might be printed from your WIC clinic system that would show a balance. So essentially this is a WIC balance that a participant would see when they do a balance and create a store, or on their last receipt. So we have, this is our description of the food item, here’s our unit of measure, and here’s our quantity. So ultimately, while this is called a balance, what it is, is actually a grouping of balances, because as you see, each food item has their own balance. So if I were to buy twelve ounces of WIC cereal, my balance would ultimately be updated to say 24 ounces of WIC cereal. This is also, we have a combined, we have multiple participants here. One reason I know this is because we have our standard WIC foods, and we also have infant formula right here. So that just kind of gives you an idea of how a balance might look to a participant, and how we’re using our food categories and subcategories.

One other area with the foods and some differences, or maybe not too much different, is fruit and vegetable benefits. So as you know, fruit and vegetable benefits are typically issued on a separate check, and they can be treated a little bit differently than the other benefits. So in eWIC, they actually just become another food category and subcategory. So we see them, ultimately see them in the balance with all the rest of the items. And then we have the value or unit of measure will be represented in dollars and cents. So the nice thing about the fruit and vegetable benefit is that now, if they don’t use the whole check, it’s kind of a use or lose situation. But in eWIC, if they only use part of the benefit, they’ll still have through the end of the month to use the rest of it. And also, if they go over, they can pay with cash or another tender type if they want to, which I believe is similar to how things operate in paper.

So I wanted to point out here that we’ve got, I’ve highlighted here the same receipt that I showed you before, and that has the fruit and vegetable benefit in there showing the $10.00. So as you can see, it’s just in there along with all the other benefits.

The other thing we talked about in terms of issuance is that benefits are going to be aggregated, which means combined together into, all the participants within a household will be combined together. I do want to mention that the one caveat to that is if there’s a foster child. Typically, foster children will be set up with their own account, and they would not be combined within the household, and there would be a separate card for them. So the, obviously when you’re able to combine the participants in the household, it is beneficial as far as managing benefits and for the head of household to be able to really have the one card that they can shop with and they’ll be able to manage the balance for the household.

One thing that this does change is that it does require that all participants in the household have the same last date to spend, so I’m sure, as you’re aware, when new participants come into a household, sometimes their dates don’t always line up in the paper environment. But in EBT, that end date will have to match any members that are already in the household. And this is done automatically by the system. Typically it involves prorating the first month of benefits for that participant that’s entering the household. So that’s just a slight change, but again, it’s an automated functionality that’s handled by your system. And I guess I want to point out, one of the reasons why it’s important that all benefits have the same last date to use is that because if you had participants, if you had benefits in an account that had different expiration dates, it would be very difficult to manage the balance or know what balance was on the card, because you’d have benefits expiring or being added to the account during various times during the month, and so it would just make tracking that balance very difficult.

So on the redemption side, this is the other area we want to talk about in this section, is again doing a compare and contrast of paper versus eWIC. As you know, in the paper environment, there’s a lot of manual processes in the checkout. Participants have to sign, the cashier needs to do a lot of validations, there’s a lot on their shoulders as far as insuring that the proper items are being purchased and that they’re being purchased during the right dates. And then on the back end, we have vendors doing manual processes to stamp and deposit their checks into the bank. So in eWIC, a lot of, most of that manual process goes away. Rather than signing, cardholders will enter a PIN. And I’ll point out here, because we get a lot of questions about this, whether or not ID is required or a signature. But it’s just like if you were using a debit card or even how an EBT card works for SNAP, the only thing that’s needed in order for the participant to use their card is that they enter a valid PIN. So there’s no additional ID or signatures required.

And we have, in terms of separation, as you know on paper typically the WIC items need to be separated from all other WIC items, and often need to be separated by individual check. In eWIC, that’s not necessarily required. There are many cash register systems that allow you to comingle your WIC items with other items that you’re purchasing. The only thing is that WIC is always the first card that you would use in that transaction. So the cashier really gets out of the business of identifying which items can be purchased. This is actually determined by the system based on a list of products provided by the state. We’ll talk about that in the next slide. And the, in terms of payment, everything’s automated, so there’s nothing that they have to do to trigger that. So it’s just something that happens in one to two business days.

Let me just step back real quick on the system determines which items can be purchased, that bullet there. One question we get often, too, is whether or not the cashier has the ability to override anything. And with eWIC, if a product is not on the list, and we’ll talk about that in a sec, there is no override functionality. The cashier is not able to override any products anymore.

So this list that I’m mentioning, we call it the approved products list. Basically it is a list of every item that is approved by the state WIC program, and it is the universal product codes, or UPC’s, those are the bar codes on products, or the price lookup code, those are the 5-digit, four to five digit codes that you see on produce, so the UPC’s and PLU’s for all items that can be purchased by Kansas WIC participants are included on this list. The UPC’s and PLU’s are associated with the categories and subcategories that we talked about earlier, so that they can be matched up with participants’ benefits. So for each retail system, each retailer that’s authorized by WIC, will have access to this APL. They will have to download it and have it in their system, and they will use that, their system will use the APL to process the transaction and verify that the items that are being purchased are WIC approved items. The APL is also used with the cardholder balance as part of the transaction. And we’ll talk about that when we talk about a retail transaction.

Alright. I know that’s a lot of information. Let’s see if anybody’s got any questions before we talk about eWIC in the store.

SANDI: Alright, so we just have a couple here, so remember to go over to the questions panel on that right hand side. And the first one was, how will they know what benefits they have used and what they have left?

ELLEN: OK. So they will have the option to access their balance in a number of ways. When they purchase food with their card, they’ll have a receipt, so that receipt should always indicate which items were purchased. And then there’s always a remaining balance printed at the end of the receipt. So if they keep their last receipt, they should always have their most recent balance. But we know that people don’t always hold onto their receipts, so there’s other ways to get their balance. There’s typically an automated phone line that they can call where they can have their balance read to them. There’s typically a web portal that they can access. We’re seeing some more innovative things with like smart phone apps and text messaging. So there’s a number of ways that they can get their balance. And they can always do a balance inquiry at the store, if they happen to be in the store and need their balance. So those are all the different ways.

SANDI: OK. How would people who have shared custody be issued a card?

ELLEN: You know, that typically comes down to state policy. The systems, most states choose to only allow one card issued per household, although an online system can allow for more than one cardholder. Though we’ve kind of seen where that card is shared, if there’s an issue where one of the parents is not willing to return that card, it could be, a new card is issued for the other parent, and that means the old card would be cancelled. So there’s some, it’s not a perfect world. The EBT system gives you some tools to manage it, but there’s still always going to be people involved, I guess, in those types of situations. But ultimately, there probably should be a policy established by the state agency that would have helped guide you in those situations.

SANDI: OK. And will benefits be prorated per client? Example, if a pregnant mom has checks that start on the 10th, she comes in today with a baby, will baby’s benefits be prorated until the 10th?

ELLEN: Yeah, I think that, so yes. Mom is in the household and she has active benefits, and those benefits expire on the 10th. And you’re adding an infant to the family, then that infant’s last date to spend would be set as the same as any other member in the household, which sounds like it would be the 10th. So then the benefits for the infant entering the family would be prorated. That’s the typical approach. I know that that functionality is still being designed in the system, so there may still be some decisions to be made in that area. But that’s what we typically see in most states.

SANDI: OK, thanks. And let’s see, we had another question about custody, so you already answered that one. If a child is being moved from the parents and put into foster, do the benefits get pulled from the previous card they were on?

ELLEN: Yeah. So that would be like a transfer. The way transfers typically work is that future benefits aren’t a problem, because they haven’t been used. So those can easily be voided from the, I guess, exiting household and moved into the new household or foster household. For current month benefits, and this applies to really anybody transferring out of a family into another one, most systems work by looking at the portion of benefits the participant had been originally issued. So if you do have participants in the family that have the same foods or are issued the same foods, the system will look at what’s remaining and compare that to what percentage they were issued originally. So, and this is not a valid example, but let’s say one participant got six gallons of milk originally and one got four gallons of milk originally, so that means one has 60 percent, one had 40 percent. That percentage or that portion would be applied to the participant as they were leaving the household. There’s a lot of calculations and stuff involved in it, and sometimes there’s some discretion from the clinic side, but that’s typically how it works.

SANDI: Alright. Let’s see. Will there be any names listed on the card, such as caregiver or alternate?

ELLEN: No. The cards are not personalized. They just have a card number on them. So we see, there is a signature panel on the back, so sometimes people write their names on it, or if they have more than, if they have foster kids or things like that they might write the participant’s name on it, but there’s no actual personalization of the cards because it’s just a basic, we call them an over the counter card. So you have them preprinted in your clinic and you don’t have, there’s no way to add any participant information to it.

SANDI: The questions are coming in fast, so we’ll probably get to a couple more and then we’ll start this next section. Is there a way for the remainder balance to be seen in Spanish? I’m assuming that’s the grocery store receipt.

ELLEN: We have not, it’s not part of the operating rules or requirements by USDA, so at this time there’s only one language that it’s provided in.

SANDI: How does the system know what item is the least expensive or cheapest with the milk, eggs and cheeses?

ELLEN: So the EBT system does not know that, but there are often the cash register systems do build that in. It’s still something that’s typically required by most states, so that is something that if it’s not built in in the cash register system, it’s something the cashiers will have to know. And then it’s handled through, the validation of that is handled through monitoring by the state.

SANDI: OK. When a customer goes through the checkout line and an item is not accepted, will they know right away, or at the end of the transaction?

ELLEN: It depends on the system, because some require that you enter your card, provide your card at the beginning, and some you don’t provide the card until the end. So it depends, and that is an area with the cash register systems that sometimes it can not always be easy to identify when that happens. We do, with those systems where you can buy more than, you can do WIC items and non-WIC items in one transaction, we recommend that participants at least initially, when they’re getting used to eWIC, continue to separate their items because it makes it easier in the end of the transaction to figure out if something wasn’t paid for by WIC. Once they’re more familiar, then it makes it easier to start introducing the non-WIC foods into the transaction. But there’s, the systems do show information, but they’re all very different and not every cashier knows how to troubleshoot when a WIC item isn’t purchased, or isn’t paid for by WIC.

SANDI: OK. We’ll do one more question that covers two of them. It’s about what happens if clients forget their PIN, will they be saved somewhere if the client doesn’t remember it? About what their PIN number is.

ELLEN: OK. So if they forget their PIN, there’s an automated phone line that they can call and they have to enter their card number and they’ll be asked for their date of birth and zip code, and they’ll be able to select a new PIN. But the PIN is not saved anywhere. Even when they enter it the first time, it’s not, it’s not like it’s saved in your system, it’s not, it’s always encrypted so nobody can ever actually read it. So it’s kind of, it’s all behind the scenes. But they are able to change it through the automated phone line and many states have a PIN selection device that’s used in the clinic that’s used for either selecting the PIN or changing the PIN. So there’s kind of two ways that they can do that.

SANDI: OK. We’ll stop the questions for now. If you want to move on to your next section, and we’ll catch up with them at the next break.

ELLEN: OK, great. Great questions, everybody. Thank you. Alright, we’re going to talk about eWIC in the store. First we’re going to talk about there’s two different ways that retailers can implement eWIC. They can either use their existing cash register system if it supports things like bar code scanning or already does other like electronic tenders like credit, debit or EBT. We find that that’s probably the best way for retailers to do it, because it makes training for their cashiers easier, it makes the tender type similar to other transactions in the store so everybody’s kind of used to the same process. The other way is using a stand aside point of sale device. This is typically used by stores that are not able to update their cash register system for eWIC, or it might be a store that has a very basic cash register system that’s kind of like basically an adding machine. And so this is a device that would sit next to their cash register, and they would scan items into it. When I mention with the card, entering the card at the beginning or at the end, typically with the integrated cash register system if you’re doing, if you’re in a store buying your groceries, you usually don’t swipe your debit card or your credit card til the end of the transaction, and that’s the same with eWIC. With the stand aside, the way it works, you actually will swipe your card and enter your PIN before the transaction starts. So in that one, it will beep at you if an item is not authorized.

One other point with the stand aside device is that it can work over dial-up or high speed internet, so the nice thing is if you do have, if there are stores out there that don’t have an internet connection, they can still use this device over dial-up.

So we’ve got three types of transactions. Balance inquiry, purchase transaction, and void and reversal. We’re going to really focus here on a purchase transaction, because that’s really the bulk of what happens out there. A balance inquiry is basically just obtaining the balance and printing it, and a void and reversal is cancelling out the last transaction that was done if there’s an error.

So the main aspects of aneWIC purchase transaction is, well, first we have a card and a PIN to authorize the transaction. The transaction is made up of two components. First is a balance inquiry in order to obtain the current balance from the card so it can be used as a part of the purchase transaction. And then the second part of the transaction is actually a purchase transaction. So the cash register system will use both the APL file, that’s the list of all the approved foods that have been identified by the state, and the current balance of the participant. And you use that to validate the items that the participant is trying to buy. So let’s walk through step by step on what happens in the transaction.

So as I mentioned, we can swipe the card at the beginning of the transaction or maybe sometime later. Again, some of these other steps, depending on the cash register system, might happen in a different order. So we’re going to start with swiping our card, or again, that may happen later. We’re going to enter a PIN. The cash register system is going to send the card and PIN information to the EBT system, where it will validate the card and the PIN and obtain the cardholder balance and send that back to the cash register. Once the balance is obtained, the food items that have been or are being scanned will be compared first to the approved product list, so it’ll do a check. You’ll scan the item and it will look for that UPC on the approved products list, and if it’s on the approved products list then it goes to the next phase. If it’s not on the approved products list, then it will not be paid for by WIC.

So if it’s on the approved products list, the next step is to compare it to the cardholder balance that was downloaded. And that item, that UPC is associated with categories and subcategories, so the cash register system is going to compare those categories and subcategories for that UPC with the ones that have been issued to the participant and are in their balance. If those match, then the next thing it’s going to look for is to see if there’s enough quantity in the balance to purchase that item. So there’s kind of three steps there.

Assuming that there’s items that have been identified that can be purchased, then the cash register system will capture the price for each item, and then any discounts, coupons, loyalty savings, any of that kind of stuff, and it’ll bundle up all that information. It will send all the items and the prices, discounts, to the EBT system, which will then reprocess it just for verification purposes and approve the transaction. When that approval happens, the household balance will be updated, removing, deducting any of the quantity of the items that were purchased. Another thing that happens, and this is something that really happens in the background, it’s not something that a cashier or customer will ultimately see, is that the item prices that were submitted in the transaction are going to be compared to the state’s not to exceed amounts for those items. So in eWIC, we have not to exceed amounts at the item level. Right now in the paper world we have themset up for each check type. So if there is an item that exceeds the not to exceed, then the payment for that transaction will be reduced. So, for example, if an item is submitted for $4.00 but the not to exceed amount was actually. $3.95, the retailer will only be paid for $3.95. So there’ll be, the total amount for that transaction will be reduced by five cents. Again, this happens in the back end, and there’s data that comes back in the transaction that the retail system will be able to use to help the retailer in the reconciliation process. But [inaudible 0:39:55.1] have to deal with. It’s just a back end process.

So once the EBT system does all [inaudible 0:40:06.5] [0:40:10.8] that will have data regarding the items that were purchased, the prices, the payment amount and the final balance or the updated balance for that cardholder. And then that balance will be printed on the receipt. So I’ve got a couple examples of some receipts to show you. Here’s our first one on the left hand side. This is a balance from one of those stand aside devices that I had mentioned earlier in this section. So the important things that show here, these are the items that were purchased. So we’ve got some oatmeal, some tuna and some 1 percent milk. At the end of the transaction, or the end of the receipt we have our remaining balance. So that’s what the participants can see and important to note it has the last date to spend. So that should be very clear on the receipt.

On the right side, we have a receipt from an integrated cash register system. I’ve cut off the top of it because it was pretty long, but this middle part here, these are just the items that were purchased. The interesting thing about this receipt is that it has actually a beginning balance. This is really helpful when there’s troubleshooting that needs to happen, so it’s really clear they had a balance. Here’s what your balance was before we started the transaction, here’s your balance at the end. The other thing it does is it has this section here that identifies the actual items that were purchased with WIC. In this case, it was a couple fruit and vegetable items, and then here is our remaining balance here at the end. So you see we started out with, let’s see, $8.92 in fruits and vegetables, and end up with $1.94 in fruits and vegetables. And this one, you can see it was already highlighted, our benefits expire at midnight on March 8th. So as you can see, the balance always has the last date to spend.

I think that’s the end of this section. So Sandi, if we’ve got some more questions?

SANDI: I do. Let’s see. If someone switches from breast feeding to post-partum, how will the card reflect the difference?

ELLEN: I guess, I would imagine that you would, it depends on their food package change. So that would, if it’s something that changes in the middle, if you need to add benefits or remove benefits, I mean that’s done through the system, so it would either, it would update the account with the appropriate benefits that would be required for that participant type.

SANDI: Alright. And how would formula changes be handled?

ELLEN: So what would happen, and what the recommendation is, when they’re issued formula, especially if it’s one they’ve never tried before, is that, they buy the smallest quantity that they can so that they can give it a shot and see how it works. We have seen in states where if there’s an issue with the formula, the participant can contact the clinic and they can make that change remotely without the participant even coming into the clinic. So if they were issued seven cans, they bought one, they have six left, their benefits can be updated to remove the formula that didn’t work and they can add a new formula for them to try. So it depends on state policy, but we see that happen over the phone without the participant having to come in. And some states still like to see the participant in person. But it’s something that you don’t have to have them, I mean hopefully they don’t go out and buy all the cans and then they have to bring those in. But if they just buy one, then it makes it a lot easier for you to make that change. The other thing a state told me that they were really looking forward to was they have, they often have participants that are unsure about breast feeding, and sometimes they’ll go ahead and issue them formula, and they were thinking that one of the nice things about EBT is that they could let them go home without issuing formula, but if for some reason something happens and they felt like the breast feeding wasn’t working out for them, they could give them a call and they could add it later. And they thought that might actually help with the breast feeding promotion.

SANDI: Excellent. Without using an ID, the fraud with eWIC would go up. Are people more likely to sell their cards?

ELLEN: Well, there’s nothing on the card that identifies them, it’s not personalized, so there would be nothing to compare the card, the person with the card to. I don’t know that it’s any worse than people selling their benefits. I don’t know. I mean, I guess the thing is there’s always going to be fraud. And the nice thing about eWIC is that you are able to identify fraud patterns through the data, so it makes it a lot easier to track. And there are states that have been up and running for a while now that are looking at those patterns and using them to do reporting. And it’s, like with anything, I worked with the SNAP program when it first rolled out, and I think there was a lot of thought that it would help with fraud, but everybody kind of learns a new system and how to use the system to work out whatever fraudulent activity they want to do. So the nice thing, again, is that you have a lot of data. The state will be able to look at reports and look at patterns. Typically with eWIC we don’t see a lot of the selling of cards like you do with SNAP. The type of fraud we see is between a participant and a retailer, where the retailer will scan authorized items and then give the participant 50 cents on the dollar, type of thing. But again, that’s something that can be identified through data patterns.

SANDI: OK. And when vendors only have the self-checkout early in the morning or late at night, can WIC participants purchase non-specific items, for example higher fat milk instead of low fat milk? Or are they only able to go to a register ran by a vendor employee?

ELLEN: You know, we’re seeing different states having different policies on that. I know some states do allow self-checkout, while others do not. And I think that might come down to the example you provided about least cost. So again, that would be a policy decision on the state, whether or not self-checkout will be used. We have seen it used in Kentucky and Michigan, but I think Kentucky ultimately moved toward not using them. I’m not sure exactly what their reasoning was behind that.

SANDI: What happens if a vendor buys from a local farmer, things like cantaloupe or watermelon? Can a grocery store get a code for the items, a PLU?

ELLEN: Can you repeat that one?

SANDI: Yeah. She says what happens if a vendor buys from a local farmer, things like cantaloupe or watermelon. Can the grocery store get a code for that item? I think she’s talking about the PLU.

ELLEN: Yeah. So if they have something that doesn’t have a code on it, they’ll just have to map it or there’s a generic WIC code that they can use. But there’ll always be something that they can enter.

SANDI: OK. On the not to exceed amounts, if they go over, will clients have to pay the difference, or does the store just eat the difference?

ELLEN: It’s the store’s responsibility. The client will never see it. And it’ll be the store’s responsibility, so yeah, they eat it.

SANDI: OK. A child is certified for a year. If they miss nutrition ed administered appointments, will they still be eligible for benefits?

ELLEN:I guess that comes down to state policy. Typically that doesn’t change with eWIC. So however you all handle it now. We do see where some states have online nutrition ed and they’ll be able to issue the benefits remotely in those cases.

SANDI: And we have that option as well. OK. This one goes back to the receipts that you had shown. On the receipts that left $1.98, even though there was a $14.00 watermelon that was unpaid for.

ELLEN: Yeah. That’s not the best example, I tried to gloss over that. It’s a little confusing. There were some things that were voided. So I would ignore that part of it.

SANDI: OK.

ELLEN: I had to buy a $14 watermelon and then they didn’t have enough benefits for it, so that was removed from the transaction. So I need to find a better example, but I like that one because it has the starting balance on it. It just doesn’t have a good upstairs part there.

SANDI: But if that transaction was real, if that watermelon was on there, it would take all their fruit and vegetable dollars and then the client would be responsible for paying the overage.

ELLEN: Yeah, exactly.

SANDI: OK. Let’s see. Coupons used to be taxed, so use was not encouraged by local staff. The client had to pay the tax. Will this change with eWIC?

ELLEN: Ooh, I don’t know. I haven’t seen that in another state, and every state has its different taxing requirements. So I guess, Sandi, that’s probably something that maybe just put on a list that we’ll need to think about with vendor integration and how that would work, because that really, that’s one of those, coupons and taxes are interesting nuances there with every state.

SANDI: OK, I will put it down. How quick is a transaction reflected in the WIC system?

ELLEN: It’s immediate. As soon as it happens, as soon as it’s approved, the balance is updated and the transaction is logged in the system. So you can see it, folks that are monitoring the system can just see them roll in as they’re happening.

SANDI: Alright. Will the State be able to see if the participant is continually not buying the least expensive brand?

ELLEN: You know, I don’t, eWIC’s not going to give them that information unless they’re comparing it to what everybody else is buying in the store. Again, that’s probably going to come down to monitoring to make sure that they’re buying the right items, or allowing the right items to be purchased.

SANDI: OK, I believe, let me run through them real quick. Will all items purchased by on, I’m assuming that means receipts. Will all items purchased by on the receipt?

ELLEN: Yeah. And it just depends on the receipt, how it’s displayed. That one I showed you, this one on the right, that actually has a section that shows you the items that were purchased with eWIC. But they don’t all have that. And this other one on the left has, those are only going to be WIC items because it’s the stand beside. It doesn’t do a mixed basket. So in some way or fashion, it will identify items that were purchased with eWIC.

SANDI: OK. And I’ll just ask a question, too. So the differences in the receipts, what information is on them, is up to the grocery stores and the cash register system?

ELLEN: There are the standards for the operating rules for eWIC, identify what elements have to be on the receipt. But not how it, where and how it’s on there. So each cash register system kind of has its own format for a receipt, and then they, when they upgrade to eWIC, they kind of work in those eWIC requirements into it. That’s why they might look a little bit different.

SANDI: OK, thank you. And then one more question, and I’ve got two of them that are pretty much the same thing. If clinics are able to issue one month of benefits at a time, or are benefits automatically added to the card even if appointments are missed? So it’s kind of, so we issue three months’ worth of benefits now. Will that change any in eWIC?

ELLEN: No. So you would issue your three months of benefits. The benefits that are for the current period, or the first month, those would become available on whatever the effective date is. There would be future benefits that have their first date to spend and last date to spend dates on them. So the system uses those dates to make those benefits available once that date’s reached, and then they’ll expire once the last date to spend it reached.

SANDI: OK. And that’s the end of our questions for this section. And it looks like we’re at 9:56, so we’re going to go a little bit over. But I think you’ve got one or two left here?

ELLEN: Yeah, I’ve got one major section, and the others just kind of those quick, what we’re doing planning-wise. But I think the clinic one’s important.

SANDI: OK. Let’s go forward. Thank you.

ELLEN: Alright. So we’ve got, in the clinic, I like to explain kind of how a WIC account is set up. A WIC account is something that is linked to a household ID, so if you think about your system, you’ve got records for a family that are linked to a family or household ID, and that’s kind of your grouping. On the EBT side, we have an account and an account ID, and that will be directly linked with a household ID. So for every household ID, we will have an account. So when benefits are issued, they’re going to be issued to this account that’s linked to the household ID. And we’re also going to have cards associated with the account. But as you can see from my diagram here, the cards aren’t really linked together. They are each, cards are associated with the account and benefits are associated with the account. You access your benefits with your card associated with your account, but if I lose my benefits, I’m sorry, if I lose my card, my benefits are still linked to my account. I just wanted to explain that concept, that the benefits and the account, benefits and the cards are sort of separate records or items that are associated with an account.

So account setup, the good thing about this, as far as clinic staff are concerned, this happens in the background. This is something that your WIC information system is going to do. At some point when you’re working with a new household, and it will be set up, it could be set up at the time benefits are issued or at the time a card is issued. The one thing is that in order for benefits or cards to be issued, you have to have an account. So again, this is something that’s going to happen at some point in the appointment, but you won’t have to worry about it happening. And again, if there are any updates to the account, maybe it’s a status change or a zip code change or something like that, that all happens, again, automatically in the background. You don’t have to do anything to initiate it.

Benefit issuance is something that can occur at any time once a food package is assigned. So when we talk about benefit issuance and eWIC, it’s essentially transmitting a message to the EBT system to add the benefits associated with this household to an account. So once that message has gone through and the benefits are added, then the benefit issuance is completed. It’s a process that is sometimes linked with food package assignment. Once you’ve assigned all your food packages to your participants and households, you might hit a button that says “issue benefits.” It depends on how the system is set up. Typically what you see on your screens, though, as far as your MIS, is you don’t see a lot of changes in anything really up until food, through food package assignment. All of that should look the same. It’s where you get to the point where you would normally hit a button that says “print your checks,” that’s when you would typically, this benefit message would be created and sent to the EBT system.

So in thinking about clinics, though, a lot of it’s going to depend on how the MIS gets designed, but typically there’s some flexibility. Benefits can either be issued when they’re assigned or maybe wait and the benefits, the food package is assigned but then you wait and issue the benefits as the same time the card’s issued. Or all three things happen at the same time, depending on the staff that supports, how your clinic is supported and how your work flow goes.

Benefit changes, such as voids or food package changes, obviously they’re made in the MIS. That can be done, like we said, remotely or with the participant in front of you. And the update is immediate. It’s effective immediately once you initiate it.

Card issuance, again, like benefits issuance, can’t happen until you have an account set up. But that would, normally your MIS is going to have that done before you want to issue a card. In terms of when it happens, what we see is a lot of clinics, when they move to EBT, will put the card issuance process in the same workplace in the work flow as where they had printed checks. So we’ve seen clinics where you have one staff person that might work with a client to find a food package and issue benefits, and that might be the person that printed checks. They might have had a printer right there in their office, so real close to go grab them and bring them to the participant. In most cases, we typically see that person as issuing the card. In others, we’ve seen clinics that might have like a checkout at the end, where they work with a front desk clerk to set their next appointment. That might be the person that normally handed them checks. That’s typically the person that is the card issuer. But it’s just something, those are just two examples, it’s just something to think about when you think about the EBT changes.

In terms of equipment, there’s typically going to be a magnetic stripe card reader that you’re able to swipe the card through so that you can, it can read the card number so you don’t have to key enter it, which is a really great thing. And, let’s see, see if I missed anything else on here. Nope, I think I hit on all those.

We’ll talk about card maintenance, too. So card maintenance is anything like changing a status on a card or replacing cards. So typically there’s some kind of customer service line that participants can call if they’ve lost or had their card stolen, so they’re able to deactivate the card. Not all states have that functionality. Some rely on the clinic to support this activity. So you’ll need to, if that’s something that will be done in Kansas’ clinics, have to think about how that would work into your workflow in terms of [inaudible 1:02:04.2] if participants will come in to get cards replaced, things like that. Card replacement is usually something that is not, if somebody comes in for card replacement, they will really only be in the office to do that activity. So they will, they’re not going to be doing anything else, so a lot of clinics look at ways to try to streamline that process, have maybe the ability to replace a card at the front desk if there is a front desk, some things to think about. So this is just something to think about, again, I’m kind of throwing these things out there as some workflow items. You don’t have to make any decisions about it now, and obviously there’ll be decisions made about the system and what functionality there will be that may impact how these things are done.

PIN selection, typically there’s a PIN selection device that is connected to your WIC clinic system, and that’s how a PIN would be selected initially. But there are also options for the participant to select their PIN over a phone line, automated phone system. PIN changes, again, can be done in the same way. And if there’s a cardholder portal, they can typically change their PIN through the cardholder portal. But they usually can’t select it through the portal the first time.

In the clinic, sometimes there can be some troubleshooting activities that staff may help participants with. That’s things like printing balances or looking up transaction information, if they have a question like I didn’t really think I spent all my benefits, and you can look in the system and see the transactions and see, oh yeah, you went shopping two days ago and you bought these ten items. Simple troubleshooting like that that can be done. As I mentioned earlier, there are a number of ways for cardholders to get their balance, so they don’t necessarily have to rely on the clinic for that information. And again, if there’s a live customer service option, they might be able to provide some additional information to the participant.

I just wanted to mention some card problems that we see that clinic staff might be involved in troubleshooting. There’s typically a way for clinic staff to see if a card is locked or has been deactivated. So sometimes a participant will have an old card and they think it’s still good, and you can do a query on the card and see that it might have been deactivated. Sometimes participants will lock their PIN if they enter it incorrectly four times. So they will, the clinic staff will be able to see that that card was locked. Sometimes we see clinic staff having the ability to unlock a card, but that’s not been a standard practice. The PIN is unlocked at midnight in most systems, so what we see is, there’s a recommendation that the participant change their PIN so that when it does become unlocked at midnight they’re able to use it.

Alright, Sandi. More questions?

SANDI: Well, we do have a couple more. Are there limits to how many times a card can be reissued? Are there any penalties if the card is reissued too many times?

ELLEN: That’s going to be a state policy. It’s, in terms of penalties, I know on the SNAP side we have seen where they’ve been charged for a new card. We haven’t seen that really help in lowering replacement rates. Things like requiring them to sit through a video or attend training or maybe wait a couple days before they can get a card issued, those types of things are more effective. It’ll come down to state policy how that’ll be handled. But there will be reporting on it, so that individuals that are frequent replacers can be identified.

SANDI: OK. After a client has been certified the first time, will the local agency print off and give the client a list of the food package that’s on the card?

ELLEN: It depends on the system. A lot of systems we see will have, will print out a sheet that has the combined balance for the household so that they have something, we call that the shopping list, something they can put in their purse and have when they go shopping in the beginning of the month. But we also see another not really report, but something printed that will identify food packages by participant, so that a nutritionist can point out the specific food items and work with the participants on those, what they have been issued specifically.

SANDI: Right now, we can issue one month of checks at a time or three months. Are you saying that benefits can only be issued based on a certification period, and the only way to change the number of months is to void benefits and then issue more benefits after one month or three months?

ELLEN:I don’t think I’m saying that.

SANDI: I don’t think you are either.

ELLEN: No, you would be able to issue whatever, however you issue them now, in terms of one month, two months, three months, whatever that frequency is. That wouldn’t change.

SANDI: OK. When most cards are locked, can that be an issue due to custody issues, and how would it be handled?

ELLEN:So there’s a difference between locked and deactivated. I don’t know the reasons why, if there’s a frequent issue with deactivation, I could see a situation with custody where somebody called customer service and asked for the card to be deactivated. But I don’t know that we have any kind of data on how frequently that occurs. The locking is if you enter the PIN incorrectly too many times. So yeah, I mean you would have to, obviously people that are in a custody situation probably know each other’s information, so it might be easy for them to call and deactivate a card. But again, I don’t know that we have, I know anecdotally it can happen, but I’m not sure that it’s a frequent occurrence.

SANDI: OK, and that’s all the questions I have right now. So if you want to move forward.

ELLEN: Alright. This will be real quick. Preparing for eWIC. Right now we’re in the middle of the planning process with Kansas, New Hampshire and the Intertribal Council of Arizona. We are looking at cost of the current paper environment, comparing that to the cost for eWIC. Looking at the information system and seeing what updates might be needed. Looking at different procurement options, developing the federal documentation and identifying the requirements for aneWIC process or service provider.

The planning phase, we actually started, I think, in February, and we’re planning to wrap up in February 2016. And ultimately, the planning process is what will determine the implementation schedule. So right now we’re just kind of, it’s going to happen, we don’t have specific dates yet. It’ll happen before 2020, because we’re going to meet the mandate. And then after the planning’s completed, the next steps are to hire a WIC service provider, and then prepare for implementation. That preparation phase involves working with clinics and retailers and the state to get everybody ready to start a pilot. There will be a three-month pilot, and then following that the state will roll out in three to four months at the most.

MIS updates, those are things that will prepare the system to support eWIC. There’s actually been some work done by Sequest to prepare the system for eWIC already. The main areas where there will be changes are obviously benefit issuance, adding card issuance and replacement, ability to get the current balance, a number of other things. But they’ll all be around, obviously the EBT functionality. And as I mentioned, what we do see in MIS updates is not a major overhaul, pretty much everything is the same up to the point where you would normally say “print checks,” and often we see whatever screen that is located, there might be some slight modifications for EBT. But otherwise, you typically don’t see a lot of major changes from a workflow or usage standpoint.

So preparation activities, and these are specific to the clinic, most states will have some kind of eWIC planning committee, and we’ll ask for input from local agencies. The clinics will want to look at current issuance processes and think about how eWIC functions or the eWIC processes will fit into those, or whether or not there might need to be some workflow changes. Looking at location and the installation of the PIN pads and card readers and what work stations might need those. There’ll be training. Training will be needed on changes to the MIS, how to use a PIN selection device, any new policies, procedures, any kind of troubleshooting that using the EBT data that’s available, and then training on how to train participants.

Alright. So I know we kind of rushed through the last couple slides a little bit. Are there any other questions before we wrap up?

SANDI: Let’s see. I have one question. How many other states piloted the program by county or certain stores?

ELLEN: Usually the way the pilot’s set up is it’s sort of a location that is, typically it’s kind of, we like to say self-contained, where you have most folks shopping in the same area or the same, that region. You don’t have a lot of cross-border shopping. I know in Kentucky they had two counties that they brought up, and then it was just the stores within them. So it’s based on, it’s usually just based on kind of a generalized location, and typically there’s one or two local agencies associated with that location, and then whatever vendors support that area would be included.

SANDI: OK. Here’s a comment. It would be nice to be able to split benefits for parents who have shared custody so each could get half.

ELLEN: Hm. I’m sure it’s possible. It’s probably something that your MIS would have to handle. The EBT system could totally handle it. But, and I don’t know how that works policy-wise. I can’t, technically it’s feasible. So it’s something that the state would have to determine.

SANDI: OK. Well, I don’t have any other questions. You’ve answered them all. So thank you very much, Ellen, and everyone for participating. It was a good call.

ELLEN: Yes. Thank you, everybody. Like I said, this is really a great thing. There’s definitely some changes and some small challenges involved, but in the end it’s going to be great and we find that every state that’s implemented eWIC is really happy with it and would never want to go back to paper.

SANDI: And we will post this recording and all the questions and answers from this call and the first one that was held last week, and it’ll be up on the website probably within the next couple weeks. We’ll send an email or it might be in the July i-memo when that’s going to be available online. So thank you everyone and have a great day, and thank you, Ellen.

ELLEN: Alright, thanks a lot. Bye.

[Audio Ends]