

eWIC: FROM THE VENDOR PERSPECTIVE

Presentation to WIC Authorized Vendors

Introduction

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□ About MAXIMUS

- ▣ Provides eWIC planning and technical assistance
- ▣ More than 15 years experience with eWIC
- ▣ Provided planning support to more than 30 WIC State Agencies



□ MAXIMUS' role in the transition to eWIC

- ▣ Assisting the Multi-State Consortium (MSC) – ITCA, Kansas and New Hampshire – in planning for eWIC
- ▣ Developing required documentation for USDA and eWIC procurement
- ▣ Providing technical assistance as needed

Purpose of this Presentation

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- eWIC is coming, there is a mandate that all WIC State Agencies convert to eWIC issuance by 2020
- This presentation provides high level information about how eWIC works and how it may impact you when it is implemented
- Similar information is being provided to all MSC member stakeholders (state staff, local staff and vendors)
- Please note:
 - There may differences between the MSC State Agencies when they implement eWIC
 - State Agencies have not made all decisions at this time
 - This is intended to be a high-level overview, and not the final word of exactly how states will implement

Overview

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- eWIC Basics
- eWIC Transactions
- eWIC and Retail Systems
- Next Steps

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eWIC Basics

eWIC History

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□ eWIC Timeline

- 1995: First smartcard eWIC pilot (Wyoming)
- 2002: First statewide smartcard eWIC system (Wyoming)
- 2004-09: Texas and New Mexico rollout smartcard eWIC systems
- 2005: Michigan and Washington implement online eWIC pilots
- 2009: Michigan, first statewide online WIC EBT system
- 2010: Healthy Hunger Free Kids Act mandates eWIC by 2020

□ Currently 15 States with eWIC:

- Online: Chickasaw, FL, KY, MA, MI, NV, VA, WI, WV
- Smartcard: Cherokee, Isleta, NM, OH, TX, WY

Benefits of eWIC: Vendors

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- Checkout processes more efficient because vouchers no longer have to be signed and completed with date and purchase amount
- Less error prone, because things like effective dates and benefit amounts are validated by the system, and not cashiers at the time of transaction
- Easier and faster to receive payment since vendors are paid within two business days through an automated clearinghouse (ACH) deposit
- Invoices no longer need to be submitted to the State office
- Vendors experience labor savings, since it is no longer necessary to count and process vouchers
- Issues related to unsigned vouchers are eliminated

Benefits of eWIC: Participants

- Less stigma than paper benefits because the card is similar to a debit or SNAP card transaction
- Improves ability to manage benefits, such as family member's benefits having synchronized dates
- More secure because the card requires a PIN to complete transactions
- If lost or stolen, the card can be disabled through a call to customer service, and a new card reissued to the client without a loss of benefits
- Improved shopping experience; participants can buy the quantities they need, rather than having to use the whole voucher at once

Benefits of eWIC: WIC Staff

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- Improves accuracy and efficiency
- Increased ease modifying benefits for children who enter foster care
- Removes requirement to purchase materials related to printing paper vouchers/vouchers
- Reduces staff time needed for paper voucher issuance-related activities, such as printing, and voiding unused benefits
- Makes it easier to report and account for benefits
- More data available for reporting (specific food items purchased, food item costs, when and how benefits have been used)
- Redemption data is available more quickly

Paper vs. eWIC: Issuance

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Paper System

- Food items are printed on a paper voucher, and verified by a cashier at the time of purchase.
- Vouchers are issued to each participant within a household.



eWIC: From the Vendor Perspective

eWIC

- Food items are represented in an account, using food categories and total amount available for each food category.
- Participant benefits are combined into one household account.



Food Categorization

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- Foods are represented by codes for:
 - Category (Cat)
 - Subcategory (Subcat)

- Cat is the high level food group, examples:
 - Low Fat/Fat Free Milk
 - Legumes (Beans)

- Subcat is the specific food within a the Cat group, examples:
 - Skim milk; powdered milk; lactose free milk
 - Peanut butter; dry beans/peas; canned beans

Food Categorization

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- In addition, each subcat is associated with a Unit of Measure (UOM):
 - ▣ Gallon (GAL)
 - ▣ Container (CTR)
 - ▣ Ounce (OZ)
 - ▣ Pound (LB)
 - ▣ Dozen (DOZ)
 - ▣ Can (CAN)
 - ▣ Etc.



Food Categorization

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<u>Food Item</u>	<u>Cat</u>	<u>Subcat</u>	<u>Description</u>	<u>Unit of Measure</u>
Cheese	02	000	Cheese all types	Pound
		001	Cheese	Pound
		002	Reduced Fat Cheese	Pound
		003	Low Sodium Cheese	Pound
		004	Tofu	Pound
Eggs	03	000	Eggs all types	Dozen
		001	Fresh eggs in Dozen Cartons	Dozen
Cereal	05	000	Cereal all types	Ounce
		001	Cereal - hot and cold	Ounce
Legumes/ Beans	06	000	Legumes/Beans all types	Cont
		001	Peanut Butter 18 oz	Cont
		002	Dry or Can Beans/Peas 16 oz	Cont
		003	Canned Beans (4 cans = 1 Container)	Cont

This example is from the National Food Category / Subcategory List. Specific offerings/sizes may vary from state to state.

Benefit Balance

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- A WIC benefit balance is a combination of subcategory level balances. For example:
 - 1 DOZ Eggs
 - 36 OZ Cereal
 - 1 CTR Peanut butter; dry beans/peas; 4 cans of beans
 - 16 OZ Whole wheat bread or whole grains
 - 5.5 GAL Low fat / fat free milk
 - 3 CTR Juice, 48 Oz
 - 10 \$\$\$ Fruits and Vegetables

Benefit Aggregation

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- Benefits for participants within a household are aggregated (combined) into a single household account.
- The benefits of all participants in the household can be accessed from one card.
- Families experience the ability to better manage their benefits.
- Requires that all benefits issued in a household/family have the same last date to use.
 - Some states accomplish this through a system that automatically prorates benefits.

Fruit & Vegetable Benefits

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- New Terminology: Fruit & Vegetable Check (FVC) in eWIC called Fruit & Vegetable Benefits (FVB)
- FVBs are not treated as different, but as a Food Category
- Value represented in dollars and cents
- If participant does not spend all FVB in one shopping trip, remaining benefits will be available through the end of the issuance period

WIC Paper vs. eWIC: Redemption

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Paper WIC Redemption

- ❑ Participants must complete voucher by writing purchase date, amount, and signing
- ❑ WIC items must be separated at checkout
- ❑ Cashier must:
 - Know what items in the store are WIC authorized
 - Determine if items are WIC authorized and can be purchased with the voucher
 - Check valid use dates
- ❑ Vendor must stamp vouchers, and submit to the State Agency

eWIC Redemption

- ❑ Cardholder must enter a PIN
- ❑ WIC item separation not necessarily required
- ❑ The system determines which items can be purchased based on the UPC(s) scanned
- ❑ System determines daily settlement amount, vendor paid in 1 – 2 business days



UPCs, PLUs and APLs

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- A list of all State Agency approved WIC items is maintained and distributed to retail systems in the Approved Product List (APL) file.
- Retail systems download the APL everyday to process new or updated items.
- The APL is used as part of the transaction process to identify WIC vs. non-WIC items.
- Universal Product Codes (UPCs) and Price Look Up (PLU) codes that are provided in the APL are used to identify State Agency WIC approved items in the store for a particular state agency.

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eWIC Transactions

Differences between EBT and eWIC

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- A WIC redemption is unlike any other tender type, including SNAP, being processed in the checkout lane
- SNAP/cash EBT is based on a dollar quantity of benefit deducted
- eWIC is based on redeeming food quantities by specific food subcategory
 - ▣ Because the transaction involves balances of multiple food subcategories it requires more data to be processed as part of the transaction

Comparing an eWIC Transaction to SNAP

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SNAP EBT Transaction Steps

1. Capture the PAN and PIN
2. Record the purchase amount
3. Receive a purchase approval from host
4. Print a receipt
5. Receive settlement next day

eWIC Transaction Steps

1. Card is swiped and cardholder enters their PIN
2. System validates the card, PIN and vendor
3. Balance obtained
4. Each food item is compared to APL that has been downloaded to the retail system to determine if it is an allowable WIC item
5. Each food item is then compared to cardholder balance obtained at the start of the transaction to determine if there is sufficient balance to purchase
6. Store price captured for each food item
7. Discounts such as coupons, loyalty cards or other specials are captured
8. Purchase transaction message sent to eWIC system
9. The eWIC system approves/denies the transaction.

Types of Transactions

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- Balance Inquiry
- Purchase Transaction
- (with Pre-purchase Balance Inquiry)
- Void/Reversal

Key Aspects of a eWIC Transaction

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- The cardholder uses a PIN to authorize balance inquiry and purchase transactions.
- The retail front end system uses the APL to validate scanned items to determine if they are WIC authorized.
- A purchase transaction is a combination of two transactions: pre-purchase balance inquiry and purchase.
- The current balance is downloaded as part of the pre-purchase balance inquiry transaction before a purchase transaction can occur; this information is used by the retail system to validate that the cardholder is eligible to purchase a scanned item.

Transaction Overview: 1 of 3

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- Card is swiped and cardholder enters their PIN
- System validates the card, PIN and vendor
- Balance obtained
- Each food item is compared to APL that has been downloaded to the retail system to determine if it is an allowable WIC item
- Each food item is then compared to cardholder balance obtained at the start of the transaction to determine if there is sufficient balance to purchase
- Store price captured for each food item

Transaction Overview: 2 of 3

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- Discounts such as coupons, loyalty cards or other specials are captured
- Purchase transaction message sent to eWIC system
- The eWIC system approves/denies the transaction
 - ▣ If the transaction is approved:
 - The household's account balance is reduced by the amounts (qty) of each item being purchased, and
 - For items with a price exceeding the NTE, paid amount for that item is reduced
 - Paid amount for the transaction calculated

Transaction Overview: 3 of 3

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- A receipt showing purchase details and the new food balance is printed
- Last date to spend is also printed on the receipt
- Transaction denials
 - Common reasons are bad card or PIN
 - If the transaction is denied, a response message is sent to the vendor system with a reason

GATEWAY TEST STORE 05
 500 S TEST AVENUE
 TEST CITY, WI 40511

STORE ID: W10005
 TERMINAL ID: W10005001
 CLERK ID: 999
 DATE & TIME: 12/11/2014 10:40 AM
 SEQUENCE NUMBER: 229
 CARD: *****0982
 AUTH CODE: 005578

WIC PURCHASE

QTY	UNITS	DESCRIPTION	PRICE
11.80	OZ	Quaker Instant Oatmeal	
		1.00 @ \$2.00	2.00
5.00	OZ	Chunk Light Tuna in Wat	
		1.00 @ \$2.99	2.99
1.00	GAL	1% Milk	
		1.00 @ \$4.99	4.99

TOTAL ITEMS SOLD = 3

PURCHASE SUBTOTAL	9.98
DISCOUNTS APPLIED	0.00
APPROVED PURCHASE TOTAL	8.99

BALANCE DUE - \$0.00

BENEFITS EXPIRE ON 12-31-2014

QTY	UNITS	DESCRIPTION
1.00	LB	Cheese
0.00	DOZ	Dozen Eggs
0.40	OZ	WIC Cereal
1.00	CTR	Peanut Butter
0.75	CTR	Mature Canned/Dried Bean
10.25	OZ	Canned Fish
16.00	OZ	WW Bread or Whole Grains
5.00	GAL	Milk, 1%/Skim, Gallon
1.00	CTR	Juice, Frozen or 48 oz
8.00	\$\$\$	Fruits and Vegetables

**** CARDHOLDER COPY ****

CANTALOUPE 2.99 F
 DOLE PINEAPL 3.99 F
 WATERMELON WHOLE 14.49 F
 ITEM SUBTRACTED
 WATERMELON WHOLE -14.49 F

BALANCE DUE 21.47
 EWIC 8.92

[S] *****7608
 Auth # 124168 Ref # 128442
 TENDER SUBTRACTED
 EWIC -8.92
 [K] *****7608
 Auth # 146451 Ref # 128443

BALANCE DUE 6.98
 EWIC 6.98

[S] *****7608
 Auth # 124171 Ref # 128445
 CHANGE 0.00

Total number of items sold = 2

ewic Beginning Balance

PAN: *****7608 State: WI

QTY	UOM	Description
1.00	DOZ	Dozen Eggs
36.00	OZ	WIC Cereal
1.00	CTR	Mature Canned/Dried Bean
1.00	CTR	Peanut Butter
16.00	OZ	WW Bread or Whole Grains
8.92	\$\$\$	Fruits and Vegetables
9.00	CTR	12.7 oz GS Gentle - Pwd
1.00	HGAL	Milk, 1%/Skim, 1/2 Gallo
5.00	GAL	Milk, 1%/Skim, Gallon
3.00	CTR	Juice, Frozen or 48 oz

These benefits expire at MIDNIGHT on 03/08/2015

ewic Benefits Redemption

3.99 \$\$\$ Fresh Fruit/Vegetable
 DOLE PINEAPL
 2.99 \$\$\$ Fresh Fruit/Vegetable
 CANTALOUPE

ewic Ending Balance

PAN: *****7608 State: WI

QTY	UOM	Description
1.00	DOZ	Dozen Eggs
36.00	OZ	WIC Cereal
1.00	CTR	Mature Canned/Dried Bean
1.00	CTR	Peanut Butter
16.00	OZ	WW Bread or Whole Grains
1.94	\$\$\$	Fruits and Vegetables
9.00	CTR	12.7 oz GS Gentle - Pwd
1.00	HGAL	Milk, 1%/Skim, 1/2 Gallo
5.00	GAL	Milk, 1%/Skim, Gallon
3.00	CTR	Juice, Frozen or 48 oz

These benefits expire at MIDNIGHT on 03/08/2015

CASHIER NAME: EXPRESS #2
 C0698 #4685 15:25:53 23FEB2015
 S00206 R012

THANK YOU
 VISIT US AT:
www.shopthepig.com

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eWIC and Retail Systems

Requirements for Retail Systems

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- The system must:
 - ▣ Accept the authorized products list (APL) from the eWIC system and use the APL to identify WIC authorized products based on a UPC or PLU during a purchase
 - ▣ Accept eWIC card as a WIC tender in-lane including the validation of the cardholder PIN
 - ▣ Electronically submit transactions to the eWIC host system through a real-time transaction
 - ▣ Be certified by the State Agency
- **Vendor must maintain a bank account for the electronic deposit of eWIC settlement payments**

Retail System Alternatives

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- Integrated cash register systems
- Stand-beside point-of-sale devices



Integrated Cash Register Systems

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- Encouraged for all vendors: typical for chain and multi-lane vendors or vendors with cash register systems that are eWIC ready
- WIC purchases operate like all other tender types
- No separate equipment required
- Vendors are encouraged to integrate, it is a much more streamlined approach to eWIC
- Need to consider development time frames



Integrated Systems/Software

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- IBM SurePOS ACE
- IBM 4680-4690 Supermarket Application
- LOC Software Store Management Suite (SMS)
- Market Master
- NCR Advanced Checkout Solution (ACS)
- NCR Advanced Checkout Solution / Independent Retailer (ACS/IR)
- Retailix StoreLine
- Retailix R10
- RORC viPOS
- StoreNext ISS45 V7
- StoreNext ISS45 V8
- StoreNext ScanMaster V2

Please note this is not an all inclusive list

Stand-Beside Point-of-Sale Device

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- Separate from store cash register system
- Double scan with key entered price and discount amounts
- Daily totals are reported separately from the store's cash register system; payment separate from credit and debit
- Can work over dial up or high speed internet connect
- Typically used by smaller stores unable to integrate
- May be provided by state agency during phase implementation
- Available for lease from the state agency's eWIC processor



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Next Steps

eWIC Planning Activities

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- **Cost Analysis:** Compares the financial impact of transitioning from vouchers to eWIC
- **Gap Analysis:** Assesses if the MIS needs updates to support eWIC
- **Procurement Options Analysis:** Determines how the state will obtain the services of an eWIC contractor
- **Development of Implementation Advance Planning Document (IAPD):** This is the planning document submitted to for USDA/FNS for approval that describes the transition plan in extensive detail
- **Development of a scope of work for the eWIC service provider,** describes what services they will provide

Timeline

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- The planning phase will be completed by February 2016
- Planning activities will determine the eWIC implementation schedule
- After planning is complete:
 - ▣ Hire an eWIC service provider
 - ▣ Prepare for implementation
 - ▣ Pilot eWIC
 - ▣ Rollout eWIC statewide

WIC Vendor Survey

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- Within the next couple of weeks, the State Agency will be sending out surveys to vendors to capture information used in assessing the retail technical environment and systems used
- Your response to the survey is important and will help in accurately developing eWIC implementation plans

Questions?

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