

ARIZONA DEPARTMENT
OF HEALTH SERVICES

PREVENTION SERVICES

Arizona WIC Electronic Benefits Transfer (eWIC) Implementation

State of Arizona

Category: Business Process Innovations

Project Initiated January 27, 2016 and Completed November 30, 2017

Douglas A. Ducey | Governor Cara M. Christ | MD, MS, Director

150 North 18th Avenue, Suite 310, Phoenix, AZ 85007-3247 P | 602-542-1886 F | 602-542-1890 W |
azhealth.gov

Health and Wellness for all Arizonans



Executive Summary

The Arizona Department of Health Services (ADHS) Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) Program is a public health nutrition program administered by the United States Department of Agriculture (USDA) Food and Nutrition Service (FNS). WIC's mission is to safeguard the health of low-income pregnant, breastfeeding, and postpartum women; infants; and children under the age of five who are determined to be at nutritional risk by providing nutritious foods, breastfeeding support, nutrition education, and health and social service referrals.

The Arizona WIC Program contracts with 20 local agencies to provide services to approximately 135,000 WIC participants each month in over 100 clinic locations statewide. These local agencies are comprised of County Health Departments, non-profit Health Centers, and faith based organizations. In addition to local agency partnerships, the Arizona WIC Program has approximately 635 authorized WIC grocery vendors. These vendors provide participants with healthy food benefit redemption sites.

ADHS received approval to begin the eWIC Implementation Project from the Information Technology Authorization Committee (ITAC) on January 27th 2016. Arizona WIC contracted with Currier McCabe & Associates to update the state's proprietary online participant certification application, Health and Nutrition Delivery System (HANDS), for eWIC benefits issuance. Arizona WIC contracted with Custom Data Processing to implement WIC Direct, an online, outsourced solution for eWIC cards, purchase transactions, redemption processing, and eWIC operations. ADHS worked with WIC vendors and point of sale (POS) integrators to update and certify POS systems to accept eWIC transactions.

Arizona WIC received approval from all stakeholders to begin the 90-day eWIC Pilot on June 19, 2017 at the Casa Grande WIC clinic and the 11 nearby WIC Vendors in Arizona City, Casa Grande, Coolidge, and Eloy. The eWIC Pilot was completed successfully and all stakeholders unanimously agreed to proceed with statewide rollout. Arizona WIC completed eWIC rollout statewide to 119 clinics and approximately 650 vendors within six weeks.

eWIC Implementation has saved the Arizona WIC Program an estimated \$3.6M on paper, printer, and ink costs. In addition, eWIC improves the WIC participant experience by eliminating the stigma of using paper checks while shopping, reduced checkout transaction times and complexity, and increased food benefit security as electronic benefits cannot be lost or stolen. WIC vendors have reported costs savings with the elimination of returned checks fees, minimized cashier training requirements, and reduced checkout transaction times and complexity.

In January 2015, during his first State of the State Address, Arizona Governor Doug Ducey stated loud and clear that, "Government needs to operate at the speed of business." ADHS and the Arizona WIC Program is closer to reaching that goal, with local agencies and vendor working more productively, more efficiently, and doing so at a lesser cost to taxpayers.

Concept

In January 2016, the Arizona WIC Program began the multi-year, \$6M eWIC Implementation project to replace WIC checks with online eWIC using a magnetic stripe card. The eWIC Implementation project involved many internal and external stakeholders including 135,000 WIC participants served each month, 635+ WIC Vendors, 20 County and Health Center Local Agencies, Contractors, and POS Integration companies. The eWIC implementation required changes to the HANDS system, a hosted WIC EBT system, and vendor cash register systems that can process WIC EBT transactions.

HANDS is a browser-based application used by WIC clinic staff for WIC participant certification and food benefits issuance. Arizona WIC modified HANDS to have a simpler, flexible benefits issuance system, which allows WIC staff to easily customize food benefits to meet the WIC participant dietary needs and preferences.

WIC clinic staff issue each WIC participant a specific prescription (Figure 1) of food benefits tailored to their dietary needs and preferences. The HANDS system combines the family’s food benefits and sends the data to the EBT system. WIC clinic staff provide the family with an Arizona eWIC card (Figure 2), which is used at Arizona WIC Vendors to purchase WIC authorized foods. The WIC participant selects a Personal Identification Number (PIN), which is used to authorize WIC purchases. WIC participants have immediate access as food benefits are updated in the hosted EBT system immediately using real time messages.

Food Category	Food Subcategory	Issued Qty.
02-CHEESE OR TOFU	000-CHEESE	1 LB
03-EGGS	000-EGGS	1 DOZ
05-BREAKFAST CEREAL	000-CEREAL (HOT OR COLD)	36 OZ
06-LEGUMES	000-PB, BEANS, PEAS, LENTILS	1 CTR
19-FRUITS & VEGETABLES	000-FRUITS & VEGETABLES	11 \$\$\$
50-YOGURT	000-LOW AND NONFAT YOGURT	32 OZ
52-REDUCED FAT MILK	000-SKIM/1% COWS MILK GALLON	3 GAL
54-JUICE - 64 OZ	000-BOTTLED JUICE 64 OUNCE	1 BTL

Figure 1 - Food Benefit Prescription



Figure 2- Arizona eWIC Card

Arizona WIC developed and maintains a database of over 12,000 authorized WIC foods that WIC participants can purchase with their eWIC card, referred to as the Authorized Products List (APL). Prior to the eWIC implementation, the Arizona WIC team visited approximately 100 stores across the state of Arizona to collect the WIC food data. Arizona WIC used iPad Mini tablets with an internally developed iOS mobile application called HANDS UPC to collect the food data.

In preparation for the eWIC implementation, Arizona WIC surveyed each WIC Vendor to collect the POS system hardware, software, version, and third party processor. Arizona WIC worked with CDP to identify the WIC Vendors with an integrated electronic cash register system (computer system, software, scale, scanner, and monitor) that were able to process eWIC transactions.

Arizona WIC worked closely with each integrated WIC Vendor to ensure that eWIC transaction met the USDA FNS standards (<https://www.fns.usda.gov/wic/wic-electronic-benefits-transfer-ebt-guidance>). Arizona WIC provided a stand-beside terminal capable of processing only eWIC transactions to non-integrated WIC Vendors. WIC Vendors utilize the APL in their POS system to ensure that WIC participants can only purchase Arizona WIC authorized foods. Arizona WIC completed in store testing including balance inquiries, purchases, and voids to validate that the POS system functioned as expected, the receipts were accurate, and the data transferred properly to the EBT system.

WIC participants use the Arizona eWIC card and PIN at the Vendor POS to complete the eWIC transaction. The eWIC transaction is easier and faster for the cashier and WIC participant. All WIC foods can now be purchased in a single transaction for the family rather than multiple transactions for each individual in the family as was done with paper checks. WIC and non-WIC items can now be purchased in a single transaction with multiple payment tenders (eWIC, Credit, Debit, Cash, etc.) if the WIC Vendor has an integrated POS system. WIC Vendors automatically receive payment for completed eWIC transaction processed before the cutoff time (6PM Central Time) on the following business day. These improvements with technology make it easier for participants to purchase items in the store, make it less stigmatizing, and shorten the transaction process for both WIC participants and vendors.

Arizona WIC developed an in-house mobile application called EzWIC (See Figure 3) to improve the WIC participant shopping experience. Arizona WIC released EzWIC to the Apple App Store and Google Play Store in August 2017, with over 60,000 downloads to date, which accounts for approximately two out of every three Arizona WIC families. The most challenging aspect of the eWIC transaction is finding WIC authorized foods. EzWIC improves the WIC participant shopping experience at WIC Vendors. WIC participants can use EzWIC to check their eWIC card balance at any time or scan a food's barcode and determine if a food is approved and if it can be purchased with their eWIC card (See Figure 4). This eliminates participants from being embarrassed at the POS when they bring the wrong food up for purchase and have to go back and pick up the correct food.

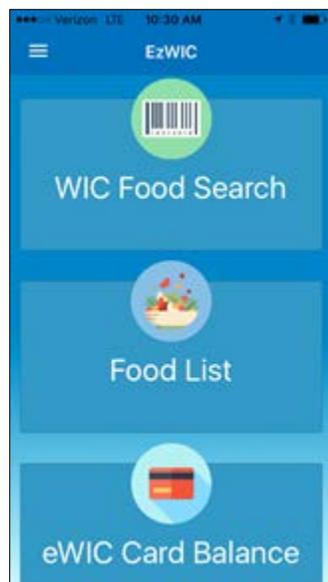


Figure 3 – EzWIC App Home Screen

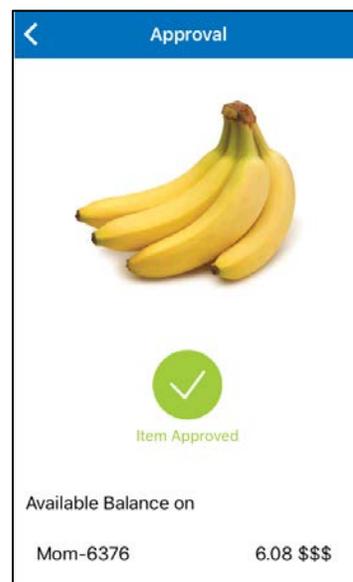


Figure 4 – EzWIC App Approved Item Screen

Significance

The Healthy, Hunger-Free Kids Act of 2010 mandated that all state WIC programs replace paper based food instruments with WIC electronic benefits transfer (eWIC) by October 1, 2020. On November 30, 2018, the Arizona Program became the 33rd WIC agency out of 90 WIC agencies countrywide to successfully implement eWIC.

1. WIC Participant Stigma Reduction

With eWIC, WIC participants will notice a stigma reduction as their shopping experience now resembles any other shopper. WIC Participants will not be as easily identifiable as the eWIC card resembles and functions similar to credit and debit cards. Additionally, eWIC will allow participants to combine all WIC and non-WIC purchases into a single transaction, and use multiple payment types including WIC EBT card, Supplemental Nutrition Assistance Program (SNAP) card, credit, or debit.

2. WIC Participant Food Benefit Redemption Flexibility

With WIC checks, WIC participants had to purchase all of the foods or forego the benefit. With eWIC, participants will be able to purchase foods as best fits their lifestyle and purchasing habits. WIC participants can purchase one food item or the entire family's food benefits, reducing risk of spoilage, travel concerns, and returning the decisions around timing purchases to into the hands of the participant and what serves their family.

3. Improved Food Benefits Security

eWIC will provide participants with increased food benefit security. The Arizona WIC Program could not replace WIC checks once lost or stolen. WIC participants are now able to receive a replacement eWIC card if lost or stolen as the benefits are stored in the WIC EBT System. WIC Participants can call the WIC clinic or the CDP Customer Service to report a lost or stolen card, and the WIC EBT system will deactivate the participant's WIC EBT card. The participant can obtain a replacement eWIC card at any WIC clinic or in the mail.

4. Reduced WIC Participant and Cashier Disputes

eWIC improved the customer experience at the WIC Vendor POS by reducing WIC participant and cashier disputes. The Arizona WIC Program controls the foods that participants are able to purchase with their eWIC card through the use of the Authorized Products List (APL). The APL is the database of all the Arizona WIC approved foods and is maintained by the Arizona WIC Program. The WIC Vendor's POS will allow WIC participants to purchase only WIC approved foods included in the APL. As the cashier scans each WIC food, the POS will verify if the food is WIC approved. The POS, not the cashier, will determine if a food is or is not WIC approved, eliminating risk of misinterpretation or human error. The cashier will not resolve any WIC food disputes, but instead will refer participants to the Arizona WIC Program for resolution. In disputes, the Arizona WIC Program will review the food item in question and either add the food to the APL or provide the participant with reasons why the food is not WIC approved.

5. Agency's Directives

The Arizona eWIC Implementation Project meets the ADHS Strategic Map Alignment to:

- Align Agency Resources to Achieve Targeted Health Outcomes-Align Services with Needs of Vulnerable Populations
- Cross Cutting-Improve the Customer Experience
- Maximize Agency Effectiveness-Leverage Technology to Achieve Results

The Arizona eWIC Implementation Project was listed on the ADHS Agency Scorecard. The project was on schedule for every milestone including:

- HANDS Joint Application Design Sessions
- HANDS Development
- HANDS Quality Assurance Testing
- HANDS User Acceptance Testing
- WIC Direct User Acceptance Testing
- Pilot
- Arizona statewide eWIC implementation

6. Using eWIC Data to Improve WIC Services

eWIC provides Arizona WIC with a wealth of data that revolutionizes nutrition education. Arizona WIC receives real time data of the foods that WIC participants are purchasing. Arizona WIC is utilizing the data to modify the food list to remove the foods that WIC participants are not buying, while adding new foods that WIC participants are more likely to purchase. WIC clinic staff utilizes WIC participant purchase data to provide tailored nutrition education.

Impact

1. WIC Vendor Cost Reduction

WIC Vendors will see an immediate cost reduction with the replacement of WIC checks with eWIC. WIC Vendors were monetarily responsible for all returned WIC check. The returned check fees varied based on the Vendor's contract with their bank, and were upwards of \$35 per rejection. WIC checks were returned by the bank for reasons including, but not limited to:

- Unreasonable dollar amount,
- Over the maximum,
- Missing vendor ID stamp,
- Unreadable vendor ID stamp,
- Missing signature,
- Altered food instrument,
- Stale date,
- Cashed early, and
- Cashed late.

2. Transaction Time Reductions

WIC participants and WIC Vendors benefit from a reduction in the eWIC transaction time. Each WIC check was processed as a separate transaction. On average, each individual participant received four to five checks per month with each check having to be redeemed in separate transactions. For a family of four, that could easily be a minimum of 16 different transactions.

eWIC simplifies the transaction process by consolidating all household benefits to one eWIC card and grant the WIC participant access to all active benefits for the family. WIC Participants and cashiers no longer need to organize WIC purchases by WIC checks. Instead, participants combine all of their WIC food purchases into a single transaction and swipe their card once. This approach will greatly reduce the number of transactions as the participant can perform a single transaction that includes any quantity of WIC foods purchased on behalf of any participant within the family. The consolidation of multiple purchases onto one transaction will create a higher quality of service for both participants and cashiers by reducing the transaction time.

3. Improved Fraud Detection

eWIC provides the Arizona WIC Program with transaction data that did not exist with WIC checks. The Arizona WIC Program uses the transaction data to improve participant and vendor fraud identification. New reports are available to identify potential fraud including:

- Transactions outside of business hours,
- Transactions with manually entered WIC EBT card number, and
- Repeated WIC EBT card replacement

The Arizona WIC Program will be able to conduct inventory audits for all foods. Currently, the Arizona WIC Program is only able to conduct inventory audits for formula. Inventory audits identify if the vendor is selling more WIC foods than are actually on hand, by comparing WIC food sales against actual invoices for a set period.

4. Cost Containment

The Arizona WIC Program conducts WIC food cost containment to ensure the most effective use of the limited WIC foods budget and maximize participation by limiting fraud and controlling food costs across vendors. The Arizona WIC Program utilizes a cost containment model that includes a vendor peer group system, competitive price criteria, and allowable reimbursement levels that demonstrate compliance with cost containment provisions.

With eWIC, the Arizona WIC Program will receive more data, especially around cost containment and participant purchasing habits as the WIC EBT system captures data based on individual food items rather than at the WIC check level. This data will improve financial visibility, fraud detection and prevention, and cost containment.