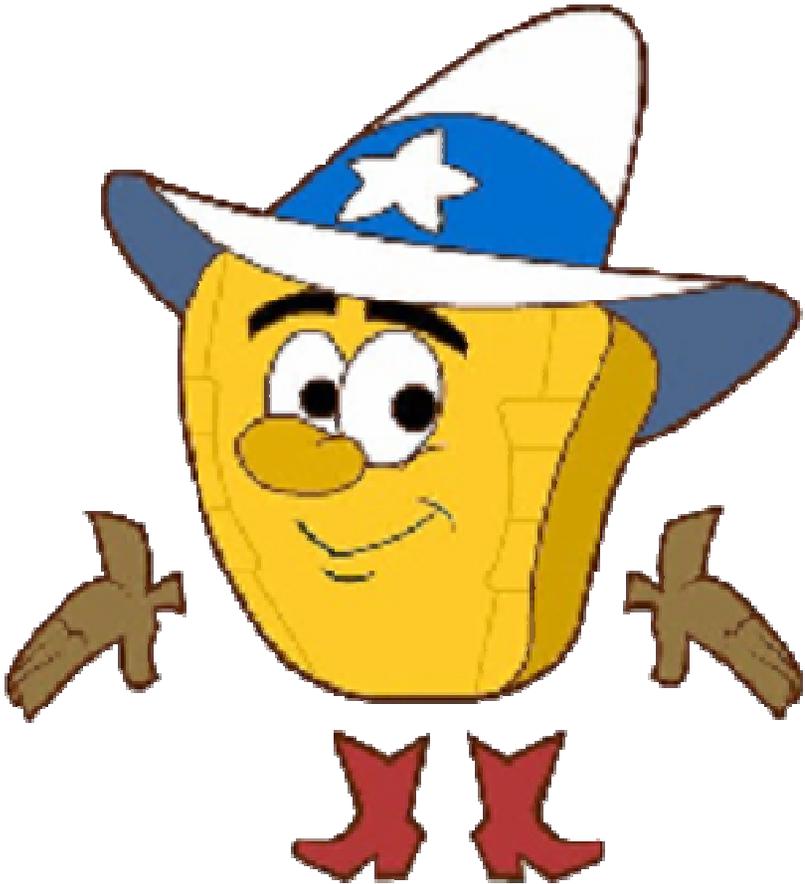




Texas-New Mexico WIC Grocer Conference

El Paso Convention & Performing Arts Center
El Paso, Texas
July 19, 2005

WIC EBT "Tex"





Welcome and Introductions

Mike Montgomery, Director
Texas WIC Program

Deanna Torres, Assistant Director
New Mexico WIC Program



Texas-New Mexico WIC EBT Update: Accomplishments to Date

Mike Montgomery, Director
Texas WIC Program



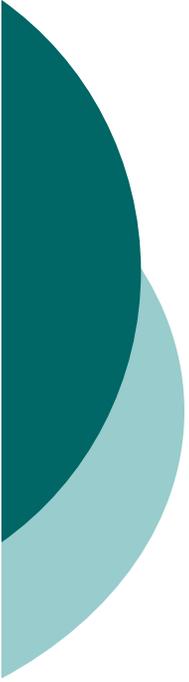
Leading the Nation: Texas-New Mexico System

- Multi-state model
- Achieves interoperability through shared design
- Confirms government roles and responsibilities
- Integrates WIC EBT & commercial electronic cash register (ECR) functions
- Defines new technology and interface standards
- Implements new/emerging standards and policies
- Utilizes FNS “Model WIC EBT Pilot System Evaluation” tool



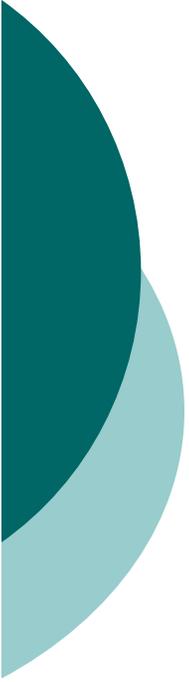
Achieving Clinic and Grocer Interoperability

- Clinic Interoperability
 - Shared card design
 - Shared terminal API
- Vendor System Interoperability [Program Once; Install Many]
 - ANSI Standard
 - Host files
 - Terminal-to-Card Interface
 - Manufacturer-standardized terminal programming



Confirming Government and Private Sector Roles and Responsibilities

- Government
 - Risk Assessment/Certification (TX WIN)
 - Benefit Issuance (TX WIN)
 - Claims Processing (WIC Host)
 - Settlement/Reconciliation (WIC Host)
 - Program Oversight (WIC Host)
 - Participation
 - Benefit Access
 - Vendor Authorization
 - System/Site Certification
- Commercial
 - Food Delivery



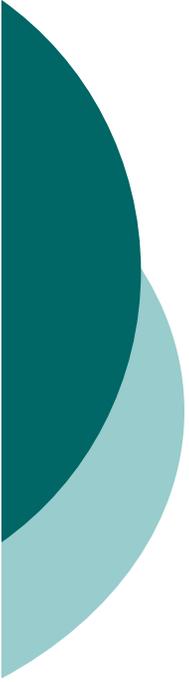
Integrating WIC EBT - Commercial Electronic Cash Register (ECR) Systems Functionality

- Commercial ECR Systems – 2 Types
 - Integrated Systems – Modified commercial ECR core software
 - Small Grocer Solution – Small WIC-only and multi-tender systems for $1 \leq x \leq 4$ lanes.
- State reimbursement to grocers
 - Integrated System
 - Software
 - Partnered with Lowe's, Albertsons, and Kroger to sponsor development of WIC POS software
 - Hardware
 - \$200/lane for integrated systems



Commercial Small Grocer System Solution

- Current small grocer solution is kWICpos supported by Sagem Morpho
- State of Texas is transitioning from kWICpos to a fully commercial option by November 1, 2005
- State of Texas will no longer operate or support kWICpos
- New small grocer solution reimbursement rate will be similar to El Paso pilot



Defining New Technology and Interface Standards

- Early offline WIC EBT – few/no standards
- The TX-NM Partnership worked with the USDA/FNS, State WIC Authorities, national retailers, terminal and card manufacturers and integrators to develop/define new national technical standards:
 - X9.93 Files
 - X9.108 Retail Terminal-to-Card
 - WIC Smart Card Interoperability Standard (WSC-IS) Clinic Terminal-to-Card
 - Integrated Retailer ECR Systems – Functional Requirements



Implementing New/Emerging Standards and Policies

- Cooperative development of national standards and policies by TX-NM, USDA/FNS, State WIC Authorities, Private Industry and Grocer Association Representatives
- Vendor System Design Standards & Policies
 - Mixed Basket
 - Vendor ECR System Certification/Recertification
 - Coupons, Discounts
 - Claims Processing
 - File Exchanges (Hot Card List, Authorized Product List, Auto-Reconciliation)
- Commercial WIC EBT-ECR Systems Model
 - Design requirements
 - Grocer Reimbursement Rationale and Policy
 - Grocer and vendor Commercial WIC EBT-ECR System Certification Guidelines
- Clinic Terminal Design – Verification of Certification (VOC)
- Clinic Conversion Policies
 - Nutrition Education
 - WIC Participation Policies

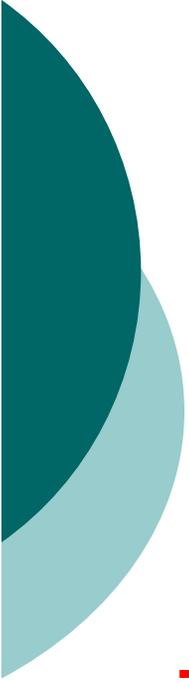


Utilizing FNS Model WIC EBT Pilot System Evaluation

- Texas and New Mexico are among the first states to use the “FNS Model WIC EBT Pilot Evaluation” approach and methodologies to determine cost-effectiveness
- The evaluation shows most EBT costs are “Up Front”, one-time, non-recurring costs that will lower future costs to TX, other states and USDA/FNS

EX: Modified ECR software and systems

- ***Widely distributed ECR software: IBM-ACE, IBM-SA, ICL-Fujitsu, NCR***
- ***Largest, national WIC grocers – Walmart, Kroger, Albertson’s***



Texas – New Mexico WIC EBT

The Texas-New Mexico EBT system is the first offline WIC EBT system of its kind....cost effective and affordable!



BREAKOUT SESSIONS

Texas: Hall C

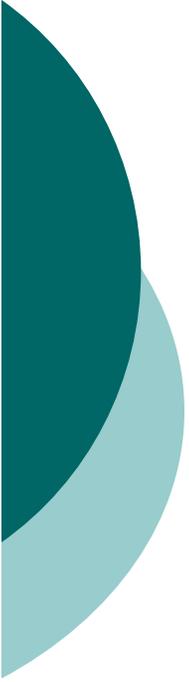
New Mexico: Juarez



Texas WIC EBT Pilot Update

Penny Tisdale

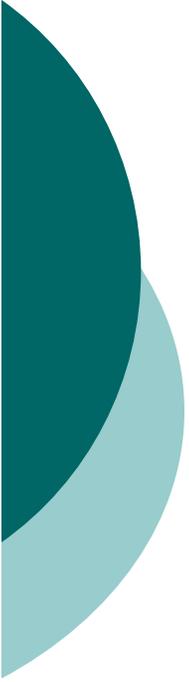
The Peachtree Group, MTG Management
Consultants



Texas WIC EBT Update

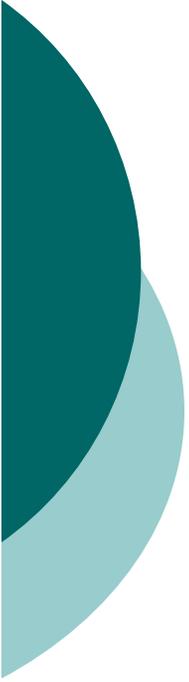
El Paso WIC EBT Pilot: June 1, 2004

- Two WIC local agencies
- Eighteen WIC clinics
- Eighty-five WIC-authorized grocers
- 50,566 Average monthly WIC participants
- 44,797 Families/cards issued



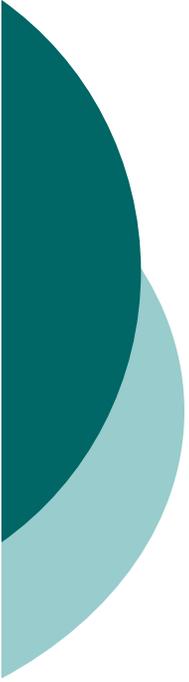
Texas El Paso Pilot Results

- WIC Participant Impact
 - Participants confirm EBT is better than paper vouchers.
- WIC Grocer Impact
 - Grocers agree WIC EBT dramatically improves both in-lane and back-end store operations.
- WIC Local Agency/Clinic Impact
 - Local Agency/Clinic staff have adjusted to many new system features and procedures. WIC staff are very positive and believe EBT is best for the WIC Program.
- **Texas WIC EBT is a resounding success!**
 - All stakeholders – WIC participants, grocers, local agencies, clinics and the State – report EBT is far superior and offers many advantages over paper vouchers.



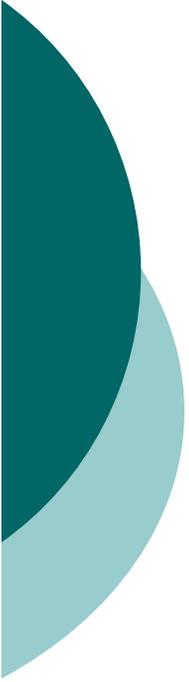
Texas WIC EBT Pilot Evaluation: Improvements to WIC Grocer Operations

- Reduced time “in lane”.
- Reduced incidents requiring manager intervention.
- Improved store-participant relations
- Electronic (automatic) process for submitting claims.
- Change in purchasing patterns; shift to 1st and last weeks.



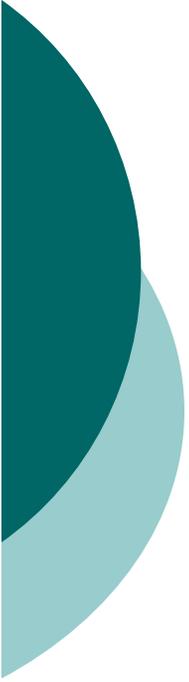
Texas WIC EBT Pilot Evaluation: Integrated Systems “Lessons Learned”

- Stores with integrated systems report overall pilot success; satisfaction is largely influenced by ECR system design features, system performance and provider support.
- Initial certification process largely a success; ongoing certification process requires better definition, clarification.
- Intermittent systems and process failures:
 - Electronic signature (system security)
 - Timely claims submission (integrity)
 - Timely APL/HCL download & processing (integrity)



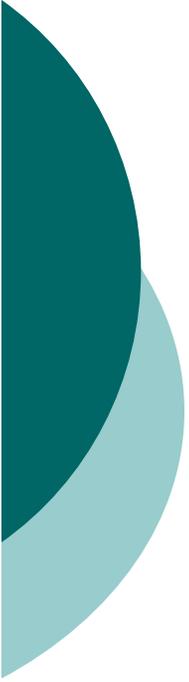
Texas WIC EBT Pilot Evaluation: Stand Beside System “Lessons Learned”

- Many grocers are unfamiliar with ECR system operations and maintenance.
- Grocers not accustomed to ECR system operations are often unable to identify and resolve minor system problems and either unable or unwilling to perform daily routine tasks.
- Some problems go unrecognized and/or unreported.
- Permanent and professional installation (mounting) of EBT equipment reduces system problems.
- “Out of Balance” conditions, ECR and kWICpos, are common, occurring when WIC items are either on sale or discounted by coupons or loyalty cards.



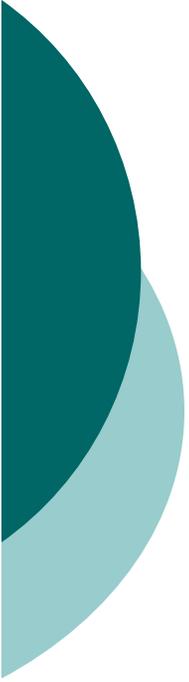
Texas WIC EBT Pilot Evaluation: Stand Beside System “Lessons Learned”

- Stand beside system installations varied widely, impacting placement of hardware, wiring and other equipment.
- Product packaging of some WIC food items negatively impacts UPC scanning.
- Not all standard reports are being used.
- Balance Inquiry terminals are used infrequently.
- Low volume may slow transaction processing speed, adversely impacting a grocer’s ability to identify and report problems.
- The printed receipt font is too small, difficult for participant and clerk to read.



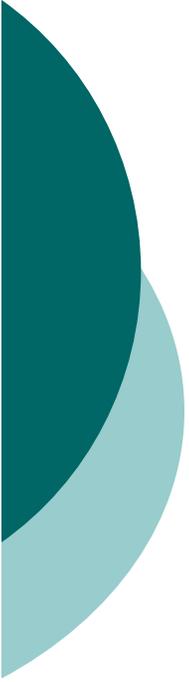
Texas WIC EBT Pilot Evaluation: Improvements for WIC Participants

- Ability to purchase food items when and as needed.
- Easy to use.
- Less embarrassing.
- Less time to pickup benefits, no repeated signatures.



Texas WIC EBT Pilot Evaluation: WIC Participant “Lessons Learned”

- Receipts are difficult to read; initially, participants could not read ‘available balance’ on printed receipts.
- Few participants understand the importance of approving the WIC EBT transaction.
- Participants do not retain their last receipt and select food items that exceed the available balance.



Texas WIC EBT Pilot Evaluation: State WIC Improvements

- Reduced total number of WIC paper claims/vouchers received and reviewed for payment.
- Streamlined, more efficient (automated) error identification.



Texas WIC EBT Pilot Evaluation: State WIC Administrative “Lessons Learned”

- WIC EBT has altered participant shopping patterns.
- WIC EBT has altered clinic flow and, in some instances, increased the time required of a WIC participant.
- Grocers believe clinics do not do an adequate job of training participants; instead are learning “hands on” with the clerk as “trainer” and cashier.
- Late file exchanges between grocer and State hosts ($x > 48$ hr) may result in WIC over-issuance and unauthorized and unreimbursed WIC food sales.



Break

Session continues in 15 minutes.



Texas WIC EBT Post-pilot Expansion/Operations

Hank Lundberg

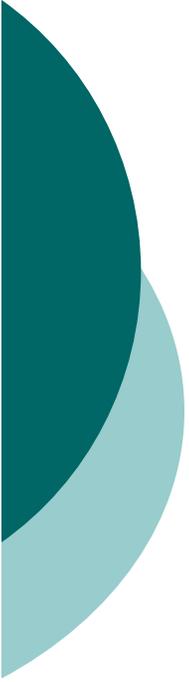
Texas WIC EBT Project Manager



Post-pilot Changes: New/Revised Policies and Procedures

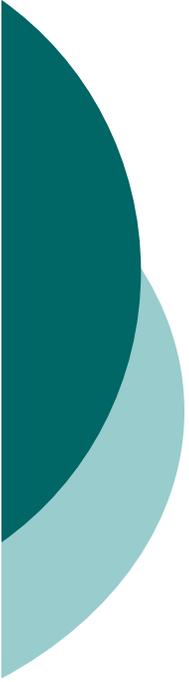
New Texas grocer policies & procedures:

- Commercial Grocer Systems
- System Certification
- Training Certification
- Improved Grocer management



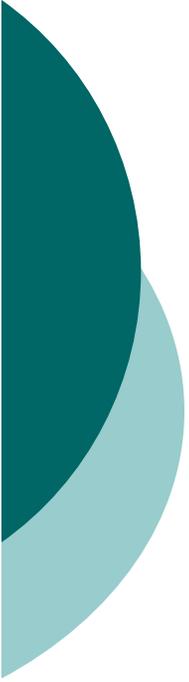
Post-pilot Changes: Commercial Vendor Systems

- Texas WIC grocers must replace current WIC EBT kWICpos systems with commercial systems.
- All WIC grocers own their store systems.
- El Paso Grocer Reimbursement:
 - Integrated Systems: \$200/terminal, full lane coverage
 - Small Grocer Systems: 3-year “turnkey” solution
 - Limited lane coverage (Formula for lane coverage remains the same as El Paso pilot)
 - Installation
 - Initial/ongoing system certification
 - Initial/ongoing training certification
 - HW/SW warranty and maintenance
 - Helpdesk support



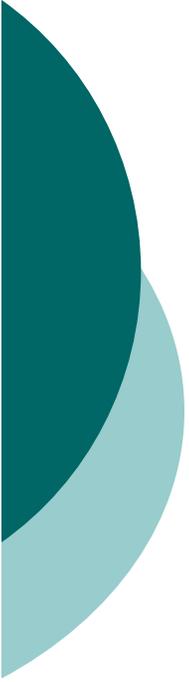
Post-pilot Changes: Systems Certification

- Revised/redefined policy requires initial and ongoing certification of grocer system.
- Certification is mandatory, a condition for claims processing and settlement.
- Point-in-time assessment:
 - System security
 - System performance
 - System integrity
 - System accuracy



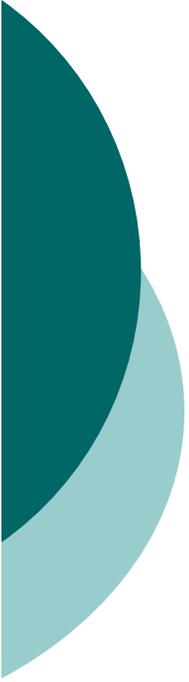
Post-pilot Changes: Training Certification Policy

- Revised/redefined policy mandates initial and ongoing training for grocer personnel.
- Training curriculum, materials and proposed methods must be certified as meeting State requirements.
- Training measurement and evaluation will be 'performance based'.
- Attendance at State provided training is mandatory.



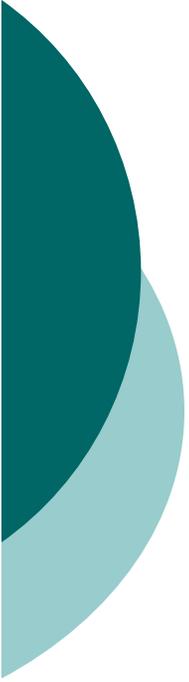
Post-pilot Changes: Management Training Requirements

- Ensure the following file exchanges occur (automatically or manually)
 - If applicable, the APL to the POS device
 - The Hot Card List
- Recover from file exchange error situations, including being able to
 - Use the Auto-Reconciliation File and/or a Claim Error Memo
 - Create and upload a WIC Claim



Post-pilot Changes: Cashier Training Requirements

- Signing on and off the system
- Performing redemption mode sales transactions
 - WIC and non-WIC items
 - Hand-key and scan UPCs of single and multiple items, WIC and non-WIC
 - Void single item, multiple items and complete transaction
- Printing/reprinting of receipts
- Proper use of receipts produced by the system & reprinting receipts
- Required confirmation and acceptance of WIC EBT transaction prior to the end of sale.



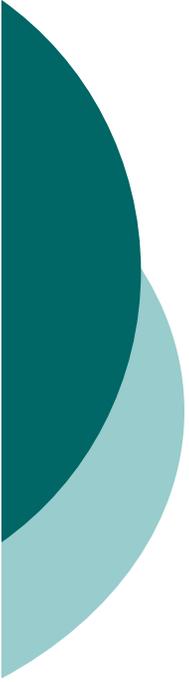
Post-pilot Changes: Cashier Training Requirements (cont.)

- Interpreting system terminal messages and taking appropriate action.
- Advising WIC clients on correct procedures.
- Proper use of Training Mode, Balance Inquiry Mode and Redemption Mode.
- Assisting a WIC client to perform a balance inquiry.
- Proper system care and maintenance.
- Routine troubleshooting, procedures for calling and reporting technical problems to helpdesk.



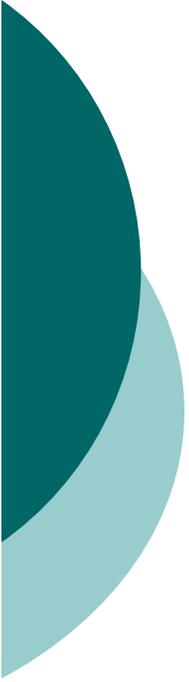
Post-pilot Changes: Mandatory State Training

- The State will conduct mandatory training for WIC authorized grocers
- All grocers must attend mandatory state training
 - Manager
 - Bookkeeper
- Each commercial vendor is required to train store personnel in Back Office and Cashier procedures.
- Large grocers must ensure managers, bookkeepers and cashiers are fully trained.



Post-pilot Changes: Improved Grocer Management

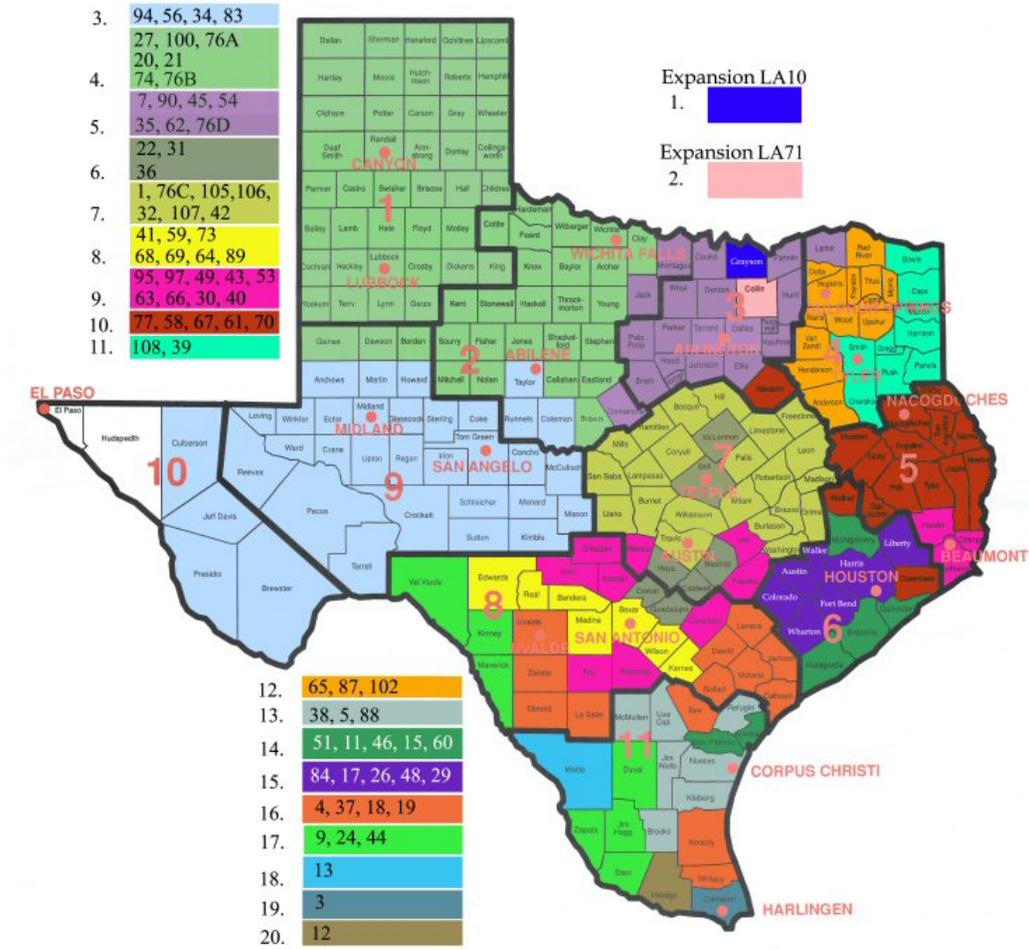
- Grocer management encompasses grocer facilities, operations, personnel and systems.
- Failure to maintain system certification may result in reduced and suspended payments, recertification fees for excessive recertifications, and possible removal from WIC program.
- Failure to train and/or maintain training of grocer personnel, evidenced by their successful performance of required WIC EBT tasks, may lead to suspension and possible removal from the WIC program.
- State to use automated “tools” to review grocer claims data and generate exception reports and notices for less than acceptable systems security, performance, integrity and accuracy.



Post-pilot Expansion: Statewide Rollout Plan and Schedule

- WIC EBT system operations continue in El Paso and Hudspedth Counties.
- October 1, 2005: Grayson County.
- February 1, 2006: Collin County.
- Summer 2006: West Texas/
Panhandle – Areas 3 & 4 (Tentative).
- Final statewide timeline: TBA.

EBT Rollout in Texas





Lunch

Small and WIC-only grocers:
Hall C @ 1:00 pm.