

**TEXAS DEPARTMENT OF HEALTH (TDH)**  
**BUREAU OF NUTRITION SERVICES**  
**WIC EBT NEWSLETTER #6**  
**September/October 2002**

This is the sixth issue of a bimonthly newsletter intended to provide members of the Texas Interagency Task Force on Electronic Benefits Transfer (EBT) with a status report on the WIC Program's development of a WIC EBT system.

Prior issues of the newsletter are posted on the Bureau of Nutrition Services web site at: <http://www.tdh.state.tx.us/wichd/ebt/ebtnewsarc.htm>. The prior issues will provide the reader with background on the project and milestones achieved prior to this update. Extensive background can be found in the first issue of February 2002.

Stand-beside System: As noted in earlier newsletters, a considerable amount of work has gone into developing a stand-beside or stand-alone WIC EBT system. A stand-beside system would require additional items of equipment in the lanes of the grocery stores including a scanner, a smartcard capable terminal, and a printer in addition to one personal computer per store to serve as a back room controller. Such system would require a double scan of items. One scan for the WIC system and a second scan in the store's POS system to update the store's inventory. This same system in a stand-alone environment employs the electronic equipment noted above but places it into a small store that heretofore has no automation.

The State believes that there will always be a need for stand-beside and stand-alone systems. However, the larger chain stores will not want such an approach as their long-term WIC EBT solution. The integration of the WIC EBT functionality into the grocer's existing POS system is viewed as the ultimate goal of the Texas WIC EBT effort.

The El Paso pilot will demonstrate both the stand-beside and fully integrated approaches. Admittedly, the vast majority of stores will operate either a stand-beside or stand-alone system at the beginning of the yearlong pilot.

Testing continues on the in-lane terminal software developed by GovConnect. No material errors have been identified in the latest release of such software facilitating on-going intensive testing of the entire store system. The terminal set selected by the state for use in the stand-beside system is the Hypercom ICE 6000.

The back room controller software developed by TDH is also undergoing continued tests. Combined with the testing efforts, the State is working on an electronic system for software distribution and phrase set updates as well as grocer reports.

Clinic System: The WIC Program's legacy clinic system is being modified to replace the paper voucher issuance module with the smartcard issuance functionality. The functional design has been completed and coding and unit testing are in process.

State Settlement System: The Department of Health will serve as its own host processor for the settlement of grocer claims in the Texas WIC EBT system. This component of the overall work project is on the critical path. The settlement system feeds and is fed by numerous sub-systems that must all be perfected. These include the client benefit issuance sub-system, the claims processing sub-system, the funds management sub-system, the vendor operations sub-system, EBT card inventory sub-system, the infant formula rebates sub-system, and the obligations sub-system, among others.

Coding and testing of all settlement components is in process and is expected to be ready for State and Federal Acceptance Testing next summer.

Store Integration Project Update: The store integration initiative is progressing well. As a result of the August announcement to all WIC authorized vendors of the opportunity to partner with the state in development of a core integrated system for an IBM, NCR, and ACR system, several vendors expressed interest in participating. A proposal was subsequently received for an NCR system development project. Two other chains asked for an extension of time to submit their software integration project proposals. When these proposals are received on December 6<sup>th</sup>, they will represent projects targeted toward IBM and an ACR platform. Contract negotiations will commence after all proposals are received.

Texas WIC EBT Staff Attend the EBT Users Group: The EBT Users Group is comprised of staff from states that are currently working on WIC EBT or who have an active interest in starting a project as well as staff from USDA's regional and headquarters offices. The group meets periodically in varying locations around the country. The September 2002 meeting was hosted by USDA in Washington, D.C. Texas WIC EBT staff provided an update on the status of the Texas initiative and demonstrated the Lowes/Cash Register Services integrated store system. The demonstration was very well received. Other stakeholders, including the Food Marketing Institute (FMI), were present. The EBT Users Group plans to meet every six to seven months from this point forward.

"EBT The Next Generation" Conference: The fifth annual "EBT The Next Generation" conference, was hosted by the Electronic Funds Transfer Association (EFTA) and the State of California, November 3-6, 2002 in San Diego, California. Attendance at the conference included government and nonprofit agencies, as well as private and publicly held firms involved with the migration of human/social service programs to electronic benefit systems. Agencies represented at the conference included Citicorp EFS, Affiliated Computer Services Inc., Burger, Carroll & Associates Inc., eFunds Inc., Northrop Grumman Information Technology, VeriFone Inc., Datacard Group, GovConnect a subsidiary of govONE Solutions, MAXIMUS Intelligent Technologies Division, Chaddsford Planning Associates, Ultra Scan, Booz Allen Hamilton, CIBER Inc., and USDA Food and Nutrition Service. Also in attendance were representatives from governmental agencies in 28 states. A considerable number of the government officials at the meeting were representing either the Food Stamp or WIC Programs with heavy emphasis on WIC.

The theme of the meeting was not centered on on-line Food Stamps applications as has been the case in previous years. This application is referred to as Tier I for EBT. Rather, the theme of this year's meeting was focused on Tier II applications including WIC and other programs. Highlights of the EBT Next Generation Meeting will be shared with members of the EBT Taskforce at the upcoming meeting on December 5, 2002.

Satellite Communications Project Update (VSAT): The VSAT project is progressing well with only minor delays in the schedule. The first of two VSAT pilots at the local WIC office in Pflugerville commenced operations on November 12<sup>th</sup> and will run for up to 60 days. Following the Pflugerville pilot, VSAT will be aggressively and comprehensively tested in El Paso for 92 days at 18 clinic sites serving 60,000+ WIC clients. The El Paso pilot will also test the interactive distance learning functionality using the studio being built at TDH. The studio installation at the TDH main complex is scheduled to be completed by the end of January 2003.

Statewide implementation will occur upon successful demonstration of all aspects of communications during the two pilots. As described in earlier newsletters, VSAT is expected to be a very cost-effective initiative for the WIC Program. Communications between the WIC state office and its local health clinics will be significantly improved by moving from a batched nightly processing of data to routine, near real-time, communications.

EBT Pilot Date for El Paso: September 19, 2003.