

<p style="text-align: center;">Nutrition Services Department of State Health Services</p>

Effective: July 1, 2013

Policy No. FD: 19.0

Exchanging and Managing Returned Formula Inventory

Purpose To establish a procedure for accepting, exchanging, and issuing returned formula to WIC participants.

Authority

State Policy

Policy

Formula exchange requests shall be completed using the Texas WIC Information Network (TWIN) formula exchange module. Formula returned to the clinic shall be documented on a state Returned Formula Log. Participants shall not receive more than the maximum amount of formula allowed by federal regulation. This includes formula issued to the WIC EBT card, formula provided from the clinic's returned formula inventory, and formula that has already been used in the current month by the participant.

Definitions

Returned formula – Formula originally purchased by WIC using the WIC EBT Card or drop shipped that is returned to the clinic.

Donated formula – Formula that was not purchased with WIC benefits, e.g., formula provided to a participant by their healthcare provider (HCP) or a hospital.

Formula Exchange Module (FEM) – Function in TWIN that allows changes to formula that has been issued to the card such as issuing out and/or taking in returned formula, exchanging one formula for another, issuing multiple formulas, and altering the quantity of formula issued.

Procedures

- I. Exchanging, Issuing, or Returning Formula Using the TWIN Formula Exchange Module (FEM)

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A. General Principles

1. Staff shall issue formula from returned formula inventory, if available, to WIC participants for current month formula issuances and current month formula exchanges. Returned formula may not be issued to participants as part of their advance month benefits.
2. The amount of returned formula shall be credited using the FEM and a prorated amount of the new formula may be added to the WIC EBT card. When current month benefits are issued, at least one container of formula shall be issued to the WIC EBT card. The remaining quantity of formula may be issued from returned formula inventory.
3. When a formula exchange is initiated, the computer system will not allow all formula to be issued out of inventory. It will require at least one can to remain on the WIC EBT card. If any formula was purchased, the parent/guardian or participant shall bring their WIC EBT card and unopened containers of formula to the WIC clinic. Participants should be informed that they may not receive an equal number of containers in exchange. Cans that are not required as part of the exchange may be kept by the participant.

Example: A participant brings in 5 cans of Similac Advance powder to exchange for Similac Sensitive powder on the 28th of the month. TWIN will only allow for 1 can of Similac Sensitive to be issued to the WIC EBT card. The participant may choose to keep the remaining 4 cans of Similac Advance or she may return them to the clinic. If returned to WIC, all 5 cans would then be recorded on the Returned Formula Log.
4. Whenever formula exchange involves returning and/or issuing formula from returned formula inventory, the details of the exchange must be documented. The documentation may be either a printout of the "Formula Exchange Monthly Detail" screen or a written explanation of the cans returned and/or issued out of the returned formula inventory. The screen print-out or documented explanation shall be filed with or recorded on the Returned Formula Log.

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5. LAs shall develop written procedures that provide a mechanism for informing staff of formulas currently in returned formula inventory.
6. The SA does not require the LA to accept or manage donated formula. If an LA chooses to accept donated formula, they shall develop a local policy for donated formula management. LAs are not required to log donated formula on the Returned Formula Log.
Example: A mom brings in 10 cans of formula. Six cans are Similac Advance that she received from WIC 10 months ago; the other 4 cans are Enfamil Premium that she received from the hospital when the infant was born. The Similac Advance is added to the Returned Stock. Enfamil Premium is donated formula and does not have to be accepted or logged.
7. The FEM may be used to increase (up to the federally allowed maximum) or decrease the quantity of formula for a selected benefit period once formula is issued to the card. For the current benefit month, the quantity of formula that may be increased is the lesser of:
 - a. The difference between the maximum quantity allowed and the quantity issued OR;
 - b. The prorated quantity based on the number of days remaining in the month.
 - i. **Example one:** Ten cans of formula (from the 31 can default maximum allowed) were initially issued for the current month. If the date is on or before the 10th day of the current month, up to 21 additional cans may be issued.
 - ii. **Example two:** Ten cans of formula (from the 31 can default maximum allowed) were initially issued for the current month. If the date is after the 10th day of the current month, a prorated quantity of less than 21 additional cans may be issued. The actual additional quantity will be based on the number of days remaining in the month.
8. When the FEM is used to exchange formula, any unused formula already purchased during the benefit period shall be returned to the clinic. Only the number of cans returned will be considered in

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the formula exchanges. Once the exchange is made and issued on the card, additional cans cannot be returned for exchange.

- a. Inform the parent/guardian that all cans being considered shall be brought in for exchange at the same time.
 - b. **Example:** Parent has six unused cans of formula and only returns three to the clinic. It is not possible to exchange the other three cans on another day.
9. Open formula containers shall not be accepted or included in a returned formula count.
10. When returned formula inventory is available, clinics shall use formula from returned inventory in preference to issuing on the card. Clinic staff discretion shall be used to determine the amount of returned formula to issue out of inventory to an individual based on the participant's situation, e.g., transportation issues, ability to carry, etc.

B. Exchanges Involving Returned Formula

1. Issuing Out Returned Formula - If the clinic has the requested/prescribed formula in returned formula inventory:
 - a. Use the FEM to document the formula exchange. Refer to Texas WIN EBT Quick Guide for WIC Clinics for the computer procedures on formula exchanges.
 - b. Once all formula exchange information is entered in the FEM, print the "Formula Exchange Monthly Detail" screen by pressing the Print Screen key. This must be done PRIOR to pressing the F10 Save key or the information will be lost. If the "Formula Exchange Monthly Detail" screen is not printed, staff shall provide a documented explanation of the formula exchange on the Returned Formula Log.
 - c. The Formula Exchange Monthly Detail screen or documented explanation shall be filed with or recorded on the Returned Formula Log to provide an audit trail of returned formula.
 - d. Document the amount of formula the participant is receiving as well as other relevant information on the appropriate Returned Formula Log:
 - i. Name of the formula
 - ii. Name of the formula recipient

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- iii. Number of containers being issued from returned inventory
- iv. Signature of the parent/guardian or participant
- v. Staff initials
- vi. Reason code
 - 1) 1-Exchange – Use when changing formulas; old formula being returned and/or new formula being issued from inventory
 - 2) 2-Issued in Lieu of Benefits on Card – Use when formula is not changing and some quantity of formula is issued out of returned inventory instead of being issued to the card
 - 3) 3-Formula Sent To/Received from Another Site or LA – When formula is to be shipped to or received from another site or LA
 - 4) 4-Participant No Longer Using – When WIC purchased formula is returned to the clinic but is not exchanged for another formula
 - 5) 5-Exception with State Approval – Issued out for other reasons as requested by SA staff
 - 6) D-Damaged – When formula is damaged while in storage or when returned during an exchange transaction
 - 7) E-Expired – Unused formula stored in clinic or drop-shipped with an expiration date that has passed. Drop-shipped expired formula requires SA notification before destruction
- 2. Taking In Returned Formula - If the clinic does not have the requested or prescribed formula in returned formula inventory:
 - a. Use the FEM to document the formula return. Refer to Texas WIN EBT Quick Guide for WIC Clinics for the computer procedures on formula exchanges. Issue the requested or prescribed formula on the WIC EBT card.
 - b. Once all formula exchange information is entered in the FEM, print the "Formula Exchange Monthly Detail" screen by pressing the Print Screen key. This must be done PRIOR to pressing the F10 Save key or the information will be lost. If

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the "Formula Exchange Monthly Detail" screen is not printed, staff shall provide a documented explanation of the formula exchange on the Returned Formula Log.

- c. The Formula Exchange Monthly Detail screen or documented explanation shall be filed with or recorded on the Returned Formula Log to provide an audit trail of returned formula.
- d. Document the amount of formula the participant returned as well as other relevant information as outlined in I.B.1.d. on the appropriate Returned Formula Log and secure the formula in a locked location in returned inventory.

C. Formula Inventory Management - Returned formula shall be issued to WIC participants in a timely manner to prevent formula from expiring.

- 1. LAs shall maintain a perpetual inventory of returned, issued, and shipped formula using the state-developed Returned Formula Log forms. Records not providing a clear audit trail of returned formula will be deemed out of compliance. LAs that cannot account for returned formula may be required to reimburse the SA the dollar amount of any missing formula (based on the average cost to the state for that brand, type, and form).
- 2. When a parent/guardian or participant returns a specialized formula or a formula that will expire within the next four to six months:
 - a. Relocate the formula within the LA if a participant from another clinic site can use the formula.
 - b. If the formula cannot be issued within the LA, the SA shall be contacted immediately. All formula expiring within four months shall be reported to the SA to ensure adequate time to relocate the formula. If the LA receives formula that is already within four months of expiring, they shall report the formula immediately. The SA will assist in relocating formula to a clinic that can use it. The original LA will ship the formula to the receiving LA.
 - c. LAs shall provide documentation that the state was notified of formula that will soon expire. Documentation may be noted on the Returned Formula Log. LAs may contact the formula pager

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- at (512) 499-6814 and obtain a state problem number or they may email state formula staff.
 - 3. It is best practice to:
 - a. Check and record expiration dates from the formula cans
 - b. Issue out "earlier to expire" formula first
 - 4. Expired Formula
 - a. If it is impossible to relocate returned formula before it expires, the expired formula shall be disposed of by following the procedure outlined in section I.C.6.
 - b. Exception: Expired formula that was drop shipped shall not be destroyed without notifying the SA for approval first. Contact the formula pager at (512) 499-6814 for approval and instructions.
 - c. Expired formula shall never be provided to a participant, whether returned or donated.
 - 5. Damaged Formula - LAs shall accept damaged cans of formula when providing formula exchange for valid reasons. This assumes that the total number of cans returned is no more than the maximum amount allowed for the formula for a month.
 - a. The accepted cans shall be included in the count considered for formula exchange.
 - b. Open formula containers shall not be accepted or included in a returned formula count.
 - 6. Disposing of Damaged/Expired Formula –
 - a. Damaged/expired containers of formula will be disposed of promptly and appropriately.
 - b. In the presence of a witness (staff member), a second staff member shall open damaged containers of formula and dispose of the contents. Both witness and staff member shall sign and date the appropriate Returned Formula Log confirming the quantity of formula disposed.
- II. Exchanging Food Packages
- A. A participant may exchange a complete food package anytime except if the current month's food package includes formula.
 - B. If a participant has not redeemed any food benefits from the current full food package, a new full food package may be issued as a

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replacement. If the participant was issued a partial package, the replacement package will be a partial package.

- C. If a family has redeemed some of the aggregated benefits, a replacement food package can be issued if there are sufficient benefits remaining on the card equal to the items/quantities originally issued for the participant requesting the food package change. **Note:** The family must be notified this could affect the remaining food packages on the card (e.g., changing remaining milk on card to lactose-free milk).
- D. When a food package without formula is exchanged for a food package with formula, the formula will be prorated depending on the number of days remaining in the month.

III. Exchanging Food Packages with Formula

- A. Formula packages cannot be exchanged for food packages in the current month because formula is prorated. Benefits for the future months can be exchanged.
- B. When exchanging mother/infant food packages, the mother's food package shall always be changed FIRST, before changing the infant's food package or formula quantity.
- C. When a formula has been issued to an infant and a mother requests a change to the exclusively breastfeeding package, staff may change future month benefits, but not the current month's benefits. The mother's food package shall be changed first, before changing the infant's food package.
- D. The FEM shall be used to exchange or replace all formulas once benefits have been issued to the card.
- E. The exchange of formula occurring during the current month will be prorated based on the number of days remaining in the month.

Example: A client initially received 31 cans of Similac Advance concentrated liquid formula for May during April issuance. The client comes in May 20th to exchange formulas with all 31 cans still remaining on the card. If all of the Similac Advance concentrate on the card is to be exchanged for Similac Sensitive concentrate, the replacement formula Similac Sensitive will be prorated based on the 12 days remaining in the month.

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- IV. Exchanging Formula for the Mostly Breastfeeding Infant – If a participant needs to exchange formula after issuance for the current month:
- A. Allow the formula exchange module to calculate the new exchanged quantity.
 - B. The FEM will calculate the quantity for maximum issuance without regard to breastfeeding status.
 - C. To determine the amount to issue to a mostly breastfeeding infant, divide the maximum issuance by 2 and round down. Manually replace this “quantity” with the new exchanged “quantity.”
Example: Participant has 3 cans of Similac Advance on the card to exchange for Similac Sensitive. The formula exchange module allows 7 cans of Similac Sensitive to be issued. 7 divided by 2 is 3.5 cans. Round down to 3 cans. Change the “new quantity” from 7 to 3 or less if the mother requests/needs less.
 - D. Save this amount and issue.
 - E. Adjust any future months that were already issued to the card by changing the formula quantity to an amount equal to or less than the maximum amount allowed for the formula type and infant’s age.
 - F. Use the Maximum Quantity Formula Table to determine the maximum quantities allowed for the mostly breastfed infant as a reference or contact the formula beeper at (512) 499-6814 for assistance.
 - G. Communicate the quantity needed to the staff member assigned to issue benefits to the EBT card.