

Drop Ship Procedures

Revised November 2009

Presented by:
The Clinical Services Formula Team

Needed materials

- WIC Formula Drop Ship Order Form (Revised)
- WIC Drop Ship Procedures – Step by Step (Revised)
- Drop Ship Checklist (New)
- Alphabetical Formula Code List (Includes packaging challenge items shaded in gray)

Available at: <http://www.dshs.state.tx.us/wichd>

Objectives

- To review step by step procedures when drop shipping.
- To prevent errors resulting in local agency payment for formula.

Reasons for drop shipping

- The formula is not available locally.
- The formula is not available locally in 3 days or less.
- The local vendor is not willing to sell it for the “Not To Exceed Price”.
- The local vendor is unwilling to break cases resulting in substantial shortage of formula quantity.

Ways to obtain formula locally

- To avoid drop shipment consider the following:
 - Local pharmacies approved to accept WIC EBT Lonestar cards. These may be within a grocery store.
 - WIC only stores
 - Drop ship/medical supply vendors with walk-up locations

Please note

- Standard infant formula (milk or soy based) should not be drop shipped.
- This includes both contract and non-contract standard infant formula in all forms.
- Contact the pager for assistance if these products are not locally available.

Drop ship procedures

- Approve the formula request by appropriate local or state staff.
- Load benefits on the EBT card for the appropriate benefit month or exchange formula using the Formula Exchange Module.

Drop ship procedures

- Print two duplicate sets of shopping lists (4 individual lists will be created).
 - One copy for the CA to use when ordering.
 - One (signed) copy for the participant to keep.
 - One (signed) copy for the WIC office to use as the benefit issuance log.

Do not buy statement

- Participant is told not to buy the formula with their EBT card.
- They acknowledge this by signing the “Do not buy” statement written on or attached to their shopping list.
- Attach the signed “do not buy” statement to two copies of the shopping list (for the participant and clinic.)

Decide where to order formula

- Contact 3 vendors to select the lowest price for the formula. Shipping charges are recorded separately.
- Each month, confirm that the formula is in stock and that the price is the same before placing each order.
- Once you choose a vendor, you can continue to use them until there is a price change.

Drop ship vendor contact information

- Eddie Bryant Enterprises dba WIO Market (El Paso):
 - (915) 592-8737
- MEDCO Medical Supply (Houston):
 - 1-800-755-2432
- Star Medical Specialties (Addison):
 - 1-800-368-2065

Ordering

- Contact the formula pager for assistance with ordering formulas that are shaded in gray on your EBT Formula Code list.
- These have packaging challenges, and you may not be able to order all the formula placed on the EBT card for that benefit month.

Ordering

- Fill out the “To Be Completed by WIC Clinic” section of the WIC Formula Drop Ship Order Form.
- Please print all information requested.
- Do not leave any section blank.
- Use the shopping list to determine the quantity of formula to order.

WIC EBT Formula Drop Ship Order Form

To be completed by WIC clinic:

LA/Clinic #: _____ Clinic Phone #: _____ Date of Order: _____
 Clinic Contact (print name): _____ Benefit Month: _____
 Participant Name: _____ DOB: _____ PAN: _____
 Vendor Store Name: _____ Vendor Phone #: _____
 Vendor Representative Contacted: _____ Vendor Fax #: _____

Formula Requirements:

Name	Size & Form	Code	Quantity	Unit Price

Shipping Charge: _____

Ship to clinic/other address*: _____ Special shipping instructions: _____

*State Agency approval REQUIRED for shipments to non-LA/Clinic address

To be completed by vendor: WIC ACCOUNT # _____ OUTLET # _____

UPC #	Pkg (e.g. can, case)	Pkg Price	Qty Shipped	Claim Price

Date Shipped:	Vendor Ref/Order #	Total Formula Cost:
Vendor Signature:		Shipping and Handling:
		Total Cost:

To be completed by LA/Clinic staff receiving and storing ordered formula:

Date shipment received: _____ Initials: _____

Ordering

- The order form information needed will be reviewed in detail:
 - LA/Site
 - Clinic phone number
 - Date of order (month date and year)
 - Clinic contact person
 - Benefit month

Ordering

- Participant name (the child)
- Participant DOB
- PAN# (please include all digits)
- Vendor store name
- Vendor phone number
- Vendor representative (contact person)
- Vendor fax number

Formula requirements section

- Formula Requirements:
 - Formula name – Check carefully, many formulas have similar names.
 - Size (of container) and form (PWD, CON, RTU)

Example of formula code errors

- 050 - Neocate PWD – (no DHA/ARA)
- 440 - Neocate DHA/ARA PWD
- 428 - Boost RTU
(30 calorie adult supplement)
- 475 - (Boost) Kid Essentials 1.5 RTU
(45 calorie pediatric supplement)

NFR changes to maximum quantities for formula

- Remember that formula amounts may change from month to month for infants.
- Quantities for women and children are the same every month.
- No more proration by 28, 30 or 31 calendar days when advance issuing.
- Current month continues to prorate if issued or exchanged after the first day of the month.

Formula requirements section

- Formula Requirements:
 - Quantity – Check the shopping list to get the correct quantity.
 - Price – This is provided by the vendor.
 - Ship to – Clinic address is added here. Home delivery is not possible.
 - Contact the SA pager if overnight delivery is needed.

Ordering

- Fax the order form to the vendor.
- Verify that the vendor received the fax.
- Keep a copy of the confirmation.
- Keep this original order form with the top portion completed, in the participant's chart. You will need it again later.

Ordering

- Ordering and shipment may occur prior to the first day of the benefit month.
 - For example:
 - Client comes in January 10 and is issued formula for January, February and March on her EBT card.
- Do not order more than one month in advance.**

Ordering

- Order January formula now. It can be given between now and January 31st.
- February formula can be ordered prior to February 1st.
- It must be picked up between February 1st and 28th.
- **Be careful.** If formula is given out after the benefit month ends, the State Agency cannot pay for it.

Ordering

- For best customer service, contact the participant prior to subsequent orders to verify that the formula is still needed.
- If the formula needs to be changed, do not order the new formula until after it has been approved, and exchanged through the formula exchange module and the new quantity is available on the shopping list.

Ordering

- If the vendor includes the completed form as a packing slip, file the form in the participant's record.
- Do not fax this copy back to the vendor. Use the original order form.

Delivery

- When the formula is delivered to the clinic make sure everything is correct:
 - Formula form, type and amount
 - Quantity (count each container)
 - Undamaged
- Initial and date the "Date Received" on the original Order Form.

Delivery

- The participant should be contacted by phone and/or mail at least 3 times before making arrangements to send the formula back to the vendor.
- Keep track of contact attempts and results.

Formula return

- If you are unable to reach the participant for 7 calendar days, contact the vendor, and prepare the product for return shipment. Contact the pager for assistance.
- **Do not keep the formula in the clinic after the benefit month ends.**

Formula pick up

- At time of pick up, the participant **must sign** the **Original** WIC Drop Ship Order Form (not the packing slip.)
- **Note:** If the missing signature prevents a vendor from receiving timely payment for the formula, the local agency may be required to reimburse the vendor for the price of the formula plus shipping.

Formula pick up

- Verify that the EBT card PAN is the same as the PAN that is written on the drop ship order form.
- If the PAN's don't match, the claim will not be paid.
- This may happen if the card was hot-carded between order and pick up or if the PAN is copied without verifying that it is current.

Formula pick up

- Formula may be picked up on or after the first day of the benefit calendar month and no later than the last day of the benefit calendar month.
- **If formula is issued outside of the benefit month the Local Agency will be responsible for paying for it.**

Formula pick up and claim payment

- After pick up, **immediately** fax the original, signed WIC Drop Ship Order Form to the vendor for the current month only.
- Keep the confirmation of this fax.

Claim payment

- The vendor then fills out the “to be completed by vendor” section of the order form and mails the form to the state agency for claim payment.
- The signed and completed form must be received by the SA no later than the 15th day of the calendar month after the benefit month ends.
- Example: Order for January must be received by SA by February 15th.

Record keeping

- Develop a method to help you remember when to order for next month.
- Suggestions:
 - All recurrent drop ship orders may be placed on the 25th of the month.
 - All recurrent drop ship orders may be placed on the last Friday of the month.

End of the month

- Contact the formula pager for assistance with current month orders during the last 4 days of a calendar month.
- You may not be able to order formula for the current month and will need to order for the next calendar month instead.

Exchanging ordered formula

- If the formula changes before the participant picks it up, **call the pager for assistance.**
- If the formula has been picked up by the family and now needs to be exchanged, treat it like any other formula exchange.
- Do not send the formula back after the parent has signed for it if you have already faxed the form to the vendor.

Exchanging ordered formula

- Drop shipped formula is not debited from the EBT card and returned formula cannot be accounted for on the card.
- Record returned formula on the appropriate log form.
- Document the transaction in the participant's chart.
- Contact the formula pager for assistance with exchanges involving drop shipped formula.

Drop ship errors

- Pre-payment errors
 - Order form incomplete
 - Information entered is incorrect
Examples: PAN number or formula code
 - **Formula given to participant before benefit month begins or after it ends.**

Drop ship errors

- Post-payment errors
 - Formula code loaded on card does not match code of formula ordered.
 - **Quantity of formula issued on card is less than formula quantity ordered.**

Drop ship errors that could result in local agency payment

- If state staff are unable to process the payment to the vendor.
- There is a mismatch between the quantity of the formula issued and the quantity of the formula purchased.
- Formula is given out too soon or too late.

Vendor payment letters

- LA WIC Director is contacted by phone to discuss the issue and verify the facts.
 - Usually this is for formula given out too soon or too late.
- Payment letter sent from Mike Montgomery
- Payment is expected to be provided to the vendor within 30 days of receipt of letter
- Clinical services staff should be notified when payment has been sent to vendor.

State agency reconciliation investigation

- An email is sent to LA WIC director to follow up on reconciliation errors
 - These are mismatches of formula issued to card and formula purchased via drop shipment.
- WIC director is asked to explain error in writing via email.
 - If more formula was redeemed than was issued, the SA may need to be compensated for the overpayment.

Summary

- To help prevent errors in drop shipment use the check list on the next two slides to ensure that all steps are completed.
- Have a second staff person double check the order form if possible.

Check list for drop ship

- Approve formula request.
- Load benefits on the EBT card.
- Have the participant sign the “do not buy” statement.
- Decide where to order the formula.
- Fill out the *Order Form* completely and correctly and fax the form to the vendor.

Check list for drop ship

- Receive the shipment and check the order.
- Contact the participant for pick up.
- Compare the EBT card PAN to the PAN written on the drop ship order form.
- Check the date the participant signs to verify that it is within the benefit month.
- **Immediately** fax the current signed order form to the vendor (no later than the last day of the current benefit month.)

Questions????

Please call for assistance when you have questions about procedures or for unusual situations.

Contact information for drop ship questions

- Formula pager: (512) 499-6814
 - Maricela Montoya (512) 341-4578
 - Cathy Plyler (512) 341-4577
 - Sandra Brown (512) 341-4576
- Email: firstname.lastname@dshs.state.tx.us