



Memorandum

#10-009

TO: Regional Medical Directors for
Health Service Regions 4/5, 6 & 5 South, 9/10 and 11
WIC Local Agency Directors

FROM: Linda Brumble, Unit Manager
Nutrition Education/Clinic Services Unit
Nutrition Services Section

DATE: February 19, 2010

SUBJECT: Issuance and Redemption of WIC Benefits Drop Shipped

Errors in the issuance and redemption of formula that is “drop shipped” that result in payments being denied to the vendor *cannot* be paid for by WIC funds. This is based on federal regulations concerning the issuance and redemption of WIC benefits. Therefore, drop ship formula orders that are handled incorrectly will result in the local agency either being billed by the State Agency or being forced to pay the drop ship vendor directly. The following types of errors will result in payments from the local agency.

Local Agency Pays the Vendor

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.**
- **WIC Formula Drop Ship Order Form is not returned to the vendor in a timely manner.**

Local Agency Pays the State Agency

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.**

Steps to Decrease the Errors that May Occur with Drop Shipments

- Call the State Agency for instructions if necessary.
- Put the benefits on the card.
- Use the shopping list (double-check it) to determine the quantity.
- Order no more than the quantity issued to the card.

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- Fill out the *WIC Formula Drop Ship Order Form* completely and correctly.
- **Do not distribute the formula outside of the benefit month.**
- Get the participant's signature.
- Fax the original order form to the vendor in the required time frame.

Local Agencies must pay for these errors from other funding sources since WIC funds cannot be used. It is imperative that you designate at least one responsible person plus a backup at each of your clinics to handle drop ship formula as the directions for completing the form are complex and have serious consequences.

If you have any questions regarding drop shipment of formula or before you order formula to assure correct processing, please contact Maricela Montoya, Clinical Nutrition Specialist, Nutrition Education/Clinic Services Unit, at (512) 341-4578 or Maricela.Montoya@dshs.state.tx.us, or Cathy Plyler, Clinical Nutrition Specialist, Nutrition Education/Clinic Services Unit, at (512) 341-4577 or Cathy.Plyler@dshs.state.tx.us.