

## **4. Kansas Site Visit Summary Report**

### **I. Background**

The State WIC agency in Topeka, KS, was visited during the week of August 14, 2000. The Shawnee County Health agency and the Johnson County Health Department were the two local agencies interviewed during the site visits. The Kansas WIC Program receives Federal funding in the amount of \$19 million in food funds and more than \$6 million in funding for NSA. The Program also receives \$10 million in rebates.

The State agency reports several factors that account for population fluctuations among their participants. While there is not a large number of participants who meet WIC's definition of migrant workers, there is a large population of Hispanic participants who live and work in Kansas, but travel back to Mexico in the summer when the school year is over. A significant military population also exists that fluctuates. For example, Fort Riley recently shipped out a large number of military personnel. There are currently no eligible applicants who are denied services due to lack of funding or who have been placed on waiting lists.

#### ***WIC Program Organization***

At the state level, the WIC Program falls under the Bureau for Children, Youth & Families Nutrition & WIC Services Section. The director of nutrition and WIC services supervises:

- Nutrition services (breastfeeding, nutrition services)
- Community program consultants (program operations, training, management evaluations, vendor authorization and monitoring, provides consultation and technical assistance to local agencies)
- Office staff (provides clerical and secretarial support)

There are 36 parent agencies in the Kansas WIC Program. The Program serves approximately 50,000 to 54,000 participants. Most of the agencies are housed in County Health Departments. Other organizations that have had contracts to run local agencies in the past have been mostly nonprofit organizations, and one conglomeration of Native American tribes. Agreements with local agencies are contractual agreements that are renewed annually and are not limited to county health departments. The number of clinics operated by each local agency varies.

The State agency uses reference checks and interview teams with structured question lists prior to employment of state staff. They do not conduct background investigations or drug testing although they report that some of the counties require drug testing prior to employment of county health department staff.

#### ***Local Program Administration***

At the local agency level, the WIC Coordinator oversees operations at the agency and all the clinics that fall under it. Initial screening, intake and issuance of vouchers are typically performed by clerical staff. The certified professional authority (CPA) who can be either a nurse

or dietician, does certification and recertification. Positions for staff in the WIC Program may be funded partially by other departments. Such staff are cross-trained and must complete daily time study reports indicating how much of their time was spent working for each program (i.e. maternal and child health nurses often spend 50 percent of their time working for WIC).

Training of new staff consists of orientation, a new employee training clinic which is done by the State agency three times a year, on-the-job training, educational modules, and observation of a seasoned employee. Followup training for current staff is accomplished through management evaluations, and annual statewide conference, and sometimes through self-training modules.

### ***Management Evaluations***

Local agencies are audited a minimum of every 2 years. All parent agencies are responsible for conducting their own management evaluations of sub-agencies, and most do staff performance evaluations. The audit team may go back some time within 6 months as a followup if a local agency has been having problems.

### ***Management Information System***

Kansas has a contract with PDA Software Services, Inc. (PDA) to handle processing of transacted vouchers, food instruments, and entry and management of program data. When new participant information is taken or existing participant information changes, a form is filled out manually and mailed to PDA via UPS. PDA's system automatically converts infants to child status at the appropriate time, and will terminate a child at 5 years and a postpartum woman at 6 months or 1 year depending on breastfeeding status. The system also terminates pregnant women 6 weeks after their estimated date of delivery if they have not been recertified.

Food instruments are generated for all existing participants and mailed from PDA to the clinics via UPS. Dual participation reports are printed and mailed out by PDA on a quarterly basis. One computer at the State agency provides access to the database maintained by PDA. The local agencies do not have direct access to this database. The State agency can pull up the unreconciled voucher report to determine which vouchers have been entered as issued, compared with which ones have been presented for payment. In order to establish the maximum amounts printed on the food instruments, PDA conducts price surveys with WIC vendors to establish average amounts. Any food instrument presented by the vendor for payment that exceeds the average amount for that food package by 20 percent is kicked out of the system and returned. The statements generated by PDA have a built-in point system to detect high-risk vendors based on data such as high food costs.

### ***Fraud Prevention Initiatives***

Complaints related to fraud or abuse can be made in writing on a complaint form that is made available to participants, vendors and staff, or by calling the State agency's hotline. All complaints are handled by the local agencies with the exception of complaints about discrimination, which are immediately forwarded to the State agency. Local agencies must respond to complaints and fill out a form that includes a narrative section about the nature of the complaint, and what action was taken in response to it. The local agency keeps one copy of this form, and sends one to the State agency where State staff members review it and do any followup that is necessary.

When cases of fraud or abuse are detected, followup actions for potential prosecution and sanctioning is often a problem for several reasons, including lack of requisite staff resources and specialized skills. The State agency feels that prosecution of fraud and abuse often becomes a cost vs. benefit issue. If the dollar amount of the loss is not significant, it often does not seem cost effective to invest a significant amount of staff time attempting to recover the loss.

It is the responsibility of the vendor manager to prosecute vendors and to assign individual staff members to prosecute participants. Typically, the followup for program participants is a letter that is sent to the participant by the State agency requesting reimbursement of the funds involved.

## **II. WIC Program Operations and Processes**

### **A. Certification**

#### ***Screening and Certification***

When applicants call to schedule an appointment, the clerk either tells them what to bring or mails a letter listing what documentation will be needed. There is no initial eligibility established prior to the certification appointment. The appointment may be logged either on the computer or in a schedule book depending on the agency. Kansas does not have an online certification process, so a form is filled out with the applicant's information. A State application form is available for use by local agencies. One agency has chosen to use its own form for the purpose of integration of services across other programs. A required WIC/CSF certification form is filled out for those who are found eligible and a copy of this is sent to PDA for computer processing. No checks for dual participation are done at this point in the process. Applicants who are not eligible for WIC can be referred to the Commodity Supplemental Food Program if it is available in the WIC service area.

#### ***Verification of Adjunctive Eligibility***

The WIC agencies in Kansas have a memorandum of understanding that allows them to share eligibility information with programs such as Medicaid, TANF or food stamps. This information comes in the form of a listing of participants exchanged between these programs. For those who do not, a certification letter or eligibility card from Medicaid or TANF can be used as proof. This information is recorded on the certification form.

If a participant moves from another State and has a verification of certification (VOC) card, this person will be considered automatically eligible. The VOC card has the participant's name, date of last eligibility determination, date of income assessment, and nutritional risk. The date of last eligibility determination will be used to establish the next date of recertification. In addition to the VOC card, another form of identification must be shown to establish the identity of the participant.

#### ***Documentation of Identity, Residence and Income***

Participants are required to provide proof of identity, residence and income at each certification. Although Kansas is largely a rural state, the WIC Program does not have a problem with documentation of residency. Because of the 911 system, most homes have addresses. Participants are assigned a unique identification number (Social Security number is considered

optional). The beginning part of the identification number will be shared by all members of the same family, while the last part of the number is unique to each participant. Kansas does not require proof of pregnancy.

Although program authorities recognize that the possibility of someone falsely declaring a pregnancy exists, they have chosen not to require proof of pregnancy because there is a cost associated with it. Documentation is recorded on the chart, but agencies are not required to make photocopies of documents. If a participant is lacking documentation, a 30-day supply of benefits is issued, and the documentation must be provided at the next visit. A waiver of this requirement is sometimes allowed for participants who are migrant workers or who are homeless.

### ***Checks for Dual Participation***

Kansas receives quarterly dual participation reports from PDA. The system checks for dates of birth within 30 days of each other, last name, and first initial. The reports are sent to both local agencies involved, who are then responsible for checking with each other and resolving any actual cases of dual participation. The State agency has chosen quarterly reports rather than monthly reports because of the cost of having PDA print the report and the time lapse that occurs when mailing the data back and forth. Although clinics receive a printout from PDA of participants listed alphabetically and numerically, this printout is not used to check for possible dual participation at the time of certification.

PDA also provides data management for the Commodity Supplemental Food Program in Kansas, so a dual participation report for WIC and CSFP is sent by PDA to both programs. PDA checks the same items as the dual participation report between programs. The State agency said it has had very few cases of actual dual participation. However, with the current quarterly report system, the potential exists for a participant to receive several months' worth of benefits fraudulently before dual participation is suspected, investigated, and detected. Kansas City has been an area of concern due to the fact that part of it is in Kansas and part in Missouri. The computer systems in the Missouri WIC Program are not compatible with the ones in Kansas, but the two are currently trying to coordinate so their systems can share information.

### ***Separation of Duties/Controls on Certification Authority***

Kansas does not have a policy on separation of duties due to program authorities' concern about staffing issues in small clinics. In larger clinics where staffing levels are high, separation of duties is more prevalent. The State claims that the person who is in charge of receiving vouchers from PDA should not be authorized to issue vouchers from a WIC Program. Initial eligibility information may be taken by a clerk, but certification is performed by a CPA.

### ***Automatic Termination and Conversion***

PDA will automatically convert an infant to child status at the appropriate time. Children are automatically terminated from the Program at 5 years of age, and postpartum women at 6 months postpartum or 1 year postpartum depending on breastfeeding status. The system also terminates pregnant women 6 weeks after their estimated date of delivery if they have not been recertified.

If a participant has not been recertified by the end of the certification period, the system will automatically terminate that participant 45 days after recertification was to occur. PDA then will generate a certification form that is coded to indicate that the participant missed the

recertification date. The automatic performance of these functions is a built-in control against participants receiving benefits from the program for longer than they are entitled to.

### ***Special Formula***

Any special or nonrebate formula will be provided to participants only with the order of a physician. The documentation provided by the physician must include the diagnosis, the reason why that particular formula is needed, the quantity needed, and length of time it will be needed. This documentation must be reissued at each recertification, or at the end of the period specified by the physician, whichever is shorter.

### ***Blood Work and Measurements***

Blood work and measurements can be done in the clinic by an authorized health professional or a member of the WIC staff who has been trained to do so and is under the direct onsite supervision of an authorized health professional. Blood work and measurements may be obtained from a healthcare provider outside of WIC, however, the data are only valid for up to 60 days, and data on pregnant women must be collected in the trimester of certification. When medical information is coming from an outside source, the possibility exists that it may be falsified. If the data appear suspicious, a call can be placed to the doctor's office for verification. Having onsite collection provides the clinic with an immediate method for verifying any information that appears suspicious.

## **B. Food Instrument Issuance and Management**

Agencies receive all vouchers directly from PDA. When a box of vouchers is received, it is opened and checked to make sure the agency number is correct. The contents of the box are compared with the packing slip inside to ensure that the sequence of serial numbers is correct, and that all the vouchers indicated have been received. The person checking this will date and initial the packing slip to indicate that they have been checked. Inventory is typically checked by the local agency WIC coordinator, but this can vary by agency.

State policy requires that the person who issues agency vouchers does not do the check-in of vouchers sent by PDA. If any discrepancies are found, the State agency is contacted immediately. The local agency is informed prior to shipment of its vouchers, so if the vouchers do not arrive, the State agency is alerted so the shipment can be tracked, and PDA is informed if the vouchers are not located. Vouchers are kept in a locked cabinet when not in use.

### ***Use of Preprinted Manual or Computer-Generated Vouchers***

Since data management for the WIC Program in Kansas is handled by PDA, checks for participants who are already in the system are printed by PDA complete with participant information, clinic information, maximum amount, valid dates and food package. PDA will not generate preprinted vouchers for participants who have not been recertified at the time recertification is due. PDA's MIS also has a function that will stop printing vouchers for a participant after the estimated date of delivery which was entered at certification. The vouchers are shipped via UPS to the clinic for pickup.

If a participant is receiving the first set of vouchers or is in need of a prescription change, a manual voucher must be printed by the agency. Manual vouchers provided to Kansas by PDA

are of two types: blank and preprinted (with food package). The blank voucher must be handwritten and is encoded with a serial number beginning with a "9." Blank vouchers can also be printed on clinic computers using automated voucher printing (AVP). AVP blank vouchers have a serial number beginning with an "8."

Having the capacity to print AVP vouchers for participants who are new or in need of a prescription change means clinic staff spend less time writing them out by hand. AVP printing is a stand-alone system, and the majority of the clinics in Kansas use it rather than receiving preprinted participant vouchers from PDA. The AVP vouchers are not printed until the participant shows for pickup, so the void rate is very low. For clinics that still receive preprinted vouchers, the policy for retaining vouchers that are not picked up is that they are to be kept for 5 days, then voided with a reason code and sent back to PDA.

One carbon copy is retained at the clinic for their records. Every week the agency sends a disk to PDA with information on all the AVP vouchers printed by the agency. A carbon copy of manual vouchers issued is mailed to PDA. The WIC ID folder or another form of ID is required at voucher pickup. Participants sign the voucher register when they pick up their vouchers. The clinic keeps a carbon copy of manually generated vouchers (AVP and non-AVP) for their records.

A weakness of this system is the amount of time that elapses between what occurs in the agency and when the information is received by PDA. A voucher could conceivably be presented for payment before PDA receives any information about it from the agency. A PDA report is generated that lists all vouchers redeemed at the vendor for which no information has been received by PDA regarding the voucher's issuance. This report is sent to each applicable local agency.

#### ***Voucher Replacement Policy***

It is Kansas' policy to replace vouchers that are damaged if the voucher is physically present at the time of replacement. Vouchers that are lost or stolen will not be replaced. Exceptions to this rule will be made only by the State agency and only under special circumstances such as fire or flood.

#### ***WIC Staff as Responsible Party***

It is the policy of the State agency that WIC staff should not serve as the responsible party to pick up vouchers for WIC participants other than for their own family members.

#### ***Changes in Food Package***

PDA sends preprinted vouchers to clinics with the participants' information and food package already printed on them. If a change needs to be made to a food package, the PDA vouchers are voided, and manual vouchers are filled out. PDA will not make changes to the food package until it receives a form from the agency requesting this change. The food packages for AVP vouchers can be changed and new vouchers printed, if necessary.

#### ***Voiding of Vouchers***

If a voucher must be voided, it is stamped with "VOID" and the register is marked with "VOID" next to that voucher's sequence number. The reason for voiding the voucher must be indicated

and the date and initials of the staff person voiding the voucher must also be noted. One carbon copy of the voucher is kept in the agency for their records, and the white copy is retained to be sent to PDA on a weekly basis. AVP vouchers are voided in the agency's computer, and that information would be included in the disk that is sent to PDA at the end of the week.

### **C. Food Instrument Transaction and Redemption**

The Kansas WIC Program is currently in the process of implementing the WIC ID folder. It has historically been the responsibility of the vendor to decide whether or what ID to request when participants are redeeming their vouchers. Participants sign their vouchers at the register, and the cashier may check that signature against whatever identification is provided. After the participant redeems the vouchers, the vendor retains the cash register receipt and sends it along with the voucher to the store's WIC clerk.

The WIC clerk batches the white copies of the vouchers and sends them to PDA for payment. If the amount on a voucher is 20 percent over the average amount, PDA's system kicks it out, and sends it to the State agency. The State agency will decide what amount they will pay on the voucher and send it back to PDA. A weekly data tape of vouchers to be paid is sent by PDA to the State agency for processing through the Kansas Department of Administration for actual payment to each vendor. A reconciliation list printed by PDA is sent to the local agency by the State agency for record keeping and reconciliation purposes.

### **D. Management Evaluations**

The State agency conducts management evaluations of local agencies every 2 years at a minimum. If the local agency is a large one, a team of two (one from administration and one from nutrition) will conduct the evaluation; if it is a small one, only one person might conduct the evaluation. A very large agency may have a team of three with the third person concentrating on the review of vendors and vouchers. Local agencies must complete and submit self-evaluation forms prior to the review.

During the course of the evaluation, staff will be interviewed and then observed to determine level of compliance with policy. Documentation (i.e. chart reviews) will be checked as well. The following areas are included in the review: certification, procurement and property, outreach, referral, nutrition, education, breastfeeding promotion, civil rights, fair hearings, records and reports, financial management, audits, vendor compliance, food delivery system, and program costs. Within 30 days of the review, the local agency receives a written report indicating areas needing improvement. The local agency must submit a response within 30 days of receipt of the report indicating a plan of action for corrective measures. If needed, the State agency may schedule a followup visit to ensure that these corrective measures are being implemented in an acceptable manner.

Local agencies operate on contractual agreements with the State agency. These contracts are renewed on an annual basis, so it is important for the continuation of the agency to receive favorable evaluations, and to make timely corrections to any problem areas. There have been cases where contracts with certain organizations were not renewed because they received unfavorable reviews, and the State agency felt they were not sufficiently meeting the needs of the

participants. One of these organizations took legal action against the Kansas WIC Program and the case went all the way to the Supreme Court. The organization lost its case. The State agency reports that the clinic now operating in that area is providing services to WIC clients in an acceptable manner.

Some directors of local agencies perform their own management evaluations independent of the ones performed by the State agency. This usually consists of chart audits, or use of the State agency's evaluation form as a "checklist." Local agencies do internal management evaluations at varying times, from quarterly to yearly.

Management evaluations are an important and effective control against fraud and abuse. They provide an opportunity for the State agency to review the operations of the local agencies on a regular basis to ensure that the policies and procedures established to prevent and detect fraud and abuse are being implemented. The management evaluation's followup component is an effective tool for communicating the State agency's expectation that any problems will be corrected and for ensuring that this is done in a timely manner.

### **III. Summary of Site Visit Results**

The key practices that promote staff and participant integrity in the Kansas WIC Program are the following:

- Automatic termination of participants who have not been recertified within 45 days of recertification date
- Automatic termination of participants at the end of their period of eligibility (i.e. postpartum woman after 6 months)
- Clinics have a memorandum of understanding with other programs to check for adjunctive eligibility with those programs
- Computer check for dual participation between WIC and CSFP
- Requirement of detailed physician's order for nonrebate formula and State agency monitoring of special formula issuance
- Report tracking distribution of nonrebate formula
- Documented followup on all complaints
- Requirement of additional identification in conjunction with VOC card for establishment of automatic eligibility
- Use of AVP in most clinics during initial certification and when unforeseen changes are necessary.

### ***Vendor price monitoring***



The ability to verify participation with other programs is a strength of the Kansas WIC Program. A direct eligibility check with Medicaid, TANF or the Food Stamps program eliminates the chance that an applicant could falsify documentation of eligibility to fraudulently gain benefits from WIC. While this is not available to all clinics, it is an effective control against fraud and abuse, and should be pursued in any clinic where it is available.

The check for dual participation with CSFP is a good control against fraud and abuse, because participants are not permitted to receive benefits from both programs at the same time. Kansas has an advantage over most other States where this is concerned, because PDA also does data processing for CSFP in this state. The quarterly report could be strengthened as a control against fraud and abuse by increasing its frequency. Quarterly reports allow too much time to lapse between the dual receipt of benefits and the detection of it.

Outsourcing of the maintenance of data files results in certain problems, such as a delay in updating of information, and limited access to data at the local level. In the absence of a more sophisticated online system, PDA is able to provide the Kansas WIC system with some effective controls against fraud and abuse. In addition to the check for dual participation with CSFP, PDA prints a report on dual participation within the WIC Program that is sent quarterly, but could be sent more often at the program's request. PDA also does automatic conversion from infant to child, and automatic termination. The ability to print vouchers on demand with the AVP system is a strength during initial certification. Vouchers are printed as needed and thereafter are printed by PDA.

Strict controls on the distribution of nonrebate formulas provide an important protection against fraud and abuse, because many of the formulas are expensive and have a high resale value. The requirement of detailed documentation of need from a physician as well as receipt of a distribution report help the Kansas WIC Program keep a handle on distribution of this expensive formula.

A strong management evaluation process with a followup component is another effective control against fraud and abuse. It helps to ensure that the policies and procedures that have been established to prevent and detect fraud and abuse are being implemented. This process helps to identify and rectify areas of weakness, so that program integrity can be strengthened.