

5. Massachusetts Site Visit Summary Report

I. Background

WIC agencies in Massachusetts were visited during the week of July 17, 2000. Two local agencies included were Massachusetts General Hospital (MGH) Healthcare Center in Revere, MA, and Brookside Community Health Center, Jamaica Plain, MA.

Massachusetts is a mid-sized State in terms of population, with two distinct regions: the urbanized eastern half and the more rural western half. In recent years, the State has absorbed many new immigrants from Latin America, Europe, Asia and Africa. The State is known for its many educational institutions, as well as its high technology and medical sectors. The State takes a relatively central role in human service programs, whereas county and local governments play a much smaller role than in many larger States.

The WIC Program in Massachusetts serves 124,000 participants, providing for services to 85 percent of the estimated eligible population at a total annual Program expense of approximately \$73 million. About 55 percent of participants are children, 23 percent are infants, and 22 percent are children. Hispanics make up 27 percent of the participant base, while African-Americans account for 18 percent and Asian-Americans account for 6 percent. Massachusetts was the first State to supplement the funding for WIC; this funding ensures that eligible applicants are served without recourse to waiting lists.

WIC Program Organization

The WIC Program in Massachusetts is administered by the Department of Public Health (DPH). The State WIC staff of 55 persons is organized into the following units: administration, fiscal, public policy and special projects, vendor systems, information systems, nutrition, and local Program operations. The local Program operations and vendor systems units have the most responsibilities in the area of fraud prevention and detection.

The responsibilities of the local Program operations unit include: monitoring and providing technical assistance to local Program operations, coordinating participant hearings, overseeing the check system, and reviewing and resolving fraud cases. This unit operates a facility that provides training for local agency staff, including orientation, certification for nutrition assistants and program assistants, and continuing education. The vendor systems unit is responsible for vendor training and communications, policy and procedures, electronic service delivery and vendor fraud and abuse.

Responsibility for the prevention and detection of fraud is shared by the State and local WIC agencies. Other agencies become involved only at the request of the State WIC staff. For example, the program manager has enlisted the collaboration of bank administrators who alert the WIC agency of any suspicious check activity.

There are currently 36 designated service areas, each with a local agency operating under contract with the State. About two-thirds of local WIC agencies are operated by community health centers or hospitals; the rest are operated by community action agencies. Local WIC

Programs are expected to have a site at each community health center within their service area where a minimum of 100 WIC participants could be served. The DPH specifies the minimum number and approximate location of sites within a service area, as well as how often sites must be open. There are 155 service sites. Three mobile vans are used to provide services to participants in rural areas.

Local agencies typically employ several types of staff. Program assistants schedule appointments; determine identity, residency and income; enter certification data into the MIS; and issue checks. Some sites use program assistants as receptionists, while others employ staff specifically as receptionists. Nutritionists take measurements and blood tests, perform nutritional assessments, assign food prescriptions, authorize check issuance, and provide nutritional education. Certified nutrition assistants perform some or all of the nutritionists' duties for low-risk participants under the supervision of a nutritionist. These staff members have participated in a training program provided by the State. Breastfeeding counselors are women from the local community who provide outreach and advice on a part-time basis. Supervisory staff members include senior program assistants, who oversee the program assistants, and program directors.

Management Information System

A major change for the WIC Program occurred 10 years ago when the WIC system in Massachusetts was computerized. The DPH decided to base its system on the PC-based MIS then used by Illinois, which represented the state of the art at that time. (As discussed in the Illinois summary report, Illinois has since replaced its WIC MIS with the Cornerstone integrated public health delivery system.)

The WIC Program uses four kinds of software. The Massachusetts WIC System is a menu-driven, distributed application used for appointments, certification, WIC check issuance, and reporting. First Choice software is used for word processing and to construct databases and create spreadsheets. The programs can write letters to participants, create nutrition education materials, print labels, keep mailing lists, etc. PC Anywhere is used to send data to and from the State office with a modem. The WIC Program uses the Massachusetts Automated Dietary Assessment (MADA), a specialized software program for nutrition assessments and for entry and maintenance of dietary information.

The system runs on personal computers (PCs) at the sites, PCs at the State office, and on a mainframe computer in Boston. Depending on a site's size and hours of operation, staff may use a PC LAN, stand-alone PCs, or laptop PCs.

The State office PCs collect and process data from each WIC site every evening. Data exchange with PC LANs and most stand-alone PCs is scheduled and run via a dialup process by the State's host. This process must be locally initiated for laptops and some standalone PCs. Once all new and changed data are uploaded, the participant information is updated on the mainframe. Participant files are transferred, recalled, and compared for dual participation. Daily management reports are produced and distributed. In addition, check status information is forwarded to the State's bank, and updated information is downloaded to each site.

Management Evaluation

The WIC Program staff monitors the performance of each local program. They conduct biennial management evaluations, financial reviews, and ongoing data reviews. DPH combines results of the biennial management evaluations with other factors to establish a compliance score. If a local agency's score falls below the standard, the agency will be required to establish a corrective action plan. A local agency can have its contract placed on a provisional basis or terminated due to poor performance. Local agencies are required to conduct self-evaluations in the years when they are not subject to a State review.

Recent Changes in Program Integrity Practices

The 1998 Goodling Act gave DPH the mandate it sought to strengthen existing screening of income and residency. The State agency had required income screening since the mid-1980s, but it undertook an initiative to retrain local staff and close gaps in its policy and procedures. A requirement that all participants provide residence documentation and the establishment of firmer rules for participants who have difficulty presenting income documentation were among the first steps taken.

The State agency also began to record and file separately the records of foster children involved with a WIC family. Along with changes in operational policies and procedures, the State WIC staff updated the related core standards for local agency performance reviews. As a more long-range approach, State staff began discussions on how to share data with other programs that serve the WIC population, such as Medicaid (known as MassHealth) and Head Start.

Electronic Benefit Transfer/Electronic Service Delivery Plans

Currently, the staff is participating in the New England PARTNERS Project, a joint initiative with the States of New Hampshire, Maine, Rhode Island, Vermont, and Connecticut. The PARTNERS intend to develop and implement a "smart card" based delivery system to meet the needs of clients receiving public health and human services. The idea is to test the electronic benefit delivery and information exchange for multiple programs on one card. The programs that may be incorporated include WIC, the Commodity Supplemental Food Program, the Farmers' Market Nutrition Program, the Food Stamp Program, immunization services, Head Start and EPSDT.

II. WIC Program Operations and Practices

A. Certification

Applicants request appointments for WIC certification by telephone or by walking in to the local clinic. A staff member takes the applicant's name, date of birth, address and telephone number, asks whether the applicant is already on WIC, and schedules an appointment. Some clinics use the computerized scheduling systems maintained by their parent agencies or manual appointment books, and also maintain appointment schedules in the WIC MIS. In one clinic, the appointment system provides an automated interface to determine the Medicaid eligibility of the participant; otherwise, the staff member inquires whether the applicant is on Medicaid.

If an applicant has been referred by another unit in the parent agency (such as an infant born in the hospital that operates the clinic), the applicant usually has an existing record in the agency's information system. Otherwise, the staff member establishes a record in the agency's system and

assigns a patient ID number to the applicant. This patient ID can be recorded on the WIC MIS demographics screen to facilitate information sharing with the clinic's parent agency, provided that the participant has given consent.

The staff member explains to the applicant what documentation to bring to the appointment and sends a letter confirming this information and the appointment time to the participant. This letter can be used as proof of address at certification.

At the certification appointment, the screening process for identity, income, and residency is handled either by a WIC program assistant or by a registration unit serving the entire clinic. In the latter case, a WIC program assistant also reviews the patient demographics, income and household composition. The applicant must report household size (which may include an unborn child or children), show proof of household income, identity, and residency.

The program assistant enters this information into the WIC MIS and records the information on a paper certification form. After completing this stage of certification, the applicant goes to the nutritionist or nutrition assistant (depending on risk indicators) for nutritional assessment, counseling, and the food prescription.

Identification and Categorical Eligibility

Several documents are accepted as proof of identification:

- Medical record
- Birth certificate
- Hospital birth card
- Driver's license
- Military ID
- Work or school ID
- Social Security card
- Voter registration card
- WIC ID/verification of certification card (for transfers)
- Medicaid card
- Insurance card

The type of proof is recorded in the WIC MIS. Providing the Social Security number is optional, because DPH does not want to present a barrier to participation by immigrants. DPH assigns its own WIC ID number to each participant. For infants and children, the names of the participant's parent or guardian and mother's maiden name are used as additional identifiers. Members of the same family are assigned a common group number to facilitate scheduling and updates.

To confirm categorical eligibility for infants and children, an official document providing the birth date is required. For women, proof of categorical eligibility status can be taken from medical/birth records, referral forms, WIC records, or observation of pregnancy. If a woman's pregnancy cannot be confirmed at certification, she is classified as presumptively pregnant and certified for 60 days of initial certification. If she does not provide proof by presenting a medical referral form or a blood test within this time period, she is terminated from WIC and ceases to

receive benefits. To minimize the risk of fraud and to ensure compliance, a presumptively pregnant woman is scheduled for a followup appointment 30 days after certification.

In Massachusetts, each new WIC participant receives a plastic ID card to be used as identification for check issuance and redemption. This check cashing card, which bears the participant ID number and authorized shopper signature, is more secure and convenient than the folder formerly used for this purpose. The participant also gets an appointment card and a plastic checkbook to hold the WIC checks.

Physical Presence Requirements and Documentation

In accordance with WIC Program requirements, all applicants must be physically present for initial certification and each recertification, with the exception of individuals with disabilities who would have difficulty going to a WIC clinic for certification. However, documentation of impairment is required, and this exception is only applicable for the certification period in which it is provided. For long-term conditions, the same documentation can be accepted. If the adult applying on behalf of an infant or child is not the natural or adoptive parent, proof of custody must be obtained.

Residence Documentation Obtained

Applicants applying for WIC benefits must live in Massachusetts, but they do not necessarily have to live in the Program's service area, nor do they have to be U.S. citizens or permanent residents. To verify residency upon initial certification or recertification, the applicant must present a document with his/her name and current address on it. Self-declaration is not acceptable. The following are typical documents:

- Telephone bill
- Cable bill
- Water bill
- Bank statement
- School record
- Rental agreement
- Mortgage agreement

A pay stub with the applicant's address printed on it or the WIC appointment letter also can be used as proof of residency.

Adjunctive Eligibility Documentation

Local WIC Program staff are required to screen all applicants for adjunctive eligibility. About half of all applicants are certified for income eligibility based on current eligibility for Medicaid, TANF or Food Stamps. Program manuals and training material stress that screening for adjunctive eligibility speeds up the certification process; this process also identifies needed referrals when participants are not receiving benefits for which they are eligible. The following documents accepted as proof of adjunctive eligibility for WIC benefits: a Medicaid card, a TANF notice of eligibility, or the Food Stamp program's notice of eligibility.

The Medicaid card is not dated, so current eligibility must be verified. The program assistant verifies Medicaid eligibility by swiping the card through a point-of-sale (POS) terminal or

calling a toll-free automated information line. If an applicant has proper identification and a Social Security number but does not have the Medicaid card, the program assistant can use the SSN and last name to obtain the Medicaid number and status by calling the toll-free line. The use of a POS device appears to be a faster procedure than the telephone system, but both procedures work well and with minimal interruption in the client contact flow. If adjunctive eligibility is proven, the program assistant enters the appropriate proof code on the MIS.

Income Documentation Obtained

For participants who are not adjunctively eligible, there are several types of documents accepted as proof of income, such as the following:

- Pay stubs
- Employer letter (signed on employer letterhead)
- Unemployment checks/statement or letter from unemployment office
- Savings book
- Court order (used for alimony or child support)
- Estimated (quarterly) income tax form
- Tax documents-W2, 1040 (used in January only)
- Military pay statement
- Department of Social Services payment (foster child)
- Supplemental Security Income check
- Financial aid transcript (U.S. students)
- Certificate of finances (I-20 for foreign students)

The program assistant enters household size, the type of proof code, and the weekly, biweekly (every two weeks), monthly or annual household income in the MIS, which automatically checks the income eligibility. If the applicant is deemed “over income” by the MIS, the program assistant cannot proceed to certify the applicant. One system limitation is that the program assistant must manually calculate the total if there is more than one source of income. Income documentation is not copied, as a copy is not required by WIC regulations.

Zero Income or No Proof of Income

When DPH implemented the WIC Program rules on income documentation, it established special procedures for situations when the usual documentation of income is not available. If an applicant can provide proof but fails to bring it to the appointment, the agency can complete the rest of the certification process, print checks and hold them, and then issue the checks when the applicant does bring proof. If an applicant has income but cannot provide proof, he/she must write a detailed, signed statement explaining his/her situation on a “No proof” form. This form has an explicit statement that repayment of benefits may be required if the information is incorrect. Staff members check to make sure that there is an acceptable reason for a lack of proof of income, such as being paid in cash for babysitting.

An applicant who reports zero income will be prompted to describe how he/she obtains food, medical care, and shelter. If the applicant appears truly to have no income, the program assistant asks him/her to obtain a “benefactor letter”, which is a statement from a minister, social service agency or other reliable third party in support of the applicant’s statement. In this case, the

applicant receives one month's benefits and must return with the benefactor letter in order to be certified for the full period of eligibility.

Screening/Interview Techniques

Staff members are trained to ask questions sensitively, listen attentively, and not to make assumptions. For example, it should not be assumed that an applicant is or isn't a permanent resident or has or hasn't been seen by a private physician. Staff needs to ask questions in ways that participants can understand. Staff is also encouraged to establish a relationship with the client and to be supportive of them. DPH provides detailed instructions and training to program assistants on how to determine the appropriate economic unit and how to probe for unreported income, based on valid indicators of the applicant's circumstances. Supervisors provide backup for difficult cases.

Nutritional Status Documentation

A nutrition screening, done by the nutrition staff, documents medical and behavioral data related to the participant's health status (i.e. verification of a pregnancy, postpartum information, miscarriages or termination of pregnancies, smoking, and dietary assessment). In addition, medical documentation is obtained if it is relevant to the participant's nutritional risk (i.e. pregnancy complications, medical diagnosis of diabetes, immunizations, low birthweight, breastfeeding schedule/termination, last checkup). The MADA program is used to guide dietary assessments, determination of nutritional risk, and food prescriptions. The nutritionist or nutrition assistant documents this information on the certification form and enters the data on the WIC MIS.

Measurements are obtained at the certification appointment or from a signed medical referral form completed within 60 days of the appointment. Blood work is obtained at the clinic or via medical referral form in accordance with WIC Program standards. Most participants (70 to 80 percent) obtain their medical care at the health center where the WIC clinic is located, so access to medical records is usually easy and followup with medical providers is rarely needed.

Method for Documenting Prescription and Food Package

The nutritionist or nutrition assistant selects the food package most appropriate to the participant's category and dietary needs, following the State agency's instructions. The food package is recorded in the MIS by entering a code from the list of standard packages. The nutritionist also determines the frequency of check issuance (1 to 3 months, depending on risk factors).

An important control in the system is that program assistants do not have access to nutrition screens, and nutrition staff members do not have access to intake and check issuance screens. Thus, it takes two different staff members to complete certification and print checks. The MIS automatically divides the food package into checks. Most food packages given to participants have four checks, but some have more and others less depending on the amount and type of food in the package.

Statement of Rights and Responsibilities

At each certification, the participant reads and signs a statement of rights and responsibilities. The program assistant reviews this statement to emphasize key responsibilities, including the

reporting of changes affecting eligibility and the proper use of WIC benefits. The program assistant also signs the form.

Dual Participation Controls

Each clinic has access only to its own participant data. The program assistant handling intake can not directly check whether an applicant is already on WIC at another site, but the State agency's help desk can provide this information if there is a question. A participant's data can be transferred from one site to another via the nightly upload/download process with the State mainframe. This process ensures that the record is only available at one site at a time.

Dual participation is defined as receiving more than one set of WIC checks for a given month. DPH runs a daily report to identify possible dual participation among the participant records added or modified on the previous day and notifies the local agencies whose participants have been identified. Both State and local staff review these reports; normally, local staff members resolve the "hits" by comparing demographic data, signatures and other records.

Cases identified as potential dual participants are flagged in the MIS, and will continue to appear on reports until they are resolved, either by terminating one of the participant's IDs or by entering a "resolved" code to identify a false match. The local staff members also record the disposition on the participant's chart or the dual participation report. The MIS also generates a monthly report of all unresolved matches indicating potential dual participation. The local agencies receive this report and are required to resolve the matches within 2 days.

The dual participation report generates a substantial number of "hits" each day, but true dual participation is very rare. A common problem is that twins are identified, because they have the same last name and date of birth. The lack of a Social Security Number is an impediment to efficiently identifying true dual participation, but the State agency prefers to cope with this problem and maintain the confidentiality and accessibility of the Program. The dual participation report also detects situations where checks have been issued by different sites for a 1- to 3-month period because the participant has moved without requesting a transfer.

The State agency's policy allows participants to be served where they choose, regardless of where they live in Massachusetts, so the risk of this problem is somewhat higher than it is in States where local agencies have exclusive service areas based on residence. Overlapping registrations are not common, however, most participants find it easier to request a transfer than to reapply.

Massachusetts has densely populated areas near the New Hampshire and Rhode Island borders where cross-border dual participation is a risk, but the State agency does not have a formal arrangement for data exchange with these states. Residency documentation requirements also help reduce the risk. Local staff in border areas scrutinize this documentation more carefully, checking postmarks as well as addresses on letters.

When they identify reasons for suspicion, local staff members share information on an ad hoc basis with their counterparts in the adjacent State. State staff monitor patterns of transfer activity and investigate if there are unusual patterns. State staff also point out that dual participation across State lines requires access to a car and a considerable investment of time. Also, no out-of-

state vendors are authorized to accept Massachusetts WIC checks. Based on these considerations, State agency staff members believe they have adequate controls on crossborder dual participation.

B. Food Instrument Issuance and Management

Handling of Food Instruments

WIC checks are printed from serialized, multipart stock on demand at the clinic, using the participant information in the MIS. Typically, blank food instruments are stored at each local site. The local agency director is responsible for ordering check stock, which is shipped to the local agency's main site from a secure warehouse site. The State agency staff members at the check desk maintain a log of all orders and monitor local inventories to make sure that supplies are sufficient for at least 2 weeks and not more than 3 months.

Upon delivery, the local director calls the check desk to report the ranges of check numbers received. The State agency staff then enters this information to the MIS, so that State's bank will be notified that the checks are active and can be paid. State agency staff monitor a weekly report indicating unused check stock in each carton, to make sure that local agencies remember to void the last checks in each carton when they cannot be used (for example, when there are only 2 checks left and 4 checks need to be printed).

The check ranges are then entered into the computer's administrative menu located at that main site. If the stock is to be used at another site, then the site name is entered in the reference field, and the staff takes the stock to the site. The stock range is then entered into the administrative menu at that site. The MIS will not allow a check to be printed if the serial number is not assigned to the site.

Each site is required to have locked storage for check stock. The local program director must sign check stock out to each person who will print checks. In order to receive direct delivery of check stock, a site must be operational 3 days a week.

Check Issuance Cycle

In general, checks are issued to participants in a 3-month cycle, with some exceptions. Checks are issued for partial cycles when an applicant will reach the end of the certification period in less than 3 months. Cycles of 1 and 2 months are scheduled (as discussed earlier) in presumptive pregnancy cases or for high-risk cases requiring more frequent monitoring.

Checks specify the first day they can be used (known as the base date) and the last day they can be used (the expiration date). The best date for checks to be printed is 0–3 days before the base date. Four to 14 days before the base date is the next best date when checks can be printed. This period is considered an early issuance: the system has a restriction that must be overridden before checks can be printed. Printing checks early can cause problems if they are used before the base date because the bank will not accept them.

If checks are printed after the base date, the package for the current monthly cycle is prorated according to the time remaining until the next base date. The MIS automatically prorates the food package when the checks are printed from the "print checks screen." The checks can be

prorated manually by the WIC staff and are printed from the “void/reissue” screen. The automatic proration can be overridden if good reason exists (e.g., clinic not open as scheduled); these overrides are identified on a report sent to the State and local agencies.

Check Issuance Controls

In each office, designated workstations are used to print checks. The MIS allows checks to be printed only at these stations using authorized login IDs and passwords. The MIS keeps tracks of who printed what set of checks. Staff members are required to log off when they leave the check printing station, and the system automatically logs off users after a specified period of inactivity. An active participant record with a valid prescription must exist in order to print checks.

At the start of the day, the local director logs out a box of checks to each program assistant who prints checks. The program assistant logs onto the MIS, enters the first serial number, and prints a test pattern on the first check to make sure that checks are aligned. For each participant, the program assistant prints the checks and verifies that the preprinted serial number in red matches the computer-generated serial number printed in black. The MIS periodically prompts the user to enter the current serial number as an additional check to ensure synchronization of check numbers. An error message prompts the staff if a discrepancy needs to be corrected; action must be taken before additional checks can be printed.

Before issuing checks, the computer prompts the person issuing checks to check the serial number on the checks against the number in the computer. The participant signs a log indicating the serial numbers of the checks received; the blank log with preprinted serial numbers is supplied with the blank check stock. The program assistant examines the participant’s check cashing card to match signatures. To ensure that signatures are obtained, local agencies regularly check the logs for missing signatures. The program assistant removes the check stubs for the agency records and gives the checks to the participant.

Issuance of Checks to Family Groups

Every effort is made for WIC participants who are family members to receive benefits as a group. The effort requires a high degree of staff cooperation because it may take more than one staff person working on more than one screen to successfully coordinate family groups. Multiple issuance to family groups involves adjusting the base dates and termination dates of everyone in the group. This ensures that all members have certification and followup appointments at the same time. Group processing of WIC benefits increases access and saves time for participants and staff. Each site is responsible for setting up systems for grouping family members.

Authorized Shopper Procedures

A participant can designate an authorized shopper to receive checks in an emergency or to transact checks. The participant designates the authorized shopper in writing at the WIC office or calls the WIC office with the name of the authorized shopper and sends the shopper to the office with written permission to obtain a WIC check-cashing card. The shopper produces identification, reads a list of responsibilities as a shopper, signs an authorized shopper form, and signs the WIC check cashing-card, which then can be used to redeem checks at the store. If a participant needs to have the authorized shopper receive checks, the participant must send a note to the WIC office, and the authorized shopper signs the receipt log. When local or State agency staff conduct quality control checks on the receipt log, they look for signatures that do not match

the participant's name; if there is a mismatch, they check whether an authorized shopper form is present in the participant's file.

Voided Checks

Checks on hand at the clinic are only voided if they have not been transacted. Voided checks in the possession of local staff (such as returned or damaged checks) are stamped "VOID" and entered into the program with a code of "H". Then the checks are filed following the serial number order, the void date and the check range. The procedure makes it easy to locate checks and identify any problem with the checks. Signature logs and check logs are kept in storage for 7 years.

Replacement of Lost Checks

If checks are reported lost or stolen, the participant calls or visits the local office, where a staff member initiates a Lost Check Report. Lost checks are replaced only 1 month at a time. The State Help Desk is called at this time to determine the status of the checks, and the staff member records this information. This call helps identify if checks already have been transacted. The participant is given an appointment 5 banking days from the day reported. The reason for this wait is that the bank transmits information on redeemed checks to the WIC office overnight, and the State's policy is that five banking transmissions must take place before checks can be reissued. The wait can be waived in emergency situations with the approval of the local director.

At the time of this appointment, the local agency must call the Help Desk to determine the status of the checks. Transacted checks are not reissued even if the participant states that s/he did not use them, and the number of checks replaced is prorated depending on the number of days left in the check cycle. The participant must sign the Lost Check Report attesting to the accuracy of the report and affirming that s/he will return any of the reported checks if they are found. This statement also bears a warning of the penalties for a false report, which may include a fine of up to \$2,000 or imprisonment of up to 5 years. The staff member replacing the checks also signs the report and then gives a copy to the participant.

Prescription Change

When a formula package change is requested, a dietary assessment is completed using the "Formula Intolerance Checklist" and the rationale for the change is documented in the progress note section of the participant's chart. If a special formula is needed (noncontract or metabolic) a special formula form is requested from a medical provider. A 1 month followup appointment is scheduled to determine if the formula is acceptable to the infant and whether the formula has eliminated the symptoms.

Formula Return/Re-issuance

WIC foods cannot be exchanged at the store for food, formula, cash or credit. This is why, on rare occasions, formula that has been bought with WIC checks may be returned to the WIC Program. If the formula returned is standard, the site donates it to a homeless shelter or a local food pantry. The WIC breastfeeding policy prohibits that the formula be given to other WIC participants. If special metabolic formulas are returned, on the other hand, the State agency is notified.

Check Issuance History and Reconciliation

At the end of the day, check activity in each site is processed. This process generates a printed log of all checks issued, voided or reissued during the day, as well as an end-of-day processing report. Local staff members are responsible for comparing the check log to the signature log and investigating any discrepancies. If a signature is missing, staff note this information in the participant's MIS message screen and have the participant sign the log at the next appointment.

The records of all check actions (issuances, voids, and replacements) are uploaded nightly to the State office mainframe, along with new and updated participant records. Each check record includes the check serial number, the worker and participant IDs, the items on the check, and the valid dates for the check. The mainframe updates the master history file of check records and sends a file of currently valid checks to the bank that processes checks presented for redemption. The check history file is available online to the State Help Desk for inquiries about lost and stolen checks etc. The MIS uses the updated information to generate a series of daily reports to State and local staff; routine reports for local agencies are downloaded to the local PC or LAN during the system startup process at the beginning of the day. Additional reports are available to local agencies upon request.

State and local staff make great efforts to maintaining program-data integrity. At the start of each day, local supervisors review reports indicating the results of overnight processing to ensure that data transfers were processed successfully. Local offices receive and research exception reports that identify discrepancies in the data, such as the Participant Data Certification Correction Report and the dual participation report. State staff members also review the daily mainframe reports to monitor that data are entered and processed correctly, and to detect any procedural errors or anomalous patterns in local operations. If errors or problems are found, local staff are contacted and asked to follow up on the findings. The review includes daily and monthly potential dual certification reports and the status of checks (void, lost, cashed) reported by the site report.

C. Food Instrument Transaction and Redemption

Vendor Authorization and Monitoring

WIC vendors are authorized for a period of 3 years to redeem WIC checks for specific foods. Vendors must meet selection criteria to ensure business integrity and adequate service to participants. Vendors must sign an agreement detailing their responsibilities and attend mandatory annual WIC training sessions. Vendors must train all staff who handle WIC checks in correct WIC procedures and requirements. The vendor agreement states that there is no conflict of interest between the local WIC Program and the vendor. All vendors are inspected to verify the accuracy of their applications.

Vendors are routinely monitored for compliance. Local program staff visit at least 50 percent of authorized stores annually, and fraud investigators conduct undercover compliance investigations.

Check Acceptance Procedures

Check acceptance procedures are included in the vendor agreement. The vendor must agree to accept only WIC checks with the WIC imprint on the right hand side and reject outdated or

presigned checks. They must also observe WIC shoppers sign the check and then verify that the signature matches the authorized signature on the WIC check-cashing card.

Each authorized WIC vendor is issued a rubber stamp, which allows the vendor to validate WIC checks for deposit in the bank. The first 2 digits of the stamp identify the local WIC Program and the last 2 digits identify the individual vendor. Every year the stamp is redesigned, and the State agency reissues it only to authorized vendors. Checks will not be reimbursed if submitted after the vendor's agreement has expired.

Participant Training

Participants must read the information provided in the *Rights and Responsibilities Guide* on how to buy food at WIC stores as part of the initial certification process. Other participants are asked to read the guide and if they have questions the staff can review with them the procedures that were not understood.

Redemption Monitoring

The State reviews the redemption level of each authorized WIC vendor on a periodic basis. No WIC sales or a low volume of WIC sales could result in the loss of WIC authorization. A high volume of WIC sales (or a variance of 30 percent or greater from a previous month), on the other hand, could be an indication of abuse of the Program. Massachusetts also uses an innovative price monitoring system that identifies vendor claims with excessive prices and automatically reduces payments, based on peer group averages for each type of food instrument. This mechanism serves as a control against tampering with food instruments to increase their value and against vendors inflating the value of checks.

Voided checks presented for payment are identified by the bank and sent to the State agency. The State agency ends a copy of each check to the local office for investigation of possible fraud by participants or staff. The most common problem is that checks reported as lost or stolen have been transacted. In such a case, the local agency supervisor reviews the file to determine whether all the proper procedures were followed, and to check whether the signature on the check matches the participant's signature on file. If the participant has fraudulently transacted the check, the State agency's policy is to disqualify the participant for up to 3 months and either seek repayment or report the matter to the police. The State agency did not indicate that any such sanctions had been imposed in recent years.

D. Participant Fraud Investigations and Sanctions

Scope and Nature of Fraud and Abuse by Participants

Massachusetts has few known incidents of fraud by participants or staff. In the few cases that fraud was suspected the staff followed it up. The staff reported to us two situations requiring investigation. The first situation was a case where one participant informed on another, indicating that the person was not income-eligible. The monetary loss to the WIC Program was \$100. The second case involved a divorce and the claiming of benefits by both partners. In this case the monetary loss for the WIC Program was approximately \$5,000. Both cases were resolved when the participants agreed to pay the money back.

A third, more complex case also was reported. It had taken place a couple of years earlier. In this situation the participant misrepresented her circumstances, claiming to be homeless with zero income, and obtaining multiple benefits at multiple sites. She visited several WIC sites in the Boston area and repeated the same basic pattern to obtain benefits 40 times, either for herself or in the names of several infants and children, some real and some fictitious.

WIC staff attributes the low incidence of participant fraud to the controls they have implemented during the past several years at all levels: certification, issuance and redemption/vendor management processes. The controls are discussed in more detail in the section that follows. Reportedly, most participant fraud falls into two categories, misrepresentation of eligibility and misuse of WIC checks. The State agency requires that all programs establish procedures to ensure that WIC food checks that are issued to participants are accounted for and to conduct timely investigations of potential fraudulent activities.

Investigating Participant Fraud

Local agencies usually take the primary role in identifying instances of possible fraud, conducting investigations and administering sanctions. State agency staff provide information and guidance as needed. If the abuse is serious enough to warrant a warning letter or disqualification, the local agency director or another senior staff member reviews the information and makes the decision. Otherwise, the staff member meeting with the participant will counsel the participant about the problem.

Implementation of Sanctions

The State agency's policy provides guidelines for sanctions, according to the seriousness of the abuse, but local agencies are given discretion within these guidelines and the limits of WIC Program regulations. Local program directors balance the need to send a message about abuse with the nutritional needs of the participants, particularly infants and young children. For less serious abuses, such as transacting checks outside their valid period, a participant will receive a warning letter and education about Program rules for the first offense, but he or she can be disqualified for up to 3 months if it is the second offense of any kind within a year. More serious offenses, such as false report of stolen checks or selling checks for cash, are considered grounds for 3-month disqualification on the first offense. An alternative to disqualification is repayment by voiding subsequent checks equal in value to the amount of the abuse.

When a sanction is imposed, the local director sends the participant a warning or sanction letter (written on the Program's letterhead) describing the specific incident and the penalty being imposed. The letter advises the participant that she/he is entitled to a fair hearing, that the penalty imposed does not preclude others being imposed and the participant's "civil rights" are intact.

A disqualification letter (3 months) is sent to the participant by certified mail. After the disqualification period has passed, the participant's re-entry into any program is monitored. One such monitoring tool is monthly or even weekly issuance of checks.

When a participant is sanctioned for fraudulently obtaining benefits, the local agency notifies the State agency and sends it copies of pertinent information. The State agency in turn notifies other local agencies, especially if there is a risk that the participant will try to defraud another local

agency (as in the case described earlier). The State agency may also notify bordering states if appropriate. If a former participant is found to have obtained benefits fraudulently, the State agency requests repayment. Where there is evidence that the abuse involved a vendor, the State agency reviews the vendor system to determine which vendors were most frequented by the participant, and assesses possible vendor participation in fraudulent activities.

Administrative Review of Disqualification

Applicants who have been disqualified from the WIC Program have the right to appeal any decision that denies them WIC benefits, and can apply for a fair hearing. The results of the hearing are mailed to both parties within 45 days of the receipt of the request for a hearing. If the hearing officer decides in favor of the participant, the decision must be implemented within 7 days from the day the decision was received.

E. Staff Fraud Controls

All reports of abuse by staff are investigated promptly. Some examples of staff abuse include: theft of checks, entering false or undocumented data into the computer system, and falsifying participant records in the computer system. If an investigation corroborates that abuse has occurred, the staff conducting the investigation follows the agency's personnel policies and documents in the suspect's personnel file any actions taken. If the abuse involves a staff member who is also a WIC participant, warning and sanctions for participants are applied. The State agency program manager or check systems manager is available for technical assistance.

The State agency staff interviewed for this report commented that most employees who work in the WIC Program became WIC service providers because they want to help the population they work with, so committing fraud goes against the staff's core beliefs. Moreover, State agency staff members believe that employee abuse of WIC Programs would be extremely difficult to carry out, because of the controls put in place by the State agency.

Hiring Process

Local WIC employees are subject to the hiring policies and qualifications standards established by the agency sponsoring the WIC Program. For agencies sponsored by healthcare organizations, external standards established by other programs and by accreditation bodies affect job requirements and hiring practices.

Local agencies screen applicants to check that they meet the academic qualification standards set for their positions and related work experience. This screening may involve the agency's human resources department. Some agencies, such as the two agencies visited for this report, recently have instituted criminal background investigations for some or all positions, at least for final candidates.

Qualifications Standards

The academic qualification requirements for staffing the WIC Program depend on the position to be filled. For example, all WIC Program and nutrition assistants, WIC community coordinators, and WIC Program site coordinators need to have a minimum of a high school diploma. They also must have related work experience ranging from a minimum of 6 months to 1 year for a WIC assistant to 2 years for the WIC Program coordinator. The qualifications for senior and

community nutritionists include a bachelor's degree in nutrition, and a Registered Dietician certificate or R.D. eligibility.

Masters' degree is preferred, but years of experience in the field can be substituted for it. Fluency in a language other than English might be a requirement for some of the positions; some local agencies serve areas where five or more languages are spoken. Whenever possible, local agencies try to hire residents from the community they serve, both to make the Program more customer-friendly and to tap informal networks for information and outreach.

Local Staff Training

DPH places a great deal of emphasis on training and educational materials for staff. Training of WIC staff in general is provided at different levels: self-study of WIC manuals, local staff meetings, and formal sessions through the State's learning center. In addition, the State agency staff is available for technical assistance when dealing with difficult situations.

Site staff are provided two manuals: the *Operations Manual* and the *Administrative Manual*. These manuals describe in detail each procedure necessary to run an efficient and effective WIC site program. The manuals are revised every 2-3 years and distributed to all staff.

Each local agency is expected to hold regular meetings for Program and nutrition staff. At these meetings, managers communicate policy changes, staff can discuss problems encountered, and in-house or outside training is often offered.

The State agency provides training to local staff via the Learning Center and via in-service training at the local level. The Learning Center is a facility dedicated to WIC staff training on all Program rules and procedures. All new staff are trained there, and other staff can get training to overcome performance problems, learn new procedures, or obtain certification in nutritional assessment and education. The Learning Center has a large number of training modules and works with local agencies to develop customized training upon request.

Quality Assurance Reviews

DPH requires local agencies to maintain a quality assurance program for all aspects of Program operations, in order to promote program integrity, efficiency and customer service. The State agency provides suggested forms for record reviews and a monthly report selecting a representative sample of records for review. Record reviews are a team effort wherein each area of operations is reviewed by members of the staff with responsibility in that area; reviewers may be peers or senior staff.

A complete records review includes eligibility, transfers or terminations (if applicable), nutritional assessment and education, and check issuance. For each of these areas, reviewers check all of the available documentation for internal consistency, compliance with Program procedures, and appropriate exercise of professional judgment. Quality assurance also includes review of data quality and exception reports, examination of the physical security and integrity of check issuance, observation of staff conducting key functions, and collection of participant satisfaction input.

Management Evaluations

DPH conducts a management evaluation (ME) review of each local agency every other year. The standards for these reviews are based on the administration and operations manuals, and on the performance standards in the local agencies' contracts with the State agency. These standards are summarized in a set of service standards that form the benchmarks for the evaluation. The State ME review process is similar to the quality assessments: it includes record reviews, structured observations of program assistants and nutrition staff, and procedural compliance checklists. For some specific areas, there are quantitative standards. For example, the standard for signatures on the check log is 99 percent.

DPH uses the results of ME reviews in two ways. First, State staff members respond to findings of deficiencies with training and technical assistance as appropriate. Issues requiring the attention of management are sent to the local agency director (i.e., the local WIC director's ultimate supervisor). Individual staff may be sent to the Learning Center to get help with problem areas. Starting in fiscal year 2001, DPH began computing a compliance score from the ME reviews and other indicators. If a local agency's score is too low, a corrective action plan is established by the State and the agency, and the agency's contract may be placed on provisional status.

Local agencies are expected to conduct similar self-assessments in the years between State ME reviews. The self-assessments are expected to include these activities plus a description of procedures and performance in the areas of staff training, quality assurance, notification of ineligible/terminated participants, check accountability and special projects.

An equally important component of State agency oversight is the less structured day-to-day communication driven either by issues identified by State agency staff (e.g., exception reports) or queries from local staff. The relatively small number of local agencies and the experience of many State agency staff as former local staff help keep these lines of communication open, so that State agency staff can clarify policy and resolve problems in a timely manner.

Performance Contracting

A standardized contract performance review process is used to determine the local program's accomplishment of specific performance measures. On an annual basis, the State WIC office compiles information from monthly, quarterly, and ad hoc reports, as well as results from local WIC program management evaluations and self-evaluations. This information is used to review the program's performance. The core standards of the management evaluation and self-evaluation are incorporated into the performance assessment. Results are reported on the DPH Contract Performance Review Form.

Local WIC programs also are required to report specific performance measures as part of the Uniform Financial Statement and Independent Auditor's Report. These data are transmitted electronically to the State through an Internet-based program.

Results of performance assessments determine the future status of local WIC program contracts. A satisfactory overall level of performance ensures the continuation of the contract and the ability to receive up to two 2-year extensions on the original contract cycle. An unsatisfactory performance score results in a conditional status for the contract, requiring specified

improvements as a prerequisite for contract continuation. Failure to achieve satisfactory performance levels may result in termination of the contract and rebidding of the service area.

III. Summary of Site Visit Results

Some of the key practices that promote staff and participant integrity in the Massachusetts WIC Program are the following:

- Use of community health centers and hospitals as local agencies to leverage information and staff resources
- Computerized system for certification, demographics, nutritional assessment, and food prescriptions
- Solid procedures to document identity, income and residency
- Use of online capability to verify Medicaid eligibility
- On-demand check printing with signature log, validity stamp, and MICR line
- Daily data exchange with State host to update check history and transfer records
- Comprehensive tracking of check inventory from initial shipment to final disposition
- Check replacement procedure that provides balance between security and meeting participant needs
- Daily dual participation report to local agencies, with procedure to remove flag, monthly followup report, and State agency review of reports
- Active vendor monitoring via price checks and compliance buys, followed up with sanctions and disqualifications, to augment basic controls
- Extensive documentation of Program requirements and recommended procedures in manuals
- Training and technical assistance resources to enable local staff to perform well, including the Learning Center
- Local and State agency quality assurance to verify compliance and identify weaknesses.

Massachusetts relies heavily on preventive measures to minimize fraud, particularly the front-line procedures followed by the program assistants during certification and check issuance. The ability to maintain these procedures, especially the separation of duties, comes in part from two features: the degree of automation in local operations and the approach to local agency contracting. By ensuring that each local agency operates on an adequate scale and is adequately

staffed, Massachusetts is better able to maintain controls than States whose WIC Program operations are dispersed among many small agencies. The largely urban geography of the State also helps in this regard.

Although Massachusetts does not have a designated program integrity unit, State staff members play several important roles in maintaining program integrity. On a day-to-day basis, the use of monitoring reports and other procedures ensures that State agency staff are aware of problems when they can be addressed in a timely fashion. The experience and cooperative attitude of the State agency staff helps to maintain good working relations with local agencies. The State agency has devoted substantial resources to training, technical assistance and quality assurance.

There are some important constraints on the State agency's ability to achieve its program integrity goals. Much of the responsibility falls on the lowest-paid staff in the local agencies, the program assistants. Stress levels and turnover among these staff are acknowledged to be high, although the Program does a good job of attracting and retaining workers motivated by commitment to the Program. The opportunity to move up to a better job via the nutrition assistant training and certification program also helps address this issue.

State and local staff in Massachusetts want to maximize WIC Program access within the limits established by Federal Program rules. A prime example of how they strike this balance is the policy on Social Security numbers. A more aggressive effort to get these identifiers would make dual participation checks more reliable and efficient. The State agency has chosen, however, that it is more important to avoid creating a deterrent to participation among immigrants and others who may be sensitive about a request for this information.

The State agency reports a very low level of identifiable fraud, so it is difficult to gauge whether this experience is entirely the result of all of the measures in place, or whether there remains a level of undetected fraud. The notable incidents that have been detected suggest that there were significant weaknesses in the past, before current documentation requirements were established. The State does not yet have enough experience with the most recent requirements to determine whether they are really addressing those weaknesses, but State and local staff are clearly committed to making the requirements work.