

8. Virginia Site Visit Summary Report

I. Background

The State WIC agency in Richmond, VA, was visited during the week of August 7, 2000. The local agencies visited were the Henrico County Health Department in Richmond and the Alexandria City Health Department in Alexandria.

Virginia has a population of almost 7 million. Approximately 125,000 participants are served by WIC each year. There are currently no eligible participants who are denied benefits due to lack of funding, or who have been placed on waiting lists.

WIC Program Organization

At the State agency level, the WIC Program falls under the Division of Chronic Disease Prevention/Nutrition. The following work as a team on WIC: Vendor Services Management, Information Systems, and Training and Development. Oversight of this team is the responsibility of the State WIC nutritionist coordinator. The team consists of:

- Cost containment/caseload management coordinator
- Several nutrition coordinators
- Chronic disease nutrition and 5 A Day manager
- Statistical analyst
- Program compliance coordinator
- Office service assistant

The Virginia WIC Program encompasses approximately 170 local agencies, which are run by 35 different health districts, 5 of which are private/county-run as opposed to State-run. The State agency has a contractual agreement with the health districts which is renewed on a yearly basis.

Local Program Administration

At the local agency level, the WIC Program coordinator oversees operations at the agency and all the clinics that fall under it. Interviewing clients, distribution of WIC vouchers, blood work and measurements, preparation of paperwork and clerical support are the responsibility of the office service specialist (OSS) or office service assistant (OSA). Training for this position is done at the local level and varies along with the duties performed.

WIC certification, nutrition education, nutrition assessment and care plans are conducted by the nutritionist or nutrition assistant who are competent professional authorities (CPAs). Qualifications for the position of nutritionist include a Bachelor's degree in nutrition or related field (Master's degree in nutrition or public health or registered dietician certification is preferred). The staff members who are nutritionists are CPA's by virtue of their educational background. Other staff members who do not have a nutrition education background may complete the State's standard competency training to become approved as a CPA. These staff members are called nutrition assistants and they may complete certification for and offer nutrition education to low-risk clients only.

They may also do height, weight, blood work, and assist the nutritionist. The public health outreach worker does breastfeeding education and outreach, home visits to women with newborns, or visits to the obstetric (OB) clinic to talk with pregnant women. This position is filled by former WIC participants who must complete 24 hours of training. Background checks are done prior to employment in a position that entails home visits.

Management Information System

The management information system currently in use by the Virginia WIC Program is named IRMA. It is a “front end” system, and is housed in the Department of Information Technology. Checks are printed centrally and mailed to the agencies. With the new WICNET system, contract formula will be printed on a different check so the cost versus the number of cans can be verified to make sure all of the cans were purchased.

A new system, to be called WICNET, is currently under development. This online system was initially being developed by CMA, Inc., but the State agency staff members were not satisfied and decided to finish the system development themselves. WICNET will compare vendor prices by peer group (i.e. mom & pop stores vs. large chain groceries), which will allow the State agency to identify high-risk vendors as well as set maximum values for food instruments. WICNET will print checks on demand, and identify possible dual participation at certification.

Fraud Prevention Initiatives

The State agency reports that prosecuting participant and staff fraud and abuse has been difficult in the past. Typically, when local police departments were called, they would discount fraud and abuse reports; and when the WIC agency made efforts to get assistance from the State’s attorney general office, the staff was told that because WIC is a Federal program, the State would not get involved. There was also confusion among the agencies about whose responsibility it was to prosecute fraud and abuse.

In order to deal with these issues effectively, it was felt that a new position, that of WIC program integrity manager, should be created. This staff member would be in charge of detecting, preventing, and prosecuting fraud and abuse, and would have experience in criminal justice. The State agency wanted someone who could “speak the language” of law enforcement officials—someone who would know how to present a case in such a way that it would be taken seriously by those officials. The position had just recently been filled at the time of the site visit, by a former police officer from New Mexico.

In addition to dealing with issues of fraud and abuse, the WIC Program integrity manager also keeps a log of all complaints, follows up on them, and records their resolution. Prior to the establishment of this position, the nutritionist handled complaints but not on an extensive level. If a complaint required followup, the nutritionist contacted the district to try and resolve it. Since a large number of complaints have to do with altered checks, followup is important in detecting fraud and abuse.

In addition, this position is involved with program review (i.e. monitoring corrective actions and compliance issues) and civil rights (i.e. compliance with civil rights requirements). The State agency reports that since this position was filled, the staff members now feel they have someone

knowledgeable to turn to, and the local agencies have been coming forward more with their concerns.

II. WIC Program Operations and Processes

A. Certification

Screening and Certification

When an applicant requests an appointment, only categorical eligibility is determined. The applicant is then given an appointment and told to bring proof of identification, residency, income, and pregnancy. Proof of identity, residency, income, and pregnancy are documented. The Social Security number is not required. Participants are given a unique WIC ID number. For families with multiple participants, the ID number for children is the same as that of their mother with the exception of the last few numbers that differentiate that participant from others in the family.

If an applicant is eligible to participate in the program, a 2-month supply of checks is given. If ineligible, referrals are made to other programs, such as Temporary Assistance for Needy Families (TANF), or the Commodity Supplemental Food Program (CSFP). In addition to signing a rights-and-responsibilities form, participants may watch a video that explains the process of shopping and redeeming WIC checks. In the video, a veteran WIC mother is taking a new WIC mother shopping to buy WIC foods, and explains each step of the process to her. This video is not a requirement of the Virginia WIC Program, but is available to all clinics to use if they wish. The video is an interesting, informative, and creative method of acquainting new WIC participants with the process of using their WIC checks.

Verification of Adjunctive Eligibility

Applicants are considered adjunctively eligible for WIC if they receive Food Stamps, TANF or Medicaid benefits. Adjunctive eligibility is also extended to families containing a pregnant woman or infant who receives Medicaid or a member receiving TANF. Applicants must bring documentation of proof of eligibility with them to certification (i.e. a letter of eligibility), or a call can be placed to a helpline that will enable staff to determine whether the applicant is still eligible for these programs. If an applicant is presumed eligible (eligibility is still being processed) for TANF or Medicaid, adjunctive eligibility is allowed without documentation, but the applicant must sign the affidavit and will be given only a 30-day supply of checks. Proof of eligibility must be established at the next appointment.

Documentation of Identity, Residency and Income

Documentation of identity, residency, and income must be provided at each certification, and this information is recorded in the participant's chart. The WIC ID folder is acceptable identification at recertifications. If proof of identity, residency, or income is not available, the applicant can sign an affidavit and will be provided with a 30-day supply of benefits. The proper documentation must be brought in within 30 days or the participant will be terminated from the program and must reapply. If an applicant is claiming zero income, a written statement from a reliable third party (i.e. social service agency, church, legal aid society or employer) who has knowledge of the applicant's lack of income is acceptable.

Proof of Pregnancy

Proof of pregnancy must be provided for women who are not visibly pregnant. Self-declaration will be accepted initially, but documentation of pregnancy by a doctor or nurse practitioner must be provided within 90 days, or the participant will be terminated from the program. Some clinics provide pregnancy tests at a minimal cost (based on a sliding scale), or a referral can be made to prenatal health services to obtain proof of pregnancy.

Specialized Staff for Investigating Dual Participation

Virginia's Department of Information Technology produces a dual participation report on a quarterly basis. The system identifies possible cases of dual participation by matching the first four letters of the participant's last name, middle initial, WIC code, race, sex, and date of birth. This report is reviewed by the WIC Program integrity manager, who feels the criteria for matching names on this report is too broad, and results in too many false positives.

The report that was generated for the quarter before the interview listed 300 names. Out of these, only 68 required closer inspection. Any matches that appear suspicious are sent to the WIC coordinator of that health district for further investigation. If an actual case of dual participation has occurred, the WIC program integrity manager is available to facilitate prosecution if necessary.

Automatic Termination and Conversion

IRMA will automatically terminate a participant who has not been recertified by the date recertification is due. This termination may occur 1 or 2 months after the recertification due date depending on the category and check cycle. The system performs automatic conversion from infant to child status. It changes the WIC code, food prescription, and priority of need.

Separation of Duties/Controls on Certification Authority

Separation of duties is strongly encouraged by the State agency, but staffing issues occasionally dictate that the same person who certifies a participant must also issue checks. The agencies recognize the importance of separation of duties as a method for controlling staff fraud and abuse, but at the same time, feel the pressure of serving a large number of participants with a limited staff.

Changes in Food Package/Special Formula

Since checks for an established participant are printed at a central location, a change to the food package can be made by voiding the preprinted check and issuing a manual check with the revised food package. Special formula is distributed only with a doctor's prescription, and approval of the WIC nutritionist. Special formula is delivered to the local agency from the formula company. The State agency keeps a database of all formula ordered, but does not do any tracking to identify unusual distribution amounts. If formula is not picked up, changed, or returned, the clinic may have a small stock on hand. There is no formal system for handling this inventory, but the local agency staff members frequently call one another to check for special formulas on hand prior to ordering them. It has become a sort of unofficial network in which excess formula is transferred to clinics that need it.

Reliance on Outside Providers for Blood Work and Measurements

Blood work and measurements are to be collected at each certification. These can be taken at the clinic, or by a private provider, but only if taken within the last 60 days, and if the documentation has been signed by that provider. If the information provided by an outside source appears suspicious, a call will be placed to the provider to verify the authenticity of the data. Since these services are available in the clinic, measurements and blood work can always be retaken.

B. Food Instruments Issuance and Management

Checks are printed at a central location and sent to the State agency where they are inventoried and remain locked up until they are sent via UPS to the local agencies. When the checks arrive at the local agency, they are inventoried and a report is sent back to the State agency that indicates what was received. If a shipment does not arrive when expected, the local clinic notifies the State agency. If the shipment cannot be located, the State agency has a record of what checks were to be sent, and can void the whole series of serial numbers of the checks that would have been in that shipment. Some clinics have designated someone as the person responsible for the checks, and some have not. The checks are to be kept in a locked cabinet when not in use. Local agencies are required to perform a monthly inventory of their checks to ensure that they are all accounted for. The MIS does a weekly check for unmatched redemptions.

Check Issuance

The Virginia WIC Program uses three types of checks:

- Computer printed: Printed at the State's Department of Information Technology and mailed out to agencies. Have all clinic, participant, food prescription, and valid dates printed on it. Printed for participants who are already in the system.
- Preprinted manual: Come in a booklet with food prescription already printed on the check. Participant and clinic information must be written in by staff.
- Manual: Come in a booklet. All information must be written in by staff. Used for special food packages.

On-demand check printing or manual draft printing are not currently available to the clinics. Manual checks are entered into IRMA, and a carbon copy is kept in the booklet as a record. IRMA keeps a record of which checks have been issued or redeemed, and performs monthly checks for unmatched redemptions. Participants must show their WIC ID folders when picking up their checks. If the check is computer-generated, the participant signs the check register upon receipt. If the check is manual, the participant signs the carbon copy of each check.

The system does not have a built-in function to stop printing checks for a participant who has missed recertification. The checks will still be printed and sent to the local agencies. It is the responsibility of the local agency to verify that the participant is currently enrolled in the WIC Program before handing out checks. If the participant has not been recertified, the local agency would need to inactivate the client in the IRMA system to stop the printing of checks.

Checks that are not picked up are kept in the clinic until they expire, and are locked up when the clinic closes. This practice provides flexibility for the participants who may not be able to make it to the clinic on the day scheduled for check pickup. However, it results in an increased concern for check security, as a large number of preprinted, unissued checks are on hand in the clinics at any given time.

Voiding of Checks

When it is necessary to void a check, the check is immediately stamped “VOID” then entered into the computer with a code that indicates the reason for the void. The check register is also marked with “VOID” beside the check number for computer-generated checks. For manual checks, the carbon copy of the check is stamped “VOID”. The voided check is shredded. Placing a void in IRMA will not prevent a check from being redeemed once it reaches the bank. If a local agency needs to void a check that is not in its possession (i.e. if lost or stolen), a call must be placed to the State agency so they can issue a “stop payment” with the bank.

Use of Serialized, MICR encoded Check Stock

Computer printed checks are serialized and have MICR encoding on them for processing and tracking purposes. All manual checks have preprinted serial numbers on them, but not MICR encoding. With the new system, serial numbers and MICR encoding will be printed on demand along with the rest of the information on blank check stock.

No-Replacement Policy

Lost or stolen checks may be replaced under certain circumstances, such as when lost in a fire or natural disaster, or if stolen, with a copy of the police report. The requirement for a copy of the police report is waived if there is a charge associated with obtaining it. If infants or children are removed from the home and placed in foster care, checks can be replaced with documentation from the social service agency. If participants must leave their homes due to domestic violence, checks can be replaced with a self-declaration.

A copy of documentation or self-declaration must be filed in the participant’s record. Checks reported as lost or stolen are voided in the system, and replacement checks are not issued until 10 days later, as a control against a participant redeeming both sets of checks. Lost or stolen checks must be reported to the State agency. The State agency reports this to the bank, and places a “stop payment.” When the “stop payment” is confirmed, the State agency sends a form to the local agency for replacement of the checks. If the “stop payment” is confirmed and the form received prior to the 10-day waiting period, the local agency can go ahead and replace the checks.

C. Food Instrument Transaction and Redemption

Participants must show their WIC ID folders when transacting checks. The cashier writes in the amount of the check and the participant verifies the amount and signs the check. The checks are deposited in the vendor’s bank and routed through the Federal Reserve system. Before the checks are cashed, they are examined for presence of a signature, valid dates of transaction, and any evidence of alteration. If the bank does not consider the check acceptable, it will be rejected and sent back to the retailer. The retailer can send the check to the State agency for a second review.

D. Management Evaluations

Every 2 years, the State agency monitors the local agencies. A memo indicating the date of the monitoring visit, and requesting any premonitoring information needed, is sent to the local agency at least 60 days in advance. The monitoring visit is performed by the State nutrition coordinators, each of whom is assigned a certain number of districts to monitor.

The nutrition coordinator typically spends 2 days interviewing staff, observing certifications and other clinic activities, and reviewing records. Monitoring activities are conducted for the purpose of evaluating the following: certification procedures, food package prescription and issuance, nutrition education, check security, accountability, maintenance of records, civil rights procedures, staffing, training, caseload management, referrals, and outreach.

An exit interview is held within 2 weeks of the monitoring visit, and a written report completed within 30 days of the exit interview. The district health director then has 60 days to submit a response to the State agency. The monitoring team informs the director if the response is acceptable. If necessary, followup will continue until the problems are sufficiently resolved.

The contractual agreements that the districts have with the State agency are renewed on a yearly basis, so it is important for the local agencies to do well on these evaluations, and to ensure that any areas of deficiency are corrected in a manner that is acceptable to the State agency. The management evaluation also serves as an opportunity for the State to reiterate to the local agencies its commitment to program integrity, and to ensure that policies and procedures that have been established to prevent and detect fraud and abuse are being followed.

III. Summary of Site Visit Results

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

- Establishment of the position of WIC Program integrity manager
- Monthly review to check for unmatched redemptions
- Confirmation of “stop payment” prior to replacement of checks
- Requirement of proof of pregnancy
- Video available that details the process of transacting WIC checks
- Management evaluation with followup until resolution

In the absence of a more sophisticated online MIS (which is currently under development) the Virginia WIC Program has several controls built into its current system. The monthly report for unmatched redemptions provides the agencies with a tool for identifying missed entries or possible staff fraud. In a system where voids are not processed in real time, a wait for confirmation of “stop payment” prior to issuance of replacement checks is a good control against the possibility that a participant might report checks lost or stolen and transact both the replacement and the reported checks before the system could be updated with the void.

The practices of printing checks for participants who have not made it to their recertification appointments, and keeping unissued, preprinted checks in the clinic until they expire are system weaknesses. The potential for staff fraud and abuse to occur is increased with unissued, preprinted checks on hand. In addition, the shredding of voided checks leaves no physical record that the check was actually voided.

Maintaining uninventoried stock of special formulas in the clinics is another area of weakness. These formulas represent a cost to the Program, and have a resale value. Since there is no tracking of this formula, the potential for staff to remove and resell it without detection exists. A system for tracking and inventory of special formulas would greatly reduce this risk.

Staffing problems, lack of legal-system expertise, and lack of support from law enforcement officials were issues raised by other State WIC agencies regarding the difficulty identifying and prosecuting fraud and abuse. In light of these issues, the establishment of the position of WIC Program integrity manager was an insightful solution. A statement expressed repeatedly during the site visits to various States was it was “nobody’s job” to prosecute fraud and abuse.

Development of the position of WIC Program integrity manager is an excellent control because there is now someone whose job it is to detect, prevent, and prosecute WIC fraud and abuse. State and local agencies in Virginia now know exactly who to turn to with concerns about fraud and abuse. This will likely result in an increase in detection of fraud and abuse. The State agency has indicated that they are already receiving more calls from the local agencies in reference to concerns of this nature.

Another effective control utilized by the Virginia WIC Program is a comprehensive management evaluation process with a followup component. This allows the State agency to ensure that local agencies are following the policies and procedures that are in place to prevent and detect fraud and abuse. It also enables the State agency to hold the local agencies accountable if they are not adhering to anti-fraud policies and procedures. The followup is an effective tool for ensuring that local agencies follow through with the corrective measures they have agreed to take.