

<b>Texas WIC Health and Human Services Commission</b>
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Effective December 1, 2020

Policy No. WV:12.0

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## **WIC Vendor EBT System Reimbursement**

### **Purpose**

To define WIC authorized vendor and State Agency (SA) responsibilities, policies, and procedures for reimbursement of WIC-certified, single function electronic benefit transfer (EBT) systems.

### **Authority**

42 US Code §1786(h)(12)(E-G); 7 CFR 246.12(w)-(aa)

### **Policy**

WIC food benefits in Texas are provided to eligible participants using a WIC EBT smart card at authorized vendors throughout the state. The SA must certify a WIC vendor applicant as WIC EBT capable.

The vendor applicant may demonstrate this capability by using its own multifunctional equipment or through use of a separate system that transacts only WIC EBT smart card redemptions. For authorized vendors who meet eligibility criteria, limited SA reimbursement for single function equipment is available.

The SA will process reimbursement for a single function (WIC-only) EBT system, if the vendor meets all eligibility criteria. In addition, the SA will reimburse for ongoing maintenance, processing fees, and operational costs for authorized vendors who meet eligibility criteria. The SA must have sufficient funds available for all reimbursements.

### **Procedures**

- I. Texas WIC EBT System Components and Responsibilities
  - A. Authorized vendors must maintain a WIC-certified system in each authorized vendor outlet that accurately performs the following:

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- 1. Redeems WIC benefits from participants' WIC EBT smart cards;
      - 2. Submits claims for reimbursement of WIC food benefits; and
      - 3. Receives Hot Card Lists (HCL), Approved Product Lists (APL), and Auto Reconciliation Files (ARF) from the WIC EBT host system.
    - B. Vendors must comply with Food and Nutrition Service WIC EBT Operating Rules, Federal and State regulations, policies and procedures, and the WIC EBT requirements listed in the Vendor Agreement throughout the Vendor Agreement period.
  - II. SA Reimbursement for WIC-Only (Single Function) EBT Systems
    - A. Vendors must meet the following eligibility criteria for reimbursement:
      - 1. The vendor outlet must be WIC authorized (Vendor Agreement is fully executed) for a minimum of six months;
      - 2. The SA determined the vendor outlet is in an inadequate participant access (PA) area;
      - 3. The vendor outlet is compliant with State and Federal rules and regulations, policies, and vendor selection criteria;
      - 4. The EBT system is single function (WIC only); and
      - 5. The vendor outlet does not have a WIC EBT system that was installed using WIC EBT system reimbursement funds.
    - B. The vendor's WIC EBT system must meet the following eligibility criteria for reimbursement:
      - 1. The vendor is not able to accept WIC electronic benefit transfers using its current EBT equipment.
      - 2. The system is a brand new set of equipment that is WIC-certified for Texas EBT.
      - 3. The WIC EBT system must be used solely for WIC sales either by functional limitations or by license and not used as a multi-tender system. This includes, but is not limited to, the ability to read magnetic stripe cards or accept cash purchases through a

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cash drawer. This does not prevent the WIC EBT system from including a hybrid smart card/magnetic stripe card reader, but the magnetic stripe card capability must not be active.

C. Amount of Potential Reimbursement

1. The SA will reimburse eligible authorized vendor outlets up to \$2,000.00 plus tax based on the actual cost of the WIC-only (single function) EBT system.
  - a. Any SA-reimbursed WIC EBT system must be used solely for transacting WIC EBT benefits for one year. If the SA-reimbursed WIC EBT system is used for the transaction of any tender other than WIC (including, but not limited to cash, credit, and/or magnetic stripe card), the vendor must return the full reimbursement to the SA.
  - b. If the vendor fails to meet on-going selection criteria and/or is terminated or withdraws from the WIC Program after redeeming WIC benefits for less than 12 months, then the vendor outlet must return a pro rata share of the WIC EBT system reimbursement to the SA. For example, if the vendor outlet was in operation for 10 months, two months of the pro rata share would be reimbursed to the SA. If that vendor outlet applies for reauthorization, the vendor outlet must become WIC EBT capable without further reimbursement.
  - c. The SA may waive the return of the pro rata share of the WIC EBT system reimbursement if an authorized WIC vendor outlet ceases to participate as a WIC vendor and the WIC EBT system equipment at the closing outlet is transferred to another WIC-authorized vendor outlet within the same corporate structure and used solely for the purpose of WIC EBT food benefit redemptions.

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- d. If an authorized vendor sells any or all of its WIC vendor outlets after the SA has reimbursed the vendor for the WIC EBT system(s), the selling vendor agrees to provide the WIC EBT system to the purchaser of the store(s) as part of the sale. Failure of the purchasing vendor to seek, accept, or maintain the seller's WIC EBT system does not obligate the SA to provide additional WIC EBT system reimbursement for any previously reimbursed vendor outlet(s).
  - e. Vendor terminations pertaining to EBT capability are subject to the consideration of participant access as described in WIC Policy WV: 3.0.
- 2. Enforcement of all warranties and maintenance agreements is a responsibility of the individual vendor.
  - 3. A retail vendor may lease equipment for use in WIC EBT transactions at its own cost. The leasing of EBT system equipment for use in WIC EBT is not reimbursable. Leased EBT system equipment must meet WIC EBT system capability requirements.

### III. REIMBURSEMENT PROCEDURE

- A. The vendor must submit the reimbursement request within 180 calendar days of the date of WIC EBT capable certification. However, the SA's reimbursement process will occur once the vendor has been on the WIC program for at least 180 days. The vendor may request WIC EBT system reimbursement by submitting the following documentation to the SA:
  - 1. The completed WIC EBT System Reimbursement Request Form. Email [WICEBTsupport@hhsc.state.tx.us](mailto:WICEBTsupport@hhsc.state.tx.us) to request a WIC EBT System Reimbursement Request Form.

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2. An invoice from a Texas WIC-approved EBT system vendor. The invoice must include the following:
    - a. Invoice number and date,
    - b. WIC authorized vendor's name,
    - c. WIC authorized vendor's physical address,
    - d. The equipment configuration for a one-lane system, including confirmation the system is limited by license or software to conduct only WIC transactions, and
    - e. Price of each EBT system component.
  3. Proof of payment (check, money order, receipt for cash, or EBT system vendor attestation) stating the invoice was paid in full. Promissory notes are not proof of payment.
  4. The vendor's fully executed Vendor Agreement and/or any amendments.
- B. The SA will process a Purchase Request Form for reimbursement within 30 calendar days if the vendor outlet meets the following criteria:
1. The SA verifies the vendor outlet meets all eligibility criteria and documentation requirements outlined in this policy,
  2. The vendor outlet has redeemed WIC benefits for a minimum of six months
  3. The vendor outlet has submitted a WIC EBT System Reimbursement Request form within 180 calendar days of being certified WIC EBT capable.
- IV. The SA's EBT reimbursement decisions are final and not subject to administrative appeal. The SA will provide written notification to WIC vendors of changes to Federal or State statutes, regulations, policies, or procedures governing the WIC Program before the changes are implemented, providing as much advance notice as possible.