WIC Cost Containment Strategy

Overview

• “What Price Should I Charge?”
  - “Where’s my profit?”

• Markets and Analytics
  - Standards
  - Data and Math

• Cost Containment = Incentive

• Complementing Strategies

• Summary
WIC Cost Containment Strategy

• “What price should I charge?”

Grant

Fenced: No Growth – Limited $$

Budget

Fenced: No Growth – Limited $$
WIC Cost Containment Strategy

• Grant
  – Case load increase - $$ not automatic
  – Reduction/Cuts somewhere

• Require cost containment
  – Maximize supply
  – Proactive cost control
  – Complementing Strategies

• Avoid case load management
  – Timing disruptive
  – Fails objectives
WIC Cost Containment Strategy

• Cost Containment Mechanics….  
  – Everyone does the math……..

Agree ?

• 1 + 1= 2 ?
• 2 x 2 = 4 ?
• 50/100 = 50% ?
• 4 − 1 = 3 ?
WIC Cost Containment Strategy

• “What price should I charge?”
  - “Your best price – you are in a competitive market.”

• Market driven competitive decision
  - Annually recover nearly $1 million in food dollars
  - Sensitive to extreme price swings
    • Prevent “penalty” for market shifts
    • Settle at recoupment
  - Volume improves profit margins
WIC Cost Containment Strategy

• Peer group standards – 100% compliant
  – ✔ CFR 246.12(g)(1) all meet peer group competitive price
  – ✔ CFR 246.12(g)(4)(i)(D) perfect T-Test monthly
  – ✔ CFR 246.12(g)(4)(iii) no vendor price “creep”
    » Geography and redemption bands
    » Tested quarterly
  – ✔ CFR 246.12(g)(7) small business
WIC Cost Containment Strategy

- WIC EBT Data Rich
  - Redemptions
  - Over 2,000 vendors and 460,000 participants
  - Over 19,000 UPCs in APL

<table>
<thead>
<tr>
<th>Fla Year Month</th>
<th>Paid</th>
<th>Recouped</th>
<th>NTE</th>
<th>Total Savings</th>
<th>% of Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>201704</td>
<td>$25,719,903.89</td>
<td>$41,412.27</td>
<td>$13,023.25</td>
<td>$54,435.52</td>
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<tr>
<td>201704 - Cat 19</td>
<td>$2,545,878.15</td>
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<tr>
<td>201705</td>
<td>$27,181,441.95</td>
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<td>$2,712,125.76</td>
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<tr>
<td>201706</td>
<td>$27,057,778.13</td>
<td>$49,008.54</td>
<td>$13,248.66</td>
<td>$62,257.20</td>
<td>0.23%</td>
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<td>201706 - Cat 19</td>
<td>$2,637,795.29</td>
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<tr>
<td>TOTAL</td>
<td>$87,854,923.17</td>
<td>$139,610.59</td>
<td>$36,931.11</td>
<td>$176,541.70</td>
<td>0.20%</td>
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</table>
WIC Cost Containment Strategy

• Vendors meet peer group MARL
  – Mathematical redemption analysis
  – Market driven peer group
    • Geography
    • Redemption bands
  – Redemptions organized in average categories

• Two step process
  – Ensure vendors and WIC treated equally and fairly
  – 1. Analysis throughout the month
  – 2. Final mathematical computation end-of-month
WIC Cost Containment Strategy
WIC Cost Containment Strategy

- Redemption Maximum Allowable Reimbursement Level (MARL)
  - No crystal ball
  - Competitive market price
  - Impossible to forecast exactly
WIC Cost Containment Strategy

- Start with **Not-to-Exceed (NTE)** first of month
  - Mathematically computed from prior month’s redemptions
  - Control program cost growth
  - Limits impact of vendor processing errors

- Charges “capped”
- Can’t pay more *at the counter*

**Annual Period**

**NTE - $5.10 - NTE**
WIC Cost Containment Strategy

All Vendor Prior Month’s Actual Redemption capped at the NTE Requests

Computation for Each Peer Group and Volume Band

Example:
High End Cereals

NTE 127%

All Items at or Below Average

NTE 127%
WIC Cost Containment Strategy

All Vendor Current Month’s Redemption Request

PG 5 – Central Volume: $2,000 - $5,999

Start NTE $1.27

Redemptions

Start of Month:
- Sum and average all PG prior month redemptions
- Determine 127% of PG Average
- Manage daily for wholesale price changes

No Payment Above NTE

One Product UPC

Avg

Florida HEALTH
### WIC Cost Containment Strategy

- **Daily** NTE assessments
  - Peer Group Impacts
  - Key vendor sites
- Routine contact with vendors
  - Report of unusual wholesale price increases
  - Confirmation and adjustment
WIC Cost Containment Strategy

• End of each month identify the *actual competitive price* – Maximum Allowable Reimbursement Level (MARL)
  - Set at 120% of peer group average – tested quarterly
  - Above-50-Percent vendors, MARL is 100% of the statewide average
  - Recoup any payments above MARL following month
  - Computed by UPC
  - No . . .
    • Penalty
    • Administrative burden
### WIC Cost Containment Strategy

#### Computation for Each Peer Group and Volume Band

<table>
<thead>
<tr>
<th>Product</th>
<th>All Product UPCs</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>High Items</strong></td>
<td></td>
</tr>
<tr>
<td>MARL 120%</td>
<td>Example: High Cost Cereals</td>
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<tr>
<td><strong>Low Items</strong></td>
<td></td>
</tr>
<tr>
<td>MARL 120%</td>
<td>All Items at or Below Average</td>
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</tbody>
</table>

All Vendor **Current** Month’s **Redemption** Requests up to NTE

MARL 17
WIC Cost Containment

All Vendor Current Month’s Redemption Request

One Product UPC

PG 5 – Central Volume: $2,000 - $5,999

Start NTE $1.27

No Payment Above NTE

EOM Recoup Level

End of Month:
- Sum and average all PG redemptions
- Determine 120% of PG Average
- Recoup all prmts above 120% PG end of month average

Avg

Redemptions

MARL
### WIC Cost Containment Strategy

- **Recoupment – Each UPC**

<table>
<thead>
<tr>
<th>Peer Group</th>
<th>Avg Cost</th>
<th>UPC</th>
<th>Brand</th>
<th>Description</th>
<th>Pkg Size</th>
<th>High/Low</th>
<th>Requested</th>
<th>Settled</th>
<th>MARL</th>
<th>NTE Red</th>
<th>Recoupment</th>
<th>Total Red.</th>
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<tbody>
<tr>
<td>1012</td>
<td>1612</td>
<td>1622</td>
<td>Tg Lee</td>
<td>1% Milk Gallon</td>
<td>128 HIGH</td>
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<td>5.87118644</td>
<td>5.584208</td>
<td>5.125079</td>
<td>0.43897317</td>
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<tr>
<td>1013</td>
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<td>1623</td>
<td>Tg Lee</td>
<td>Whole Milk Gallon</td>
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<td>5.67682628</td>
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<td>0.84025177</td>
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<td>1624</td>
<td>Tg Lee</td>
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<td>5.87448438</td>
<td>5.602991</td>
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<td>5.98</td>
<td>5.20621</td>
<td>5.21</td>
<td>0.43593981</td>
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<td>5.96010857</td>
<td>5.4362656</td>
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<tr>
<td>1021</td>
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<td>1631</td>
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<td>Fat Free Milk Gallon</td>
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<td></td>
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<td>5.508942</td>
<td>5.04</td>
<td>0.41873</td>
<td>0.521246154</td>
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<tr>
<td>1022</td>
<td>1622</td>
<td>1632</td>
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<td>128 HIGH</td>
<td></td>
<td>5.98</td>
<td>5.418377</td>
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<td>1023</td>
<td>1623</td>
<td>1633</td>
<td>Tg Lee</td>
<td>2% Milk Gallon</td>
<td>128 HIGH</td>
<td></td>
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<td>5.669041</td>
<td>5.04</td>
<td>0.42095004</td>
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<td>1024</td>
<td>1624</td>
<td>1634</td>
<td>Tg Lee</td>
<td>Whole Milk Gallon</td>
<td>128 HIGH</td>
<td></td>
<td>5.96780448</td>
<td>5.476206</td>
<td>5.13</td>
<td>0.45170713</td>
<td>0.14792681</td>
<td>0.83963416</td>
</tr>
</tbody>
</table>

**Total**

- **Items Requested**
- **Settled**
- **MARL**
- **NTE Red.**
- **Recoupment**
- **Total Red.**

**FL-WISE WIC Data Systems**
WIC Cost Containment Strategy

• Recap
  – Not-to-Exceed (Start of Month)
    • Based on prior month’s redemptions
    • Maximum liability 127%
      – Allow for increases in wholesale/distribution costs
      – Allows for variances in prices
  – Recoupeement (End of Redemption Month)
    • *Fraud Deterrent*
      • Based on current month’s redemptions
      • Maximum Allowable Reimbursement Level (MARL) 120%
        • By UPC; PG; sales band
        • Recovery reported
          – In redemption processing
          – Standard report
  – Next month NTE
    • Computed Based on *redemptions capped at the NTE* of Each Redemption Request
    • Acknowledges market driven price growth

<table>
<thead>
<tr>
<th>Summary of Impact NTE &amp; Recoupeement</th>
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<tbody>
<tr>
<td><strong>NTE</strong></td>
</tr>
<tr>
<td>Redemption Asked = $2.40</td>
</tr>
<tr>
<td>NTE Average = $2.10</td>
</tr>
<tr>
<td>Pay to NTE = $2.10</td>
</tr>
<tr>
<td>Reduction = $0.30</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Recoupeement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paid to NTE = $2.10</td>
</tr>
<tr>
<td>MARL = $2.05</td>
</tr>
<tr>
<td>Recouped = $0.05</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Summary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Originally asked = $2.40</td>
</tr>
<tr>
<td>MARL = $2.05</td>
</tr>
<tr>
<td>Total NTE &amp; Recoupe = $0.35</td>
</tr>
</tbody>
</table>
WIC Cost Containment Strategy

- It starts with "Welcome"

**Price.** We believe you know that WIC functions exactly like any consumer in today’s market. We are required to find and pay only the most competitive market price for food items. **You have agreed to charge WIC competitive prices.** As we continue to serve WIC participants in Florida, we must find efficiencies and economies to make our dollars stretch. Unlike other programs, the amount of funds for WIC is very limited. **WIC must “watch its pennies” just like any family.** We determine competitive price by comparing your prices to prices in other stores in your peer group that have similar volume in WIC redemptions. This is a fact based mathematical computation. Any charges we receive from your store that are above your peer group competitive price limit may be reclaimed. **What is a competitive price?** **Your competitive price must be your best price** for the product. Your best price should **include a reasonable profit for you.** We find healthy vendors mean healthy participants. **Our mutual responsibility is clear.** Only those WIC vendors that charge WIC the best competitive price in the market compared to other stores with similar WIC volume will remain as exclusive WIC vendors.
WIC Cost Containment Strategy

• Recoupment
  - Report to vendor
    • Detail by UPC
    • Initial: $800 - $2,500
    • Current: < $20
  - Recoupment process
    • $50,000
    • 2 ½ days
  - Only the start of the conversation
## WIC Cost Containment Strategy

- Individual vendor report
- Recoup amount
- Product detail
- Supplier discussions
- Factual evidence
- Market price
- Focused problem solving
# WIC Cost Containment Strategy

Sample Corporate Report – Month & Store Ranking

## Corporate Summary of UPC Recoupment

Redemption Month/Year: 07/2015

<table>
<thead>
<tr>
<th>UPC Code</th>
<th>Brand Name</th>
<th>Description</th>
<th>Total # Items Sold</th>
<th>Total # Items Sold Above MARL</th>
<th>Total Amount Paid</th>
<th>Total MARL</th>
<th>Recoupment Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>00041331120012</td>
<td>Goya</td>
<td>Green Pigeon Peas</td>
<td>5,335</td>
<td>3,783</td>
<td>$7,970.61</td>
<td>$7,734.35</td>
<td>$236.26</td>
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<tr>
<td>00041415035432</td>
<td>Del Monte</td>
<td>Fresh Cut Lima Beans</td>
<td>1,137</td>
<td>607</td>
<td>$2,721.86</td>
<td>$2,641.92</td>
<td>$79.94</td>
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<tr>
<td>00024001620557</td>
<td>StarKist</td>
<td>Chunk Light Tuna in Water</td>
<td>509</td>
<td>374</td>
<td>$778.50</td>
<td>$752.29</td>
<td>$26.21</td>
</tr>
<tr>
<td>00080000003348</td>
<td>Natalie's</td>
<td>100% Florida Orange Juice Gourmet</td>
<td>385</td>
<td>229</td>
<td>$1,069.99</td>
<td>$1,035.24</td>
<td>$34.75</td>
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<tr>
<td>007253411181125</td>
<td>Dairy Pure</td>
<td>Whole Milk Gallon</td>
<td>208</td>
<td>208</td>
<td>$1,016.72</td>
<td>$953.33</td>
<td>$53.39</td>
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<tr>
<td>00086000000412</td>
<td>Bumble Bee</td>
<td>Chunk Light Tuna in Water</td>
<td>366</td>
<td>206</td>
<td>$1,896.48</td>
<td>$1,850.85</td>
<td>$45.63</td>
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<tr>
<td>00075669101900</td>
<td>Iberia</td>
<td>Pinto Beans</td>
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<td>171</td>
<td>$339.19</td>
<td>$330.09</td>
<td>$9.10</td>
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<td>00075669102808</td>
<td>Iberia</td>
<td>Gandules Verdes Green Pigeon Peas</td>
<td>202</td>
<td>142</td>
<td>$1,040.55</td>
<td>$1,030.67</td>
<td>$9.88</td>
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<tr>
<td>00075669101801</td>
<td>Iberia</td>
<td>Pink Beans Frijoles Rosados</td>
<td>125</td>
<td>118</td>
<td>$356.08</td>
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<tr>
<td>00016000275652</td>
<td>General Mills</td>
<td>Wheaties</td>
<td>155</td>
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<td>$609.80</td>
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<td>Dairy Pure</td>
<td>1% Lowfat Milk Gallon</td>
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<td>112</td>
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<tr>
<td>00041331124430</td>
<td>Goya</td>
<td>Butter Beans</td>
<td>1,024</td>
<td>105</td>
<td>$1,440.61</td>
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<td>Red Kidney Bean Frijoles Coloradas</td>
<td>568</td>
<td>104</td>
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<td>00075370111175</td>
<td>Conchita</td>
<td>Green Pigeon Peas</td>
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<td>$341.06</td>
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<td>Chicken of the Sea</td>
<td>Chunk Light Tuna in Water</td>
<td>136</td>
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<tr>
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<td>Chick Peas</td>
<td>357</td>
<td>357</td>
<td>$337.69</td>
<td>$332.74</td>
<td>$4.95</td>
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<td>000163000151189</td>
<td>Florida’s Natural</td>
<td>Premium Orange Juice no pulp</td>
<td>78</td>
<td>74</td>
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<tr>
<td>00053859070663</td>
<td>Eighth Continent</td>
<td>8TH CONT Soy ORIGINAL HG</td>
<td>2,558</td>
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<td>124</td>
<td>64</td>
<td>$641.58</td>
<td>$625.25</td>
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</tbody>
</table>
WIC Cost Containment Strategy

Corporate Cost Containment - WIC EBT Summary
Redemption Month - Year: 1-2015

<table>
<thead>
<tr>
<th>Year/Month</th>
<th>Number Stores in Chain</th>
<th>Stores Recoupment Applied</th>
<th>Percent Stores in Chain Subj to Recovery</th>
<th>Total Number UPCs Sold</th>
<th>Total Number UPCs Sold Above *MARL</th>
<th>Total Amount Paid</th>
<th>Total *MARL</th>
<th>Total Excluded from Recoupment</th>
<th>Total Amount of Recoupment</th>
<th>Total State Adjustments</th>
<th>Total Recovered Amount</th>
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<td>655</td>
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<td>$932.77</td>
<td>$0.00</td>
<td>$932.77</td>
<td>$932.77</td>
</tr>
</tbody>
</table>

Corporate Store Recoupment History
Ranked Highest to Lowest Total Recoupment for Calendar Year

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$5.77</td>
<td>$10.66</td>
<td>$31.02</td>
<td>$30.58</td>
<td>$29.01</td>
<td>$47.85</td>
<td>$44.10</td>
<td>$4.06</td>
<td>$4.36</td>
<td>$8.52</td>
<td>$8.23</td>
<td>$5.82</td>
<td>$30.66</td>
</tr>
</tbody>
</table>

Store Rank
Priority Rank
## WIC Cost Containment Strategy

### Corporate Cost Containment - WIC EBT Summary

**Redemption Month - Year: 1-2015**

**Store Summary of UPC Recoupment**

Ranked by Highest Recoupment Amount

<table>
<thead>
<tr>
<th>Vendor Number:</th>
<th>Peer Group: 0</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>UPC Code</th>
<th>Brand Name</th>
<th>Description</th>
<th>Total # Items Sold</th>
<th>Total # Items Sold Above Minimum Allowable Retail Loss (MARL)</th>
<th>Total Amount Paid</th>
<th>MARL per Item</th>
<th>Total MARL</th>
<th>Recoupment Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>00041331120012</td>
<td>Goya</td>
<td>Green Pigeon Peas</td>
<td>8</td>
<td>8</td>
<td>$11.92</td>
<td>$1.19</td>
<td>$11.42</td>
<td>$0.50</td>
</tr>
<tr>
<td>00016000457710</td>
<td>General Mills</td>
<td>General Mills</td>
<td>4</td>
<td>4</td>
<td>$20.60</td>
<td>$4.20</td>
<td>$20.17</td>
<td>$0.43</td>
</tr>
<tr>
<td>00016000275287</td>
<td>General Mills</td>
<td>Cheerios</td>
<td>3</td>
<td>3</td>
<td>$15.45</td>
<td>$4.20</td>
<td>$15.12</td>
<td>$0.33</td>
</tr>
<tr>
<td>00725341811125</td>
<td>Natalie's</td>
<td>100% Florida Orange Juice Gourmet</td>
<td>1</td>
<td>1</td>
<td>$5.01</td>
<td>$3.93</td>
<td>$4.71</td>
<td>$0.30</td>
</tr>
<tr>
<td>00725341282228</td>
<td>Natalie's</td>
<td>100% Florida Grapefruit Juice Gourmet</td>
<td>1</td>
<td>1</td>
<td>$5.01</td>
<td>$3.93</td>
<td>$4.71</td>
<td>$0.30</td>
</tr>
<tr>
<td>00041415031425</td>
<td>Large Limas</td>
<td>Mozzarella cheese</td>
<td>3</td>
<td>3</td>
<td>$19.67</td>
<td>$5.48</td>
<td>$19.56</td>
<td>$0.11</td>
</tr>
<tr>
<td>00041415171657</td>
<td>Del Monte</td>
<td>Fresh Cut Lima Beans</td>
<td>2</td>
<td>2</td>
<td>$3.00</td>
<td>$1.21</td>
<td>$2.90</td>
<td>$0.10</td>
</tr>
<tr>
<td><strong>Store Totals</strong></td>
<td></td>
<td></td>
<td><strong>23</strong></td>
<td><strong>21</strong></td>
<td><strong>$83.26</strong></td>
<td></td>
<td><strong>$81.06</strong></td>
<td><strong>$2.20</strong></td>
</tr>
</tbody>
</table>

**Recoupment = $2.20**
## WIC Cost Containment Strategy

### Corporate Cost Containment - WIC EBT Summary

**Redemption Month - Year: 1-2015**

### Peer Group UPC Summary of Recoupment

Ranked by Highest Recoupment Amount for UPC

<table>
<thead>
<tr>
<th>Peer Group</th>
<th>Total # Items Sold</th>
<th>Total # Items Sold Above MARL</th>
<th>Total Amount Paid</th>
<th>MARL per Item</th>
<th>Total MARL</th>
<th>Recoupment Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>12</td>
<td>1415</td>
<td>1415</td>
<td>$2,106.41</td>
<td>$1.17</td>
<td>$1,987.27</td>
<td>$119.14</td>
</tr>
<tr>
<td>11</td>
<td>1256</td>
<td>881</td>
<td>$1,906.61</td>
<td>$1.22</td>
<td>$1,818.75</td>
<td>$87.86</td>
</tr>
<tr>
<td>9</td>
<td>720</td>
<td>720</td>
<td>$1,073.92</td>
<td>$1.19</td>
<td>$1,029.56</td>
<td>$44.36</td>
</tr>
<tr>
<td>5</td>
<td>189</td>
<td>189</td>
<td>$286.11</td>
<td>$1.18</td>
<td>$267.34</td>
<td>$18.77</td>
</tr>
<tr>
<td>7</td>
<td>143</td>
<td>143</td>
<td>$230.07</td>
<td>$1.26</td>
<td>$215.21</td>
<td>$14.86</td>
</tr>
<tr>
<td>6</td>
<td>167</td>
<td>167</td>
<td>$252.58</td>
<td>$1.19</td>
<td>$238.19</td>
<td>$14.39</td>
</tr>
<tr>
<td>4</td>
<td>56</td>
<td>56</td>
<td>$85.74</td>
<td>$1.21</td>
<td>$81.05</td>
<td>$4.69</td>
</tr>
<tr>
<td>10</td>
<td>58</td>
<td>58</td>
<td>$90.20</td>
<td>$1.24</td>
<td>$86.55</td>
<td>$3.74</td>
</tr>
<tr>
<td>3</td>
<td>12</td>
<td>12</td>
<td>$18.04</td>
<td>$1.20</td>
<td>$17.30</td>
<td>$0.74</td>
</tr>
<tr>
<td>2</td>
<td>12</td>
<td>10</td>
<td>$18.88</td>
<td>$1.27</td>
<td>$18.14</td>
<td>$0.74</td>
</tr>
<tr>
<td>1</td>
<td>7</td>
<td>7</td>
<td>$10.77</td>
<td>$1.23</td>
<td>$10.29</td>
<td>$0.48</td>
</tr>
</tbody>
</table>

**Note:** MARL (Maximum Allowable Retail Limit) is calculated by dividing the total amount paid by the total items sold above the MARL.
WIC Cost Containment Strategy

• Complementing Strategies
  - Incentive for better profit margins
    • Recoupment conversation starts “How can I be competitive ...”
      - Critical analysis - business model and product array
      - Vendor’s target market
      - Demographics
    • Sources of supply
      - ✔ Armed with facts
      - ✔ Shop for best margins
      - ✔ Match to vendor business model – delivery, volume, Just-In-Time, diversions
    • Suppliers/Wholesalers
      - Practical business
      - Adamantly support WIC requirements
      - Other alternatives available
WIC Cost Containment Strategy

• Complementing Strategies
  - Incentive for compliance
    • Market’s competitive price
      - Detailed end-of-month analysis and reports to vendors
      - Daily NTE impact evaluation
      - Communication with vendors throughout the month
  - There is no disagreement
    - Simple – “averages”
    - Empirical data
  - Least resistance
    - Team building
    - Focused problem solving
    - Compliance = Profit
WIC Cost Containment Strategy

- Complementing Strategies
  - Product redemption analytics
  - Consumption levels
    - Statewide
    - Region
    - Peer group
    - Clinic
  - Comparative pricing
    - Statewide
    - Region
    - Peer group
  - Minimum inventory impacts
  - Redemption history analytics
WIC Cost Containment Strategy

- Complementing Strategies
  - Data sharing
    - National brand interaction/analytics
    - New products
    - Vendor feedback
  - Private label analytics
  - Encourage strategic product thinking
    - Closed market data
    - Analysis of supply and demand
  - Vendor data
    - Individual vendor
    - Small and medium chains
WIC Cost Containment Strategy

- Complementing Strategies
  - Volume $ = Profit $ = WIC
  - Informed analysis
    - Reduce vendor risk
    - High demand items
    - Demographics
  - High value issuance
    - Vary product array
    - Target demographics
WIC Cost Containment Strategy

- Organization = \[ \uparrow \] Profit
  - Better “shopping”
  - Higher redemption rates
  - More prescription consumed
- “See” fast movers
  - Rapid restocking
  - Customer focused
- Speeds audits
- Increases Cooperation
WIC Cost Containment Strategy

• Complementing Strategies

- **GEOCODE**
  - Concentration of participants
  - Revenue w/in 5 miles
  - Competing vendors
    - Population served
    - Average redemption
  - Demographics

- 11,201 participants
- 65% Hispanic
- 20 vendors
- 860 per store
- $2,015,998.00 monthly
- $180 average redeemed
WIC Cost Containment Strategy

- Complementing Strategies
  - GEOCODE
    - Distance
    - Updates
    - Revenue
    - Competition
  - Data quality
  - Possible abuse

How Far Will You Go For WIC? Really?
WIC Cost Containment Strategy

- Complementing Strategies
  - Settlement
    - Systematic analysis of daily payments $1 million
    - Identify system processing errors
    - Review payment history and impacts

Separate WIC Direct Out Put Records - To Validate Invoice

$1,084,495.07

$1,000,495.07
Summary

• Participant Focused
  - Business principles
  - Improve compliance & product array

• Complementing Strategies
  - Competitive principles
  - Incentivizes positive action
  - Cooperative market based problem solving

• WIC EBT data the foundation
Contact Information

Brad Christy
WIC Operations Manager
Earl.Christy@flhealth.gov

Florida WIC Program
Florida Department of Health
(850) 245-4202
WIC Cost Containment

- Who Earned the Most WIC Revenue?
WIC Cost Containment

- Who Earned the Most WIC Revenue?

- Average > $170,000/month
  - "1 cash register"

- Average <$1,000/month
  - "20 cash registers"