

January 2021

NGA supports Child Nutrition Reauthorization with the below modifications to the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) in the 117th Congress.

Improve the WIC licensing process: Speed up the approval process and remove duplicative paperwork

The WIC licensing process for retailers can be slow, resulting in well-equipped retailers being left out of the WIC program for periods of time, including retailers in good standing that have already been granted a Supplemental Nutrition Assistance Program (SNAP) license, as well as multi-store retailers that are approved for WIC at other store location(s). The U.S. Department of Agriculture (USDA) also requires states to conduct pre-approval on-site visits at each store location submitting a WIC application, which can further lengthen the approval timeline. Additionally, the WIC licensing process is duplicative. For example, many states require that stores are SNAP-authorized before being considered for a WIC license, but then ask many of the same questions in the WIC application. NGA supports the following changes to the WIC program that speed up the licensing approval process and removes duplicative paperwork for retailers:

- All vendors should be required to obtain a SNAP license to apply for a WIC license.
- States should be required to provide a final response regarding the approval or denial of a WIC application for retailers that are new to the program within 30 days upon receipt of the WIC application.
- States should be directed to expedite licenses to retailers already approved for WIC at other in-state location(s).
 - Require states to authorize WIC to retailers already approved at other store location(s) within 10 days of receiving the completed application.
 - Waive pre-approval on-site inspections for stores where the retailer operates WIC at other location(s).
- Retailers should only be required to submit information on the WIC application that is supplemental to information already provided in the SNAP application.
- States should be required to consider WIC applications on an ongoing basis.

Allow substitution of WIC items during a presidentially declared state of disaster or public health emergency

Retailers have experienced difficulties keeping WIC-approved foods in stock after natural disasters due to infrastructure and transportation issues, and during the onset of the COVID-19 pandemic due to high demand. This created situations in which WIC participants were unable to purchase certain products on their prescription lists.

- WIC vendors operating in presidentially declared disaster or public health emergency areas should be provided flexibility by permitting substitution of certain WIC-authorized items unavailable during and after the event. The flexibility should be automatic and limited to WIC-approved items impacted by supply chain disruptions.
- USDA should direct states to include product substitutions for WIC in their emergency preparedness plans.

Provide greater clarification and direction on the formulation of WIC peer groups

States operate a peer group system in which retailers participating in WIC are grouped together to monitor vendor prices, to determine that reimbursements to stores reflect prices in like stores, and to ensure that prices are cost competitive. Federal regulations require states to have a methodology for establishing peer group systems based on at least two criteria, such as geography or number of cash registers. The peer group system has resulted in concerns for retailers in states that do not reveal technical definitions for the criteria determining which peer group a vendor is chosen for. There have also been issues with states not informing retailers which peer group they are part of. For these reasons, more clarification and direction from states is needed on the formulation of WIC peer groups.

- USDA should direct states to notify retailers which peer group they are in and the criteria used to determine it.
- States should also be directed to publicize the methodology used to determine peer groups.



Enact a temporary reimbursement increase for food items subject to a wholesale price increase

Retailers participating in the WIC program often take a loss when there are wholesale price increases in infant formula because the increase in cost to the store goes into effect immediately, while the increase in reimbursement to the retailer may be reflected several months to over a year later. The retailer receives a reimbursement each month that is below the cost of the wholesale price the retailer paid. A timelier reflection of formula price increases in the reimbursements to stores is needed.

- 1.) If during the life of a rebate contract for a WIC food item the manufacturer implements a wholesale price increase, states must temporarily increase the maximum reimbursement for that food item by the dollar amount of the wholesale price increase within 30 days of the effective date of the wholesale price increase.
- 2.) The increase in the maximum reimbursement shall remain in place until the full wholesale price increase is reflected in the calculated maximum reimbursements for vendors.
- 3.) This temporary reimbursement increase shall not be included in the cost neutrality calculations for vendors described in subparagraph (D)(ii)(I).

