



Planning for the Future:

EBT Basics and the Steps Toward Achieving Statewide Rollout

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Erin McBride
Food and Nutrition Service

Ellen Thompson
MAXIMUS

Agenda

- **Steps toward Statewide Rollout**
 - Planning Activities
 - Implementation Activities
 - Sample Rollout Checklist
- **EBT Basics**
 - Benefit Issuance
 - Benefit Redemption
- **EBT Beyond the Basics**
 - Transaction Processing
 - Categories & Subcategories
 - MIS-EBT Interface

Steps Toward Achieving Statewide Rollout



PLANNING & IMPLEMENTATION ACTIVITIES

Planning Activities

- Get educated
- Determine how planning activities will be completed (in-house or outsourced)
- Develop and obtain approval of PAPD
- Request planning funds – if needed
- Begin engaging stakeholders
- Develop and obtain approval of Feasibility Study
- Begin consideration of policy and workflow changes

Planning Activities (Cont.)

- Continue to engage stakeholders
- Define system and service requirements
- Determine what, if any, functions or services will be outsourced
- Identify (and hire, if necessary) state project resources
- Develop and obtain approval of IAPD
- Request implementation funds – if needed

Planning Activities (Cont.)

- Develop and obtain approval of procurement document(s) – if outsourced
- Select EBT service provider(s), i.e. development, implementation, and QA – if outsourced
- Select MIS development contractor for MIS upgrades – if outsourced and if necessary
- Approval of EBT service provider contract(s) – if outsourced
- Transition to implementation phase

Implementation Activities

- Retailer enablement
- System requirements validation
- Defining the interface between the EBT system and the MIS
- Review of design documents and other plans
- System development of enhancements or modifications to the MIS or EBT system
- Retailer certifications
- Gather authorized UPCs & PLU codes

Implementation Activities (Cont.)

- System testing
- User Acceptance Testing
- Preparation of:
 - WIC authorized vendors
 - Local agencies and clinics
 - State Agency and other State staff
 - WIC participants
- Pilot Operations
- Pilot evaluation
- Statewide Rollout

Sample Readiness Checklist

System Setup

- MIS enhancements to Production
- EBT system to Production
- Connectivity Testing
- Initial Population Vendor/
Cat/Subcat/ UPC
- Turn on MIS EBT functionality in
clinics
- Set Initial NTE Values
- Interface Testing
- User Acceptance Test Dry Run
- User Acceptance Test
- Production Testing
- Validate IVR for Production
Environment
- Setup Security Roles

Clinic Setup

- Staff Training
- Card Readers/PIN pads Installed
- Client Training Videos Available
- WIC EBT Card Inventory
Stocked
- Stagger Appointment Schedule
- Participant Training Materials
Delivered
- Update Policy manual to reflect
EBT
- Participant Rights and
Responsibilities
- Data Set Up
- Helpdesk Trained on EBT

Sample Readiness Checklist

Financial Settlement Setup Activities

- Financial Settlement Training
- Settlement Process Finalized
- Test ACH transaction
- Run Live Transactions through Settlement

APL

- APL Updates
- Cat/Subcat Updates
- Vendor Updates
- APL Validation Efforts (in store)
- Letter to Vendor Regarding Process to Add New UPCs

Vendor Activities

General

- Vendor Training or Train the Trainer
- Amended Vendor Agreements
- Assess and monitor sufficient access & coverage

Stand-beside Device Setup

- Determine Stores Needing Stand-beside Devices
- Notify Stores of Power/Connectivity Needs
- Schedule Setup/Training/Equipment
- Install devices and train vendor staff
- Test Devices

Integrated Setup

- Certifications
- In-store testing

EBT Basics

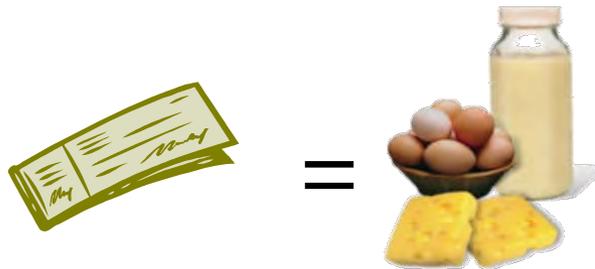


BENEFIT ISSUANCE

Paper vs. EBT: Issuance

Paper System:

- Food items are printed on a paper food instrument and verified by a cashier at the time of purchase.
- Paper food instruments are issued to each participant within a household.



EBT:

- Food items are represented in an account using a categorization standard and available amount
- Participant benefits are aggregated into one household account.



Food Categorization

- Foods are represented by:
 - Category (Cat)
 - Subcategory (Subcat)
 - Quantity (Qty)
 - Unit of measure (UOM)
- Example: 4 gallon, 1 quart of Skim Milk
 - Cat: Low Fat/Fat Free Milk
 - Subcat: Skim
 - Qty: 4.25
 - UOM: Gallon
- In an EBT account, each individual food (Cat/Subcat) has its own balance
- There is a national standard for Cats and Subcats



Benefit Aggregation

- Benefits for participants within a household are aggregated (combined together) into a single household account
- Benefits
 - Allows one card to access the benefits of all participants in the household
 - Potentially provides for better management of benefits by the household
- Trade Off
 - No redemption data at participant level

EBT Basics



BENEFIT REDEMPTION

Paper WIC vs. EBT: Redemption

Paper WIC Redemption:

- Participants must sign each FI
- WIC items must be separated
- Cashier must:
 - Know what items in the store are WIC authorized
 - Determine if items are WIC authorized and can be purchased with the FI
 - Check valid use dates
- Vendor must stamp FIs and deposit in bank or account or redeem from State Agency

EBT Redemption:

- Cardholder must enter a PIN
- WIC item separation not necessarily required
- The system determines which items can be purchased based on the UPC(s) scanned
- System determines daily settlement amount, vendor paid in 1 – 2 business days



UPCs, PLUs and APLs

- Universal Product Codes (UPCs) and Price Look Up (PLU) codes are used to identify WIC approved items in the store for a particular state agency
 - A UPC is typically represented by a bar code, which can be scanned



- A PLU is a four to five digit code used mainly with fresh produce and bulk items (i.e., bananas = 4011)



- Each UPC or PLU is assigned to a specific cat and subcat
- A list of all State approved WIC items is maintained and distributed to POS systems in the Approved Product List (APL) file
- The APL is used as part of the transaction process to identify WIC vs. non-WIC items

Transaction Overview

- Card is swiped, inserted or number key entered and cardholder enters their PIN
- System validates the card, PIN and retailer
- Balance obtained
- Each food item is scanned
 - Compared to APL to determine if it is an allowable WIC item
 - Compared to cardholder balance to determine if there is sufficient balance to purchase
- Store price captured for each food item
- Discounts such as coupons, loyalty cards or other specials are captured
- The system approves/denies the transaction. If approved:
 - The household's account balance is reduced by the amounts (qty) of each item being purchased, and
 - For items with a price exceeding the NTE, paid amount for that item is reduced
 - Paid amount for the transaction calculated
- A receipt showing purchase details and the new food balance is printed
- Last date to spend is also printed

Sample Receipts

GROCERY
 1111042315 Store Brnd Skim 3.49 F
 *1111058733 MLD CHDR SHD 4.79 F

TOTAL
 TOTAL TAX .00
 TOTAL 8.28

PAYMENTS
 ELECTRONIC WIC TENDER 8.28
 XXXXXXXXXXXXXXX007

NUMBER OF ITEMS 2

REMAINING WIC BENEFITS:

998	1b	Cheese
999	doz	Eggs
999	oz	Breakfast Cereal
999	cont	Beans/Peas/Peanut Butte
999.00	\$\$\$	Fruit and Vegetables-CV
998	gal	2%,1%, 1/2% or Skim Mil
999	gal	Lactose Free Milk LF/sk
999	cont	11.5/12.0/46/48 oz Juic

USE YOUR WIC BENEFITS BY:
 12/17/2010

T1 WIC ITEM VALUE EXEMPTED .00
 T1 WIC TAX EXEMPTED .00



A025402KM6AJDLS

Tx:30 Op:1876927 Tm:12 St:254 10:33:34

GROCERY
 Midget Lnghrn Chedd 3.99
 (Midget Lnghrn Chedd -0.50)

Sub Total 3.49

BALANCE DUE 3.49

Purchase \$ 3.49 PIN Used

Electronic WIC #SXXXXXXXXXXXX0114
 Auth # 004005
 Lane # 06 Cashier # 101
 04/26/11 10:54 Ref/Seq # 060702
 Mrch=000955 Term=001 IC=EW
 EPS Sequence # 060702

CHANGE 0.00
 Yours Coupon Savings

Vendor Coupon -1 0.50
 Total Coupons -1 0.50
 Total Tax 0.00

Total number of items sold = 1

 ewic Benefits Redemption
 1.00 lb Cheese
 Midget Lnghrn Chedd

Term#:T0000001 12/28/06
 Clerk:0000 5:34:57PM

WIC Purchase

Card Num: XXXXXXXXXXXXX5413
 WIC Merchant ID: 0791024
 Settlement Date: 12/29

1	GAL, Milk	2.62*
	Item#: 044783005012	
0.5	LB, Cheese	1.95
	Item#: 075925302171	
1	GAL, Milk	2.23
	Item#: 044783005074	
WIC SUBTOTAL		6.80
WIC TOTAL		6.80*
TOTAL REQUESTED		8.53
ITEMS PURCHASED: 3		

REMAINING WIC BENEFITS:

6.5	GALLON MILK
2	POUND CHEESE
4	DOZEN EGGS
9	JUICE: 46 OZ OR 11.5-12 OZ CONC
72	OUNCES CEREAL
2	JAR 18 OZ PEANUT BUTTR OR 1 LB BEAN

USE YOUR WIC BENEFITS BY:
 01/05/2007

Result: Approved
 Auth #: 254707
 Trace#: 000362-000000018254707

DISPENSE GOODS

V2.99 002 205 157 000 000 000 000

=====

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EBT Beyond the Basics

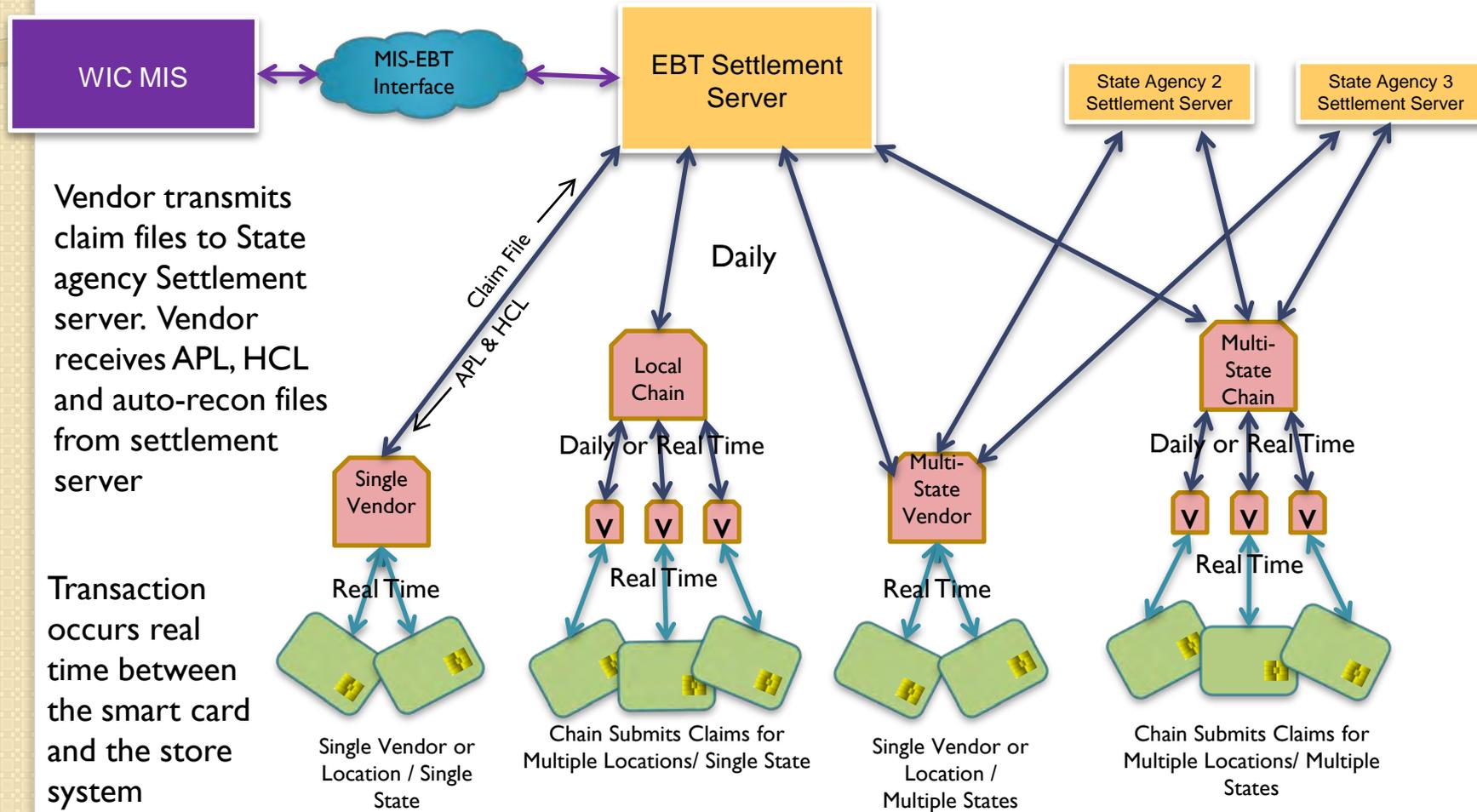


EBT TRANSACTION PROCESSING

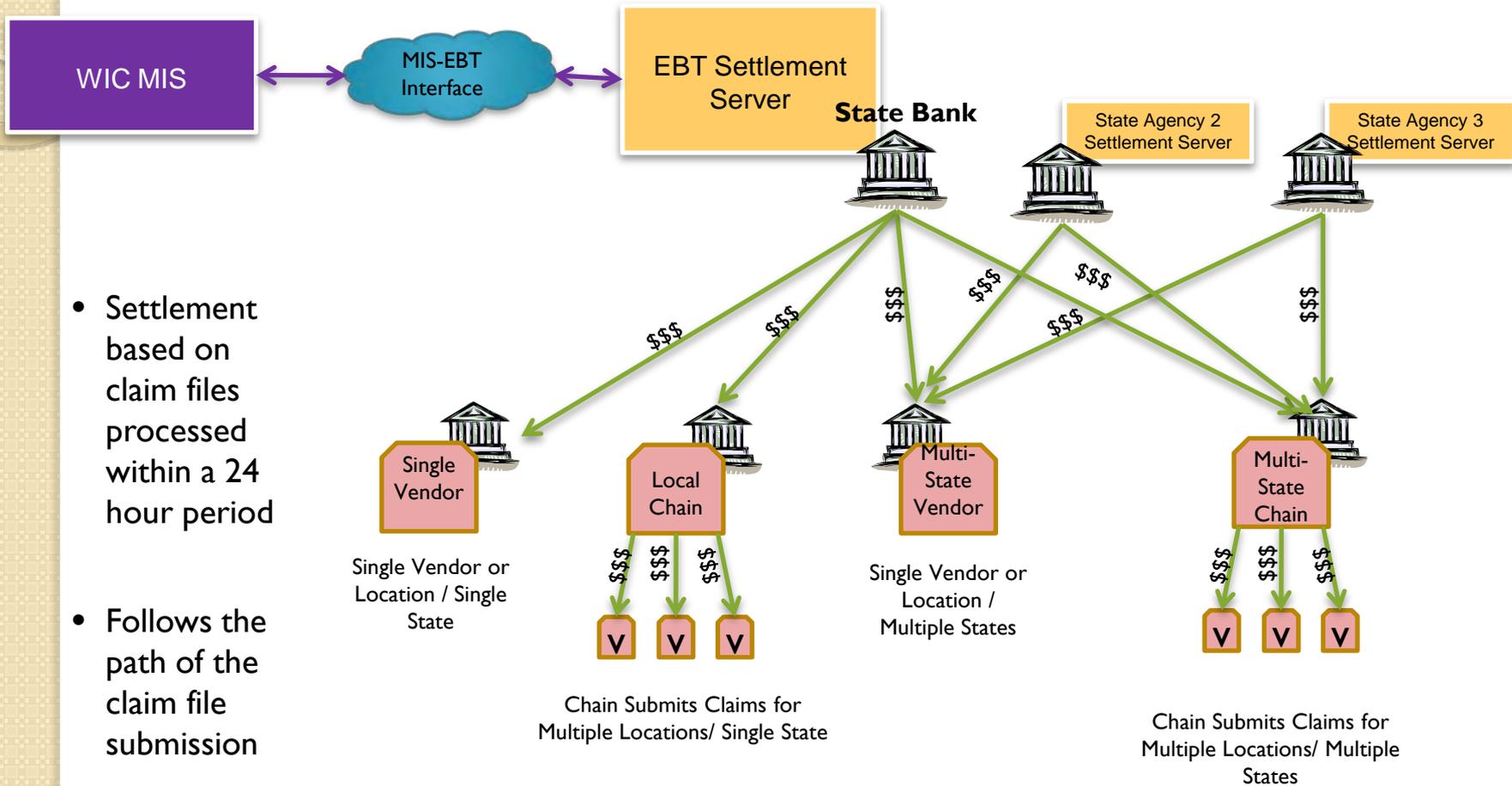
Offline Transaction Terminology

- **Claim File:** A file sent by the retail system on a daily basis and includes all transactions that occurred for a given period of time
- **Settlement Server:** The system that processes claim files and determines settlement
- **HCL:** Hot Card List, a file containing cards that have been inactivated by the State agency

Offline Transaction Processing



Offline Settlement Processing

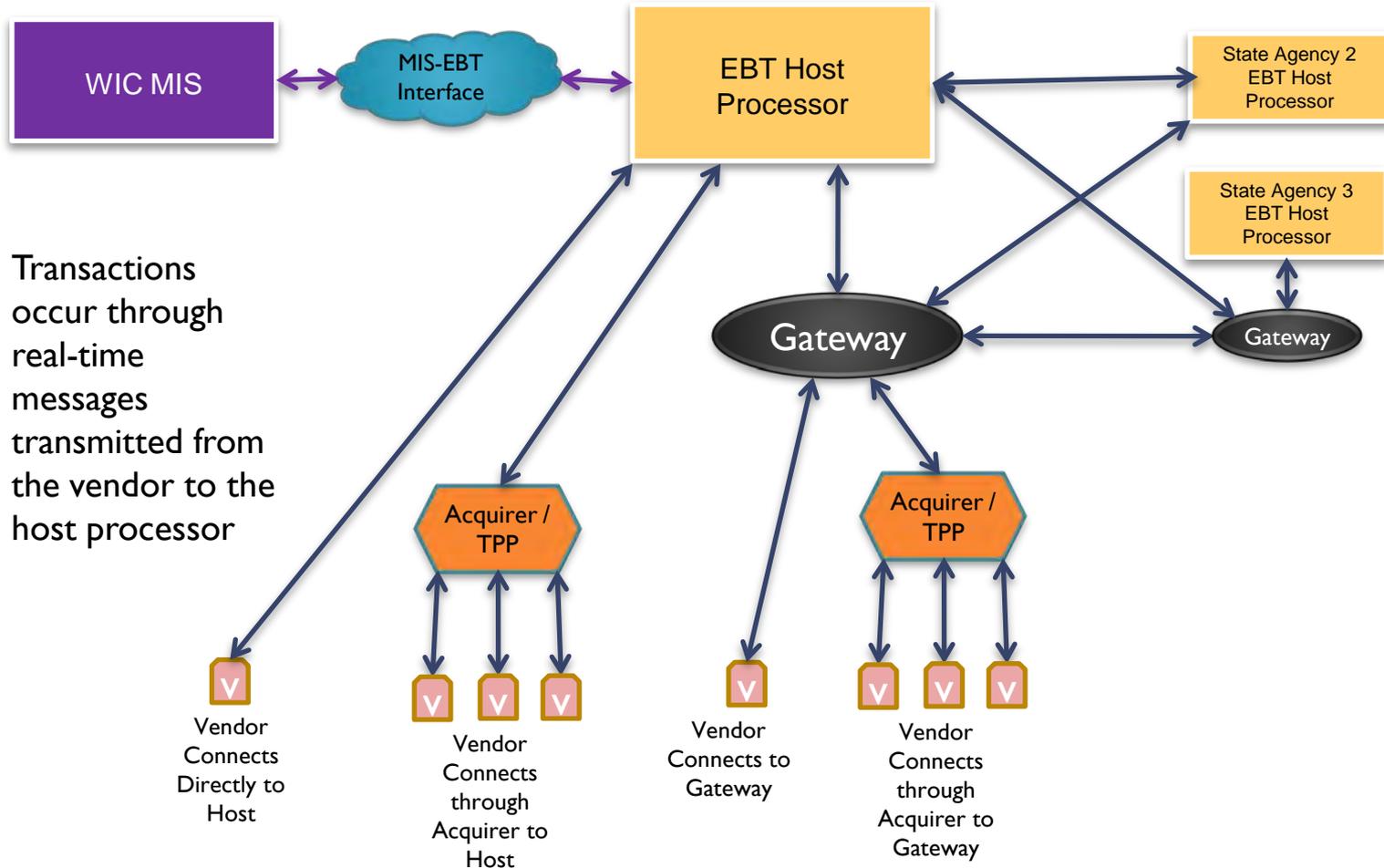


- Settlement based on claim files processed within a 24 hour period
- Follows the path of the claim file submission

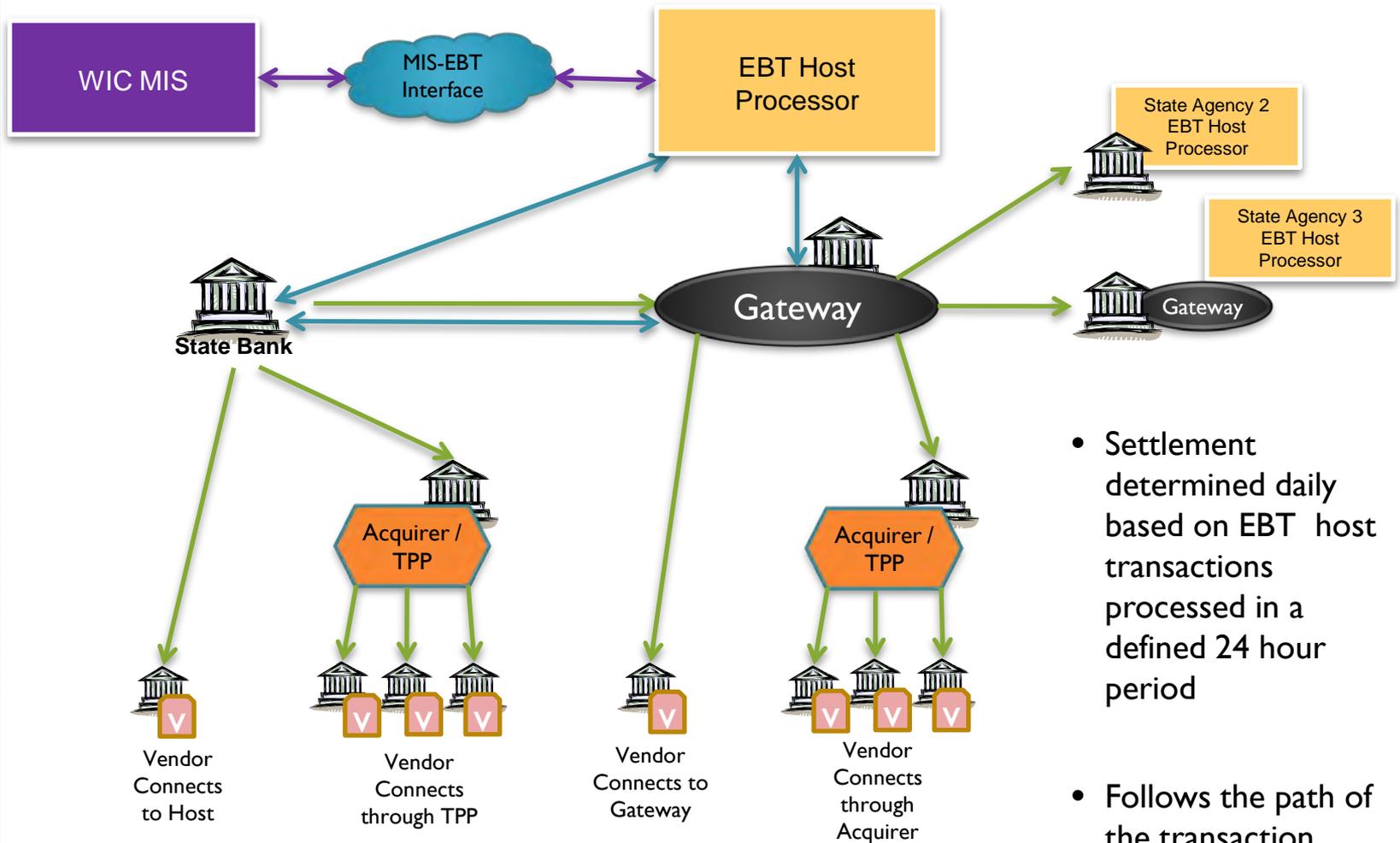
Online Transaction Terminology

- **Acquirer:** Provides an entry point into transaction networks for all transactions (all tender types) from a store.
- **Third Party Processor (TPP):** Provides acquiring and other services to a retailer
- **Direct Connect:** Transaction strategy that bypasses traditional payment networks, connects retailer directly to the host system
- **Gateway:** Consolidates transactions from multiple acquirers on behalf of a host processor

Online Transaction Processing

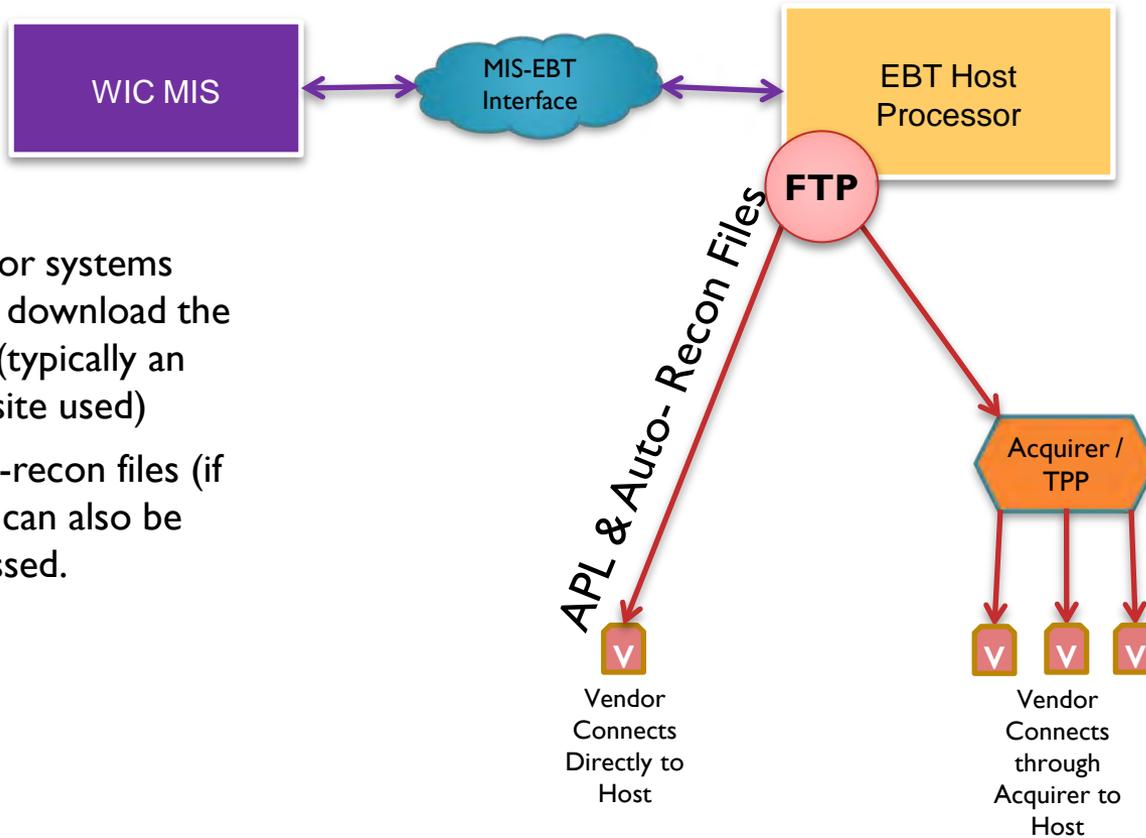


Online Settlement Processing



- Settlement determined daily based on EBT host transactions processed in a defined 24 hour period
- Follows the path of the transaction process

Online APL and Auto-Reconciliation



- Vendor systems must download the APL (typically an FTP site used)
- Auto-recon files (if used can also be accessed.

EBT Beyond the Basics



CATS & SUBCATS IN DETAIL

Cat/Subcat Characteristics

- A UPC/PLU is associated with only one cat
 - For example bananas can only be in Fruit & Vegetables Cash Value and not also in Infant Fruits & Vegetables
- A UPC/PLU is assigned to only one specific subcat and can also be assigned to the broadband subcat
 - States must choose which subcats can be purchased with broadband
- Infant formula UPCs are assigned to a specific subcat
 - Broadband is not use in any infant formula subcat

Cat/Subcat Sample

WIC Food	Cat	Subcat	Description	Unit
Milk Low Fat/ Fat Free	52	000	Low Fat/Fat Free Milk -- All authorized	Gallon
		001	Lower fat - (mini wildcard)	Gallon
		002	Skim	Gallon
		003	1 percent	Gallon
		004	2 percent	Gallon
		005	Buttermilk - lowfat/skim	Gallon
		006	Lactose free milk - lowfat/skim	Gallon
		007	Acidophilus milk (fluid) - lowfat/skim	Gallon
		008	Goat's Milk (fluid milk) - lowfat/skim	Gallon
		009	Ultra High Temperature (UHT) - lowfat/skim	Gallon
		010	Goat's Milk (shelf stable fluid milk)- lowfat/skim	Gallon
		011	Soy-based beverage - lowfat/skim	Gallon
		012	Nonfat dry milk or lowfat dry milk (shelf stable powder)	Gallon
		013	Dry goat milk - lowfat (powder)	Gallon
		014	Evaporated lowfat (skim) milk (concentrated liquid)	Gallon
		015	Evaporated goat milk - lowfat (concentrated liquid)	Gallon
		016	Flavored Milk - lowfat/skim	Gallon
017-099	Reserved			

Cat/Subcat Sample

WIC Food	Cat	Subcat	Description	Unit
Cheese or Tofu	02	000	Cheese - all authorized	Pound
		001	Cheese	Pound
		002	Lowfat cheese	Pound
		003	Low Sodium Cheese	Pound
		004	Tofu	Pound
Fruit & Vegetables Cash Value	19	000	Fruit and Vegetables - Cash Value Voucher	\$\$\$
		001	Fresh	\$\$\$
		002	Frozen	\$\$\$
		003	Canned	\$\$\$
		004	Dried	\$\$\$

Specific vs. 000 Subcat

- **Specific Subcats:** Any subcat except 000
 - Allows benefits issued to be restricted to a specific subcat
 - For example, Legumes (Cat 06) can be restricted to Dried Beans/Peas (Subcat 002) meaning that the cardholder can only purchase UPCs assigned as Dried Beans/Peas.
 - Infant formula is always issued to a specific subcat
- **000 Subcat:** “Broadband,” “Wild Card,” or “Any”
 - Allows cardholders to buy items from multiple subcats within the same cat
 - 000 is used in issuance; UPC(s) are assigned to a specific subcat and may be flagged as purchasable with 000
 - Some specific subcats may be restricted from being purchased with 000

Example of 000 Use

- Assumption
 - Only Skim (002), 1% (003) and 2% (004) are allowed to be purchased with 000
- Balance
 - 5 Gallons low fat/fat free milk – Any (52-000)
- Items to be Purchased
 - 1 Gallon Skim (52-002)
 - 1 Gallon Lactose free lowfat/skim (52-006)
- Result
 - Only the skim is allowed to be purchased

EBT Beyond the Basics

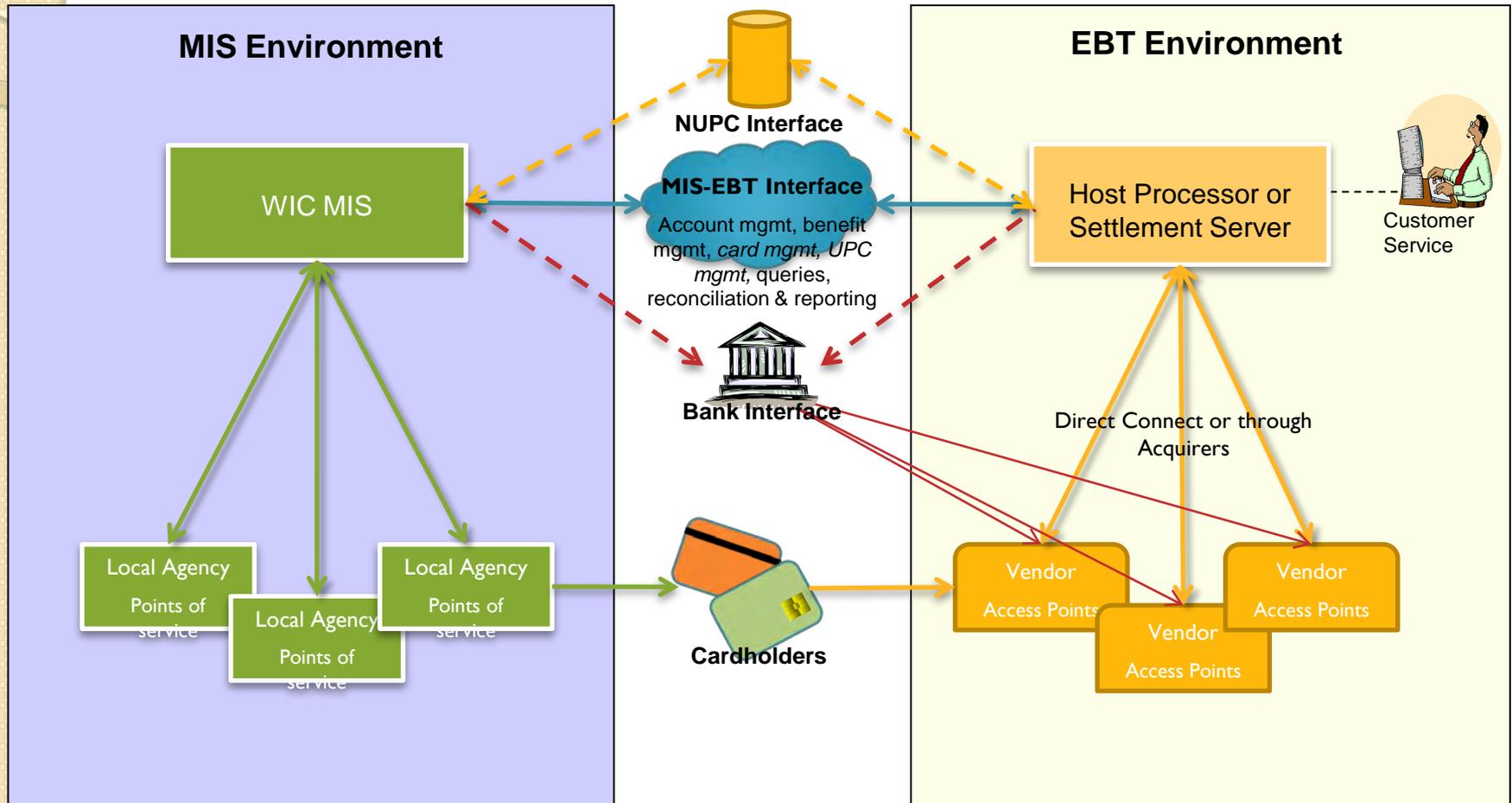


MIS & EBT INTERFACE

Universal Interface

- What is it?
 - A definition of EBT functions requiring the exchange of data between MIS and EBT systems
 - Not an interface specification (at least not yet)
- What does it contain?
 - Description of functions
 - Identification of data transfer methods (messages or batch files)
 - Data elements (required, optional, conditional)
 - Implementation considerations

MIS and EBT Environments





QUESTIONS???