

**Crossroads Design, Development and Implementation WIC System  
Status Report  
Item 286 E of Chapter 874 of the 2011 Virginia Acts of Assembly**

The Virginia Department of Health's Division of Community Nutrition (the Division) is a partner with the WIC programs in Alabama, North Carolina, and West Virginia in the Crossroads Consortium. The Consortium is one of three groups working in conjunction with the United States Department of Agriculture (USDA) to design, develop, and implement State Agency Model management information systems which will be available for transfer to WIC programs in other states and territories.

This report details the project's progress and is submitted to comply with Item 286 E of the 2011 Appropriations Act. Item 286 E requires the State Health Commissioner to report annually to the House Appropriations and Senate Finance Committees on (i) the progress of the multi-state procurement of a multi-state computerized database "WIC System" known formally as the Crossroads Design, Development and Implementation WIC System; (ii) the division's efforts to ensure that in designing and successfully procuring the WIC System that adequate participant access can be achieved without the current use of slotting or other similar vendor-limiting criteria and the system allows peer groups to be changed to reflect marketplace dynamics and ensure a more equitable vendor comparison; and (iii) the division's efforts to coordinate these changes in collaboration with the division's existing Retail Advisory Groups and other stakeholders.

The Crossroads system is being developed to issue food benefits via electronic benefits transfer (eWIC), similar to the system now being utilized for the Supplemental Nutrition Assistance Program (SNAP). When Virginia implements the use of the Crossroads system, food benefits will no longer be issued on paper vouchers but will use electronic benefit cards. The cards will contain the specific food package that was designed for the clients as well as other information regarding their benefits, such as food items remaining and last date to spend. There is also an advantage to vendors as they will be reimbursed the next business day, instead of waiting for Food Instruments to clear the WIC program's banking system as is currently the case.

Progress of the Multi-State Procurement of Crossroads

Development and demonstration of the Crossroads system continued in 2011. The Virginia WIC team participated in hands-on Periodic Development Reviews (PDRs) of the clinic services module in November 2010, the scheduling/appointments module in April 2011, and the vendor management module in July 2011. Subject matter experts from Virginia attended each PDR and provided feedback on the functionality of each module. The final PDR was held in October 2011 and represents the conclusion of all major module functionality. Minor developments and integration testing will continue through February 2012 and the application will enter formal user acceptance testing in March 2012.

In June 2011, the Virginia WIC Program contracted with Affiliated Computer Services (ACS), a Xerox Company, to design, develop, and support ongoing operations of the Virginia eWIC system (ACS currently supports the Virginia SNAP). ACS has joined with the current stakeholders from USDA, agencies of the Commonwealth, and the WIC retailer community to develop and implement the business policies, processes, and procedures relating to the issuance of electronic benefits for the WIC program. ACS has completed the functional design and is now working with individual retailers to determine the steps required to enable each vendor to be

capable of accepting eWIC transactions. This individual outreach and support will continue through rollout (scheduled for the fall, 2012) and into system operations.

In 2010, the Crossroads development contractor Computer Sciences Corporation (CSC) requested a four month extension to the project schedule to allow additional deliverables. The extension, which was ultimately approved by USDA, confirms that user acceptance testing for Crossroads and eWIC will begin in March 2012, pilot rollout will begin in September 2012, and Consortium-wide rollout will begin in November 2012. Consortium-wide rollout will be completed by April 2013. This remains the current schedule for the Crossroads and eWIC projects.

### Coordination with Retailers

The Division continues to hold quarterly Retailer Advisory Committee as well as monthly eWIC Retailer Workgroup meetings. Every Retailer Advisory Committee meeting includes a brief e-WIC update as well as an opportunity for retailers to ask questions related to the Program's future direction pertaining to Crossroads and eWIC. In addition, the eWIC Retailer Workgroup represents the Virginia WIC retailer community as an advocacy group to identify questions, concerns, and issues impacting retailers throughout development, testing, and rollout of eWIC.

On June 30, 2004, Congress passed Public Law 108-265 that mandated states set up WIC vendor peer group systems, which would establish competitive price criteria and allowable reimbursement levels for each peer group. WIC vendors would not be allowed to charge more than a "reasonable amount" for WIC foods within their peer group. In 2005 Virginia developed a peer group structure to bring the Commonwealth into compliance with PL 108-265. The Division decided to utilize trade areas set up by the United States Department of Commerce. These trade areas were named Business Economic Areas (BEA). This structure led to 18 peer groups that a vendor could have been placed within.

In 2011, the Virginia WIC Program commissioned an outside consultant, Mikelson and Associates, to complete an independent analysis of the BEA peer group structure and make recommendations regarding the use of other standards for this business requirement. This analysis included completing structured interviews with a cross section of retailers. A major concern was that the BEA System often compared stores of unequal size and that this was unfair as larger stores commonly are able to offer prices than smaller stores. The executive summary of the final report was shared with retailers in June 2011. Following analysis of the results, the Virginia WIC Program announced at the Retailer Advisory Committee meeting held September 8, 2011 that the peer group structure would be revised to reduce the number of peer groups from 18 to 8. Peer groups are now determined by 3 factors: the number of cash registers (1-4, 5-9,  $\geq$  10), location of store (urban vs. rural), and annual WIC sales (under/over \$100,000.) This change was implemented within the current WICNET management information system effective October 1, 2011.

Virginia State regulation 12VAC5-195-360 authorizes the Virginia Department of Health to determine the number of authorized WIC vendors (slots) within a BEA. The Joint Commission on Administrative Rules has asked VDH to review this process and to seek alternative approaches. With the elimination of BEAs for peer grouping, the division will seek permission to no longer employ slots as a vendor limiting criteria.

The Virginia WIC Program validated during the PDR in July 2011 that the processes being implemented to restructure the peer groups and eliminate the slot process will continue to be supported within the Crossroads and eWIC applications.