



LIST OF CHANGES TO THE WIC VENDOR SANCTION SCHEDULE

Beginning July 1, 2021

The following lists changes to the Michigan WIC Vendor Sanction Schedule from the February 2020 version to the July 2021 version.

General Changes

- References to “Sanction Policy” changed to “Sanction Schedule.”
- References to “State Plan” changed to “MI-WIC Vendor Policy.”
- References to “Contracted” Vendors changed to “Authorized.”
- References to “Authorized” foods changed to “Approved.”
- References to “Food instruments” changed to “WIC benefits.”
- References to WIC “clients” changed to “participants.”
- References to “point-of-sale” devices changed to use acronym “POS.”
- References to “Administrative or Judicial Review” in Michigan changed to “Administrative Review or Administrative Hearing” (judicial review is still offered as described in Section XI).
- Sections revised from “A, B, C” to “I, II, III.”
- National Michigan WIC Logo included in the header.
- Violations in outlined table format rather than using non-outlined columns.

Introduction

- Language revised for clarity and consistency.

Section I, Administrative and Procedural Violations

- Introduction now includes compliance investigations for assigning violation points based on documented violation(s).
- Introduction language revised surrounding food quality issue referrals to reflect cases of referral for issues beyond infant foods.
- Section I, Item 2 “Failure to show the price of an item...” language added to clarify items available for sale are monitored for sanctions.
- Section I, Item 3 “Price loaded in the Point-of-Sale (POS)...” language added to clarify items available for sale are monitored for sanctions.
- Section I, Item 4 “Offering for sale WIC-approved foods that are spoiled...” language added to clarify items available for sale are monitored for sanctions.
- Section I, Item 8 “Designating ‘WIC EBT only...’” revised to encompass multiple failures to comply with EBT standards.

- Section I, Item 9 “Limiting WIC participants in their choices...” revised to encompass multiple violations of limiting choices.
- Section I, Item 10 “Failure to allow, or requiring, the purchase...” now includes example violation for refusal to split cases.
- Section I, Item 11 “Failure to comply with WIC-approved formula...” Consideration added to define sanctions for Pharmacy Vendors failing to comply for formula ordering requirement in WIC Vendor Contract Section IV, Item 11.
- Section I, Item 12 “Failure to properly process...” language revised for sanction to include violation of any EBT operating rules, standards and technical requirements.
- Section I, Item 13 “Not allowing sales promotions...” language removed for conciseness and clarity.
- Section I, Item 16 “Issuing credit, ‘rain checks’...” language revised to include any form of conducting a transaction with deferral of providing WIC foods.
- Section I, Item 18 “Failure to provide access...” includes language to provide a sanction for failure to provide access to records.
- Section I, Item 19 “Conducting WIC business...” includes language to provide a sanction for discrimination against WIC participants on the basis of protected classes.
- Section I, Item 20 “Improper use of cash value benefits...” revised to encompass multiple violations involving cash value benefits, including failure to allow the proper use of benefits as well as exchanging CVBs for non-eligible items. Sanction is also revised to define cash value benefits as tender for fruits and vegetables beyond fresh fruits and vegetables.
- Section I, Item 21 “Failure to inform, train and update...” new sanction included for violation of Vendor’s requirement to adequately provide WIC-related training to Vendor staff.
- Section I, Item 22 “Failure to keep a valid email...” new sanction included for violation of Vendor’s requirements to provide accurate contact information with the Michigan WIC Program.
- Section I, Item 23 “Allowing unauthorized return or exchange...” new sanction included for violation of requirements regarding exchanges and returns of items purchased with WIC benefits.
- Section I, Item 24 “Entering a cardholder’s PIN...” new sanction included for violation of federally-mandated requirement that a participant must physically enter their PIN at the time of WIC transaction.
- Section I, Item 25 “Failure to scan or manually enter...” new sanction included for violation of transaction requirement that Vendors only scan the UPCs affixed to items being purchased with WIC benefits without substitution.

Section II, State Agency Sanctions

- Section II, Item 8 “Vendor ceasing operation...” revised language to clearly include inability to transact WIC as cause for the listed sanction.
- Section II, Item 9 “Failure to notify the Department of a change of ownership...” now includes language reflecting a failure to notify the Michigan WIC Program of a change of ownership or location as cause for the listed sanction, along with WIC Vendor Contract citations.

- Section II, Item 15 “Failure to immediately notify...” revised language to clearly include WIC sales in excess of 50% of total food sales as a cause for the listed sanction.
- Section II, Item 17 “Allowing the return of food...” new sanction included for violation of requirement prohibiting return of food for cash.
- Section II, Item 18 “Failure to comply...” new sanction included for non-compliance with federal regulations, state laws, rules and regulations not outlined in other sanctions.

Section III, Responsibilities - Vendor

- Section III, Introduction “The Program considers violations relating to overcharging WIC to be very serious and to jeopardize the integrity of the WIC Program “ language revised slightly for grammar and clarity.

Section IV, Corrective Action Plan in Lieu of Termination and Disqualification for Accumulation of Administrative Violation Points

- This Corrective Action Process is outlined in its own section, separating out Civil Money Penalties as they are two separate agency actions.
- Upon a Vendor’s successful completion of a Corrective Action Plan, the Michigan WIC Program will reduce administrative violation points to 0 rather than 10.
- Language included to allow the Department to issue a Corrective Action Plan for a Vendor with more than 70 administrative violation points if it is deemed necessary to ensure participant access to WIC foods.

Section IV, Corrective Action Plan in Lieu of Termination and Disqualification for Accumulation of Administrative Violation Points

- Language revised for clarity and conciseness. Redundant phrasing is removed.

Section VII, No Voluntary Withdrawal or Nonrenewal of Contract

- “If a Vendor voluntarily withdraws from the WIC Program and is issued a sanction...” language added to define process for continuing with sanctions and voluntary withdrawal if a Vendor is subject to both actions.