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October 14, 2019

To: All Oregon WIC Vendors

This letter is to inform all Oregon WIC vendors about a required cost containment process the Oregon WIC Program will implement in October 2019.

Oregon WIC is updating our procedures to comply with USDA WIC regulation CFR 246.12(g)(4)(F)(iii) which is related to vendor cost containment. This regulation requires that Oregon WIC routinely check the prices authorized WIC vendors charge the Oregon WIC Program. Starting in October 2019, all vendors will be assessed during the middle of their vendor contract. This process is known as a Mid-Contract Assessment.

A pricing analysis will be completed by Oregon WIC for each vendor once at 18-months, or halfway through the 3-year vendor contract cycle after the vendor agreement has been signed. WIC vendors do not need to submit any additional data for this analysis. The Oregon WIC Program will compare a vendor's redemption and pricing data to their peer group's pricing data. This process is like the Competitive Price Selection Criteria that is used during initial and renewal contract authorizations.

What a Mid-Contract Assessment means for your store

If a vendor's prices are at or below their peer group's prices, the vendor will pass the mid-contract assessment and no additional actions are taken.

If a vendor's prices are above their peer group's prices, the vendor will be notified and must complete and submit a new price list with adjusted prices. The new price list the vendor submits will go through the same pricing comparison that is used during the contract authorization process.

If the resubmitted prices pass the second comparison analysis the vendor will pass the mid-contract assessment, no actions are taken, and the vendor continues to be WIC authorized.

If the resubmitted prices do not pass the second comparison, the vendor agreement will be terminated, and the vendor will no longer be WIC authorized and cannot accept eWIC. The vendor must wait 6 months before re-applying after the vendor agreement is terminated.

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I look forward to communicating with you throughout this process. We welcome questions and are here to provide you any help you may need.

You may contact us with questions and requests for more information.

wic.vendorservices@state.or.us

1-877-807-0889

A handwritten signature in cursive script that reads "Sara Sloan".

Sara Sloan
Operations Manager
Nutrition and Health Screening (WIC) Program