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## **Financial Considerations: Peer Group Classification**

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Effective Date: April 1, 2014

Supersedes: June 1, 2014

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These guidelines define the State WIC Office's method of categorizing stores by specific attributes. The result of this grouping process identifies an authorized retailer's peer group. The primary purpose of the peer group structure includes (but is not limited to) competitive redemption analysis, risk analysis, calculation of Not-to-Exceed values, and compliance monitoring.

### **I. Peer Group Classification**

- A. Peer group assignments are made based on the following attributes:
1. Type of authorization (e.g., retailer, commissary, or special formula contractor);
  2. Geographic location;
  3. Number of total checkout lanes available; and
  4. Annual eWIC food benefit redemptions (applies to stores with five or more checkout lanes).
- B. Authorized retailers may contact the store's assigned Vendor Liaison to identify the peer group to which the store is assigned.
- C. Geographic location and number of checkout lanes will be used to determine initial peer group assignment for new applicants and authorized retailers with less than six months of redemption history.
- D. The State WIC Office may periodically recalculate a store's assigned peer group using the most recent available redemption data.

#### References:

- State WIC Regulation 12VAC5-195-340. Competitive pricing.
- State WIC Regulation 12VAC5-195-350. Price verification.
- State WIC Regulation 12VAC5-195-490. Retailer confidentiality.
- State WIC Regulation 12VAC5-195-590. Reimbursement and payments.