
Financial Considerations: Price Competitiveness

Effective Date: June 1, 2014

Supersedes: January 1, 2011

These guidelines define state and federal requirements that authorized retailers must remain price competitive in order to participate in the WIC Program. A price competitiveness analysis is completed for new applicants using pricing data submitted via Crossroads Vendor Portal and authorized retailers using actual eWIC benefit redemption data.

I. New Applicants

- A. During the new application process submitted prices are analyzed to determine the level of price competitiveness for selected food items and combinations of food items (also referred to as market baskets). Applicants must apply for WIC Program authorization using the Crossroads Vendor Portal system. If the applicant's market basket prices are identified as noncompetitive, WIC Program authorization will be denied. If authorization is denied, the applicant has 15 calendar days from the application submission date to request an administrative review.
- B. Prices submitted to the State WIC Office using the Crossroads Vendor Portal system must reflect the highest price for selected WIC-approved food items. Crossroads Vendor Portal identifies which specific items have a highest price requirement. Applicants can locate the WIC-approved food items in the Minimum Stocking Requirement section of this manual.
- C. If the applicant passes the initial market basket analysis, the State WIC Office will send a written confirmation letter notifying the store of its selection status. An on-site stocking visit will be completed by an agency representative. During this on-site visit, the WIC Program will confirm that the prices submitted via the Crossroads Vendor Portal system are consistent with the store's posted shelf prices.

II. Authorized Retailers

- A. The State WIC Office analyzes the price competitiveness of authorized retailers using several market baskets. This type of analysis is completed, at minimum, twice each federal fiscal year. Authorized retailers may receive a written request from the State WIC Office to submit shelf prices for WIC-approved food items using the Crossroads Vendor Portal system. Failure to submit prices as requested may lead to termination of a store's authorization.
- B. Authorized retailers whose prices are found to be noncompetitive will be given one opportunity to make pricing adjustments. Once prices have been resubmitted, the retailer's WIC Program authorization may be terminated if, upon further analysis, the submitted prices are found to be noncompetitive.

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III. Selection Process and Pricing Analysis

- A. Shelf prices for canned, fresh, and frozen fruits and vegetables are not collected by the WIC Program as part of the selection and authorization process. New applicants and authorized retailers are expected to meet the Minimum Stocking Requirement for these food categories.

- B. Authorized retailers must maintain competitive prices for all required food items. Food items evaluated as part of the woman's market basket may include:
 - 1. Beans, Peas, or Lentils (Canned) – 15 to 16 ounces;
 - 2. Beans, Peas, or Lentils (Dry) – 16 ounces;
 - 3. Cereal (Hot or Cold) – 72 ounces over 3 types (including 1 whole grain);
 - 4. Cheese (American, Sliced) – 16 ounces;
 - 5. Cheese (Cheddar, Block) – 16 ounces;
 - 6. Eggs (large, white) – 1 dozen;
 - 7. Juice (Frozen) – 12 ounces;
 - 8. Juice (Liquid) – 64 ounces;
 - 9. Milk, Liquid Reduced Fat (2%, 1%, Skim/Fat Free) – 1 gallon, 1 half gallon¹; and
 - 10. Peanut Butter (Creamy or Crunchy) – 16 to 18 ounces.

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Food items evaluated as part of the infant's market basket may include:

1. Infant Cereal (Gerber, Rice) – 8 ounces;
2. Infant Food – 2 4-ounce containers;
3. Similac Advance Concentrate –13 ounces;
4. Similac Advance Powder – 12.4 ounces;

The food items included in the woman's or infant's market basket are subject to change.

- C. New applicants' and authorized retailers' prices must remain competitive. Retailers whose prices are noncompetitive will only be paid up to the maximum Not-to-Exceed amount established by the State WIC Office.
- D. If a new applicant's submitted prices are found to be noncompetitive when compared to stores assigned to the same peer group, the applicant will receive a written denied authorization letter from the WIC Program.

¹Whole and reduced fat milk quarts will transition to half gallons within the 2014 calendar year.

References:

- State WIC Regulation 12VAC5-195-340. Competitive pricing.
- State WIC Regulation 12VAC5-195-360. Selection decisions.
- State WIC Regulation 12VAC5-195-300. General requirements and conditions for authorization.
- Reimbursement Levels