VI. FOOD FUNDS MANAGEMENT

(Please indicate) State Agency: Missouri for FY: 2023

Food funds management involves monitoring cost containment measures and procedures related to infant formula and other authorized food items, the monitoring and management of State agency funding sources, and the accurate reporting of participation figures.

During a disaster or public health emergency, the State agency may request to implement existing WIC regulatory and programmatic flexibilities to support the continuation of Program benefits and services. State agencies should consider the overarching authority, i.e., Stafford Act or provision(s) authorized by Congress, before developing a policy and procedure. The State agency must provide a detailed description of how it plans to operationalize the flexibility through their procedure manual where applicable. Please note the State Plan Guidance is not intended to capture a description of waivers authorized by Congress with separate reporting requirements, i.e., the Families First Coronavirus Response Act (PL 116-127).

More recently, Executive Order (EO) 13988, “Preventing and Combating Discrimination on the Basis of Gender Identity or Sexual Orientation.” was issued to all Federal Agencies. The EO set out policies that all persons are entitled to dignity, respect, and equal treatment under the law, no matter their gender identity or sexual orientation. The EO does not usurp section 17 of 42 U.S.C, as amended or applicable regulations. However, where appropriate, State agencies may update their policies and procedures to align with the contents of the EO.

A. Cost Containment Measures - 246.4(a)(14)(xi), 246.4(a)(14)(xvii), 246.16a(a): describe the policies and procedures used to implement cost containment measures as they relate to infant formula contracts, their approval and the processing of infant formula and/or other rebates, and food package cost containment practices.

B. Funds Monitoring/Reporting - 246.4(a)(2); (a)(12); and (a)(14): describe the State agency's funding sources, how food obligations are calculated to allow for inflation, rebate cash management, and monthly closeout monitoring activities.

C. Participation Reporting - 246.4(a)(11): describe the methods used to accurately document and monitor participation at the State and local level, and methods for monitoring changes in participation by priority.
VI. FOOD FUNDS MANAGEMENT

A. Cost Containment Measures

1. The State agency seeks FNS approval related to infant formula cost containment measures (check one):
   ☐ For a waiver of the requirement for a single-supplier competitive system. State agency must complete a cost comparison projecting food cost savings in the single-supplier competitive system based on the lowest monthly net price or highest monthly rebate [as required in Section 246.16a(d)(2)(ii) through (d)(2)(iii) and savings under an alternative cost containment system, Section 246.16a(d)(2)(B)].
   ☑ To issue an infant formula bid solicitation that evaluates bids by highest rebate. A State agency must demonstrate to FNS’ satisfaction that the weighted average retail prices for different brands of infant formula in the State vary by 5% or less [as required in Section 246.16a(c)(5)(iii)].
   ☐ Not applicable

Please attach in the Appendix supporting documentation for requests for FNS approval.

ADDITIONAL DETAIL: Food Funds Management Appendix and/or Procedure Manual (citation):
Appendix A – WIC Infant Formula Rebate – Abbott Award

2. Cost Containment Contracts for Infant Formula

a. The State agency acquires infant formula through the following food delivery systems:
   i. Non-exempt infant formula (check all that apply):
      ☐ Home food delivery system
      ☐ Direct distribution food delivery system
      ☑ Retail food delivery system
      ☐ Other (specify):
   ii. Exempt infant formula (check all that apply):
       ☐ Home food delivery system
       ☐ Direct distribution
       ☑ Retail food delivery system
       ☑ Other (specify): Shipment to a local agency for distribution in areas where retailers do not have the prescribed formula.
   iii. WIC-eligible nutritionals (check all that apply):
       ☐ Home food delivery system
       ☐ Direct distribution system
       ☑ Retail food delivery system
       ☑ Other (specify): Shipment to a local agency for distribution in areas where retailers do not have the prescribed formula.

b. The State agency has a rebate contract/agreement for infant formula.
   ☑ Yes
   If yes, attach contract in Appendix A – WIC Infant Formula Rebate Abbott Award
   ☐ No
   If no, check which applies:
   ☐ Granted waiver
   ☐ ITO with participation under 1,000 as of April (Proceed to question A.4. Cost Containment for Other Foods)
VI. FOOD FUNDS MANAGEMENT

c. For a single-supplier system or multi-supplier: Date contract/agreement:

<table>
<thead>
<tr>
<th>Manufacturer</th>
<th>Original Term Began</th>
<th>Original Term Expires</th>
<th>Extension Options</th>
</tr>
</thead>
<tbody>
<tr>
<td>Abbott Laboratories Inc.</td>
<td>01-01-2021</td>
<td>09-30-2023</td>
<td>Two additional one-year periods included in original contract award</td>
</tr>
</tbody>
</table>

*If contract expires during the fiscal year see sections 3 and 4

d. Current fiscal year rebates and current net price per unit paid (note the price should reflect current prices rather than original contract prices and rebate amounts):

My rebate price sheet is available and attached as Appendix B – Abbott Rebate per Unit Table
(Proceed to A. 3. Infant Formula Issuance.)

Primary Contract Infant Formula

<table>
<thead>
<tr>
<th>Product/Unit Size</th>
<th>Manufacturer</th>
<th>Rebate/Unit</th>
<th>Net price/Unit</th>
<th>% WS Discount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Liquid Concentrate</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Milk-Based</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Soy-based*</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Powder</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Milk-based</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Soy-based*</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ready to Feed</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Milk-Based</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Soy-based*</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Exempt Formula</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(If applicable)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*If uncoupled/separate contracts for milk- and soy-based infant formula.

3. Infant Formula Issuance.

a. Does the State agency issue the Primary Contract Infant Formula as the first choice of issuance (by physical form), with all other infant formulas issued as an alternative? (Section 246.16a(c)(8) & 246.10(e)(1)(iii))

☒ Yes ☐ No

b. The percent of infants receiving each type of formula is estimated at:

Contract 87.6%
Non-contract 12.4%

Exempt infant formula 12.4%
Non-exempt infant formula 0%

ADDITIONAL DETAIL: Food Funds Management Appendix and/or Procedure Manual (citation):

4. Cost Containment for Other Foods

a. Rebates are also obtained on other WIC foods.

☐ Yes (specify foods and attach contract in Appendix):
☒ No
VI. FOOD FUNDS MANAGEMENT

b. The State agency intends to pursue rebates on other authorized foods.

☐ Yes (specify):
☒ No

c. To contain food costs, the State agency has limited authorized foods/container sizes/types, etc.

☒ Yes (If yes, note such limitations on the following table)
☐ No

ADDITIONAL DETAIL: Food Funds Management Appendix and/or Procedure Manual (citation):

<table>
<thead>
<tr>
<th></th>
<th>Specific brands are designated Disallowed</th>
<th>Only certain container sizes are allowed</th>
<th>Allowable types are limited</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exempt formula for women, infants &amp; children</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>Infant cereal</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>Infant Fruit/Veg/Meat</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>Whole fresh fluid milk</td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>Lowfat fresh fluid milk</td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>Skim fresh fluid milk</td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>Fresh milks (e.g., Lactaid, cultured buttermilk, goat milk) (specify):</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>Shelf-stable milk (e.g., evaporated milk, UHT, whole/low fat/nonfat dry milk)</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>Cheese</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>Yogurt</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>Soy-based beverage</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>Tofu</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>Fresh eggs</td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>Dried egg mix</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td></td>
</tr>
<tr>
<td>Hot cereal</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>Cold cereal</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>Single strength fruit/vegetable juice</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>Concentrated fruit/vegetable juice</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>Whole wheat bread</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>Other whole grains</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>Peanut butter</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td></td>
</tr>
</tbody>
</table>
VI. FOOD FUNDS MANAGEMENT

| Dry beans/peas | Yes | Yes | Yes |
| Canned Fish | No | Yes | Yes |
| Canned beans/peas | Yes | Yes | Yes |

B. Funds Monitoring/798 Reporting

1. The State agency has procedures to assure that the requirements are met regarding the nonprocurement of food in bulk lots, supplies, equipment, and other services from entities that have been debarred or suspended.

☐ Yes  □ No

ADDITIONAL DETAIL: Food Funds Management Appendix and/or Procedure Manual (citation):

2. Food Cost Obligations

a. The State agency calculates food obligations based on the following data (check one):
   ☒ Number of expected participants and average food cost per participant
   □ Number of expected participants by category (e.g., pregnant woman, infant, etc.) and average food cost per participant category
   □ Number of expected redemptions by food instrument type and cash-value voucher type and average value per food instrument type and cash-value voucher type
   □ Other (specify):

b. The State agency estimates the impact of inflation on food costs through the use of the following inflation escalators:
   □ Inflation factor used in Federal funding formula
   □ State-generated estimates of inflation based on State market basket of foods
   □ Best guess by food item based on economic reports or other sources
   ☒ Other (specify): Gross National Product (GNP)

c. The State agency Management Information System automatically produces a monthly obligation amount
   ☒ Yes
   □ No, data are pulled from various sources and an estimated amount is calculated manually or with a PC spreadsheet
   □ Other (specify):

d. The State agency system (in-house or contracted) provides the following data on food instrument and cash-value voucher redemptions at specific (daily, weekly, monthly, as needed) frequencies (check all that apply and provide frequency):

<table>
<thead>
<tr>
<th>Frequency</th>
<th>Data</th>
</tr>
</thead>
<tbody>
<tr>
<td>As Needed</td>
<td>☒ Food instruments and cash-value vouchers paid for issue month</td>
</tr>
<tr>
<td>As Needed</td>
<td>☒ Food instruments and cash-value vouchers outstanding for issue month</td>
</tr>
<tr>
<td>As Needed</td>
<td>☒ Food instruments and cash-value vouchers that have expired</td>
</tr>
<tr>
<td>As Needed</td>
<td>☒ Food instruments and cash-value vouchers that are void/unclaimed</td>
</tr>
</tbody>
</table>
VI. FOOD FUNDS MANAGEMENT

ADDITIONAL DETAIL: Food Funds Management Appendix and/or Procedure Manual (citation):

3. Rebate Cash Management

a. The State agency has a billing system in place that ensures rebate invoices for all authorized food, including infant formula, under competitive bidding, provide a reasonable estimate, or actual count of the number of units purchased by participants during WIC transactions (Section 246.16a(k)).

☒ Actual count of units purchased
☐ Estimate of units purchased (attach methodology)
☐ Other (describe):

b. The State agency uses a food instrument that enables it to identify the type and brand of infant formula redeemed.

☒ Yes, for all formula types, brands, and physical forms
☐ Yes, for exempt infant formulas
☐ No

c. The invoice to the formula manufacturer is issued by:

☒ The WIC unit
☐ The State agency fiscal unit
☐ Other (specify):

d. Monthly invoices are submitted with supporting data.

☒ Yes ☐ No

ADDITIONAL DETAIL: Food Funds Management Appendix and/or Procedure Manual (citation):

4. Closeout of Report Month Outlays

a. The State agency allows the food vendor (and farmer if any) the following number of days to submit food instruments and cash-value benefits for payment (provide the number of days):

90 days from the date of transaction

b. The State agency is generally able to close out a report month completely within:

☒ 90 days
☐ 120 days
☐ Other (specify number of days):

ADDITIONAL DETAIL: Food Funds Management Appendix and/or Procedure Manual (citation):

5. Indicate the method used to reimburse vendors (and farmers if any) for redeemed food instruments and cash-value vouchers or other services and specify the entity responsible for making payment:

<table>
<thead>
<tr>
<th>State WIC</th>
<th>State FM</th>
<th>Other (Specify)</th>
</tr>
</thead>
<tbody>
<tr>
<td>☐</td>
<td>☐</td>
<td>By check directly to vendor or farmer</td>
</tr>
<tr>
<td>☐</td>
<td>☐</td>
<td>By check directly to vendor’s or farmer’s bank</td>
</tr>
<tr>
<td>☐</td>
<td>☐</td>
<td>By electronic transfer to vendor’s or farmer’s bank</td>
</tr>
</tbody>
</table>
VI. FOOD FUNDS MANAGEMENT

☒ ☐ Other (specify): CDP/Wells Fargo by EFT to vendor’s bank.

ADDITIONAL DETAIL: Food Funds Management Appendix and/or Procedure Manual (citation):

C. Participation Reporting

1. Participation Counting
   a. The State agency counts an enrollee who received at least one food instrument/food package (or who received no food instrument/food package, but was either a fully-breastfed infant of a participating breastfeeding woman or a woman partially breastfeeding a participating 6 to 12 month old infant) as a participant during:
      ☒ The calendar month
      ☐ The computer system cycle month
      ☐ Other (specify):

   b. The State agency receives participation counts from:
      ☒ The State agency computer system based on the number of persons issued food or food instruments (manual and automated food instruments), the number of fully-breastfed infants who receive no food or food instruments, but are breastfed by participating breastfeeding women, and the number of women who receive no food or food instruments, but are partially breastfeeding a participating 6 to 12 month old infant.
      ☐ Counts reported from local agencies based on issuance records
      ☐ Other (specify):

   c. If State funds are present, the State agency differentiates between Federal-supported and State-supported participants by:
      ☐ Special code on food instrument
      ☐ Special areas of State designated as State-supported areas
      ☐ Pro rata allocation based on proportion of Federal to State funds spent
      ☐ Other (specify):
      ☒ N/A

   d. When local agencies are chronically late in furnishing food instrument and/or certification data needed for participation counts, the State agency:
      ☐ Sends warnings
      ☐ Applies financial sanctions
      ☐ Requires manual reporting
      ☒ Other (specify): N/A

ADDITIONAL DETAIL: Food Funds Management Appendix and/or Procedure Manual (citation):

2. Participation by Priority
   a. Priority level is a critical data field in the State agency’s computer system.
      ☒ Yes ☐ No

   b. The State computer system automatically assigns priority level based on the enrollee’s nutritional risk condition.
VI. FOOD FUNDS MANAGEMENT

☒ Yes ☐ No

c. The State agency's computer system revises the priority level determination when a participant changes category (e.g., infant becomes child and receives a child's food package).
☒ Yes ☐ No

d. The State agency has an “unknown” priority category for VOC transfers where priority is unknown.
☐ Yes ☒ No

3. Participation by Local Agency

The State agency's computer system supports its requirement to report participation data by local agency to measure breastfeeding performance.
☒ Yes ☐ No ☐ N/A

ADDITIONAL DETAIL: Food Funds Management Appendix and/or Procedure Manual (citation):