

**Rhode Island Department of Health
WIC Program**

**Summary Report
“Participating in the Northeast Dairy Compact Commission’s Rebate
Reimbursement Program”**

The Women, Infants, and Children (WIC) Program provides food and nutrition advice for pregnant women, new mothers, infants and children under the age of five. WIC is funded by the United States Department of Agriculture (USDA) and in some states receives state funding and other grant awards.

In Rhode Island, WIC served an average of 22,000 participants per month throughout Calendar Year 2000. The purpose of this summary report is to provide background on the participation of the Rhode Island WIC Program in the Northeast Dairy Compact Commission’s (NDCC) rebate reimbursement program.

On May 1, 1998, an agreement was executed between the NDCC and New England WIC Program State Agencies that created an over-order price regulation reimbursement system. Two commissioners of the NDCC, Mary Kelligrew Kassler of Massachusetts and John L. Smith of Rhode Island, worked to refine the agreement to make it acceptable to the six New England states and to provide for implementation of the program retroactive to July 1, 1997.

The premise of the agreement was a “desire to implement protection of present and potential participants in the WIC Program from adverse impact stemming from any Class I Fluid Milk Over-Order Price Regulation affect on Class I fluid milk retail prices ... and to maintain program operations, services and participation levels in the WIC Program as they would most likely be maintained in the absence of any such Regulation.” Simply stated, the agreement was constructed to reimburse affected WIC Programs for any increased economic cost in the price of Class I Fluid Milk provided to participants. The average food package cost to a state WIC Program is carefully monitored, and any fluctuation in the total food package cost directly impacts the total number of WIC participants who may be served.

For the purposes of calculating a monthly rebate invoice to the NDCC in an Over-Order Price Regulation month, the WIC Program provides the number of hundredweight equivalents equal to the total amount of Class I Fluid Milk specified on the food instruments (or checks) paid by WIC in a given reporting month. When this data is supplied to NDCC along with a rebate request letter, it is reviewed and processed and wired directly to the WIC bank within 7-10 business days. These funds are utilized as additional food funds to meet the redemption of checks presented by retail vendors throughout the state.

In a review of Calendar Year 2000 data, total receipts from NDCC rebates in Rhode Island amounted to \$138,354 (see attached chart). This report year reflects that a rebate amount was due in each calendar month as a result of Over-Order Price Regulation. In the same period, the average food package cost per month, per participant, was approximately \$30. Since the annualized food package cost was approximately \$360 per participant, then the total rebates billed and received resulted in increased participation capability to the Program of some 384 participants. Therefore, the NDCC rebate contribution has reversed any negative impact of increased cost of milk prices to WIC participants in Rhode Island and the conclusion can be made that no “harm” has resulted in the ability of the Program to serve the maximum number of participants with limited funding resources.

**Rhode Island WIC Program
Invoices to NDCC in 2000**

