

<p style="text-align: center;">Nutrition Services Department of State Health Services</p>

Effective: October 1, 2014

Policy No. WV:05.0

**Disputes Related to the Late Submission of WIC EBT Transactions
and/or Submission of Malformed Transactions**

Purpose

To provide a procedure by which vendors can demonstrate that an unusual circumstance or event occurred which precluded their submitting EBT transactions to the State Agency (SA) within the prescribed time limitation and/or resulted in the EBT transactions being malformed when received by the SA.

Authority

Vendor Agreement

Policy

An authorized vendor may dispute the reduction of claims for late submission of WIC EBT transactions and/or submission of malformed transactions as outlined in this policy.

Guidelines

The SA will be the sole arbiter of disputes submitted for resolution under this policy. Only disputes at the vendor outlet level will be considered (no account/corporate disputes covering multiple store locations). However, account level/corporate representatives may dispute the reduction of a claim on behalf of any one of the account's subordinate outlets. A malformed transaction is defined as a transaction received by the SA that was incorrect or incomplete either prior to or during insertion into the claim file. Each dispute will be evaluated based on its merit as provided in this policy. There is no guarantee that the dispute(s) will be resolved in favor of the vendor by the State Agency.

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Procedures

- I. Disputes related to a reduced claim file fall into two categories:
 - A. Disputes related to the submission of late claims
 - B. Disputes related to the submission of malformed claims
- II. The SA may allow vendors to submit additional types of disputes if Federal or State regulatory changes impact retail ECR system code statewide. The SA shall issue an exception memorandum stating the situation precipitating the allowance of additional types of disputes and the applicable time periods.
- III. Under this policy, no dispute resolution procedure is available for claims that have not been received electronically by the SA for payment, transactions reduced to zero by the SA for electronic signature errors, sales of unauthorized foods, or sales that exceed not-to-exceed pricing limits.
- IV. Disputes related to the submission of late claims:
 - A. A request for dispute resolution must be received by the SA within 30 calendar days of the date the vendor is notified of the claim's reduction in the electronic Auto Reconciliation File (ARF).
 - B. The vendor must provide a written explanation of the circumstances that prevented the timely submission of the WIC EBT transaction(s) and/or the system change that caused the transactions to be late. If the WIC EBT late claim submission was the result of an error file rejected by the SA, the vendor must include this information in its written explanation specifying the original claim file name that was rejected.
- V. Disputes related to the submission of malformed claims:

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- A. A request for dispute resolution based on the submission of a malformed claim must be received within 30 calendar days of the notification of claim reduction for malformed claim through the ARF.

- B. The vendor must submit a written dispute request providing the name of the claim file rejected and an explanation of the event that caused the malformed submission of the WIC EBT claim or individual transaction(s). Additionally, a vendor must provide evidence that clearly demonstrates the transaction(s) involved in the reduction was a valid WIC transaction(s) at the store. The vendor must provide evidence from the transaction log and/or electronic receipt copies that show proof of the card being present in the lane and WIC-eligible items being purchased. At a minimum, the evidence must provide the PAN, date/time, lane #, trace #, UPCs purchased and category/subcategory information. The burden of proof that the transaction(s) and circumstances surrounding the disputed transaction(s) are valid rests with the vendor. There is no guarantee that the dispute(s) will be resolved in favor of the vendor.

VI. State Agency Review of Vendor Disputes

- A. The SA will review each dispute submitted under this policy, assess the merit and circumstances related to the dispute as documented by the submitter and as researched by SA staff, and render a decision on the dispute within 30 calendar days of receipt of the vendor's dispute request. This timeframe is only an administrative requirement for the SA and does not provide a basis for overturning the dispute if a decision is not made within the specified time. This 30-day period commences on the date of receipt of the dispute request. If a vendor fails to provide complete documentation as described in Section IV. B and/or Section V.B above at the time of the dispute request, the SA will only consider any subsequent information submitted if time is available within the 30-day period. The 30-day period will not

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be adjusted by subsequent submission of information unless the Director, Nutrition Services Section, determines the situation to be extraordinary, in which case the 30-day deadline may be extended to accommodate the circumstances. There is no guarantee that the dispute(s) will be resolved in favor of the vendor.

B. The SA is the sole arbiter of disputes submitted under this policy. The SA's assessment and decisions on the resolution of the dispute are final and not subject to further appeal.

C. Disputes involving \$500 or more require approval from the United States Department of Agriculture (USDA) before payment can be authorized. Disputes referred to USDA for approval increase the time required for a determination regarding payment. There is no guarantee that the dispute(s) will be resolved in favor of the vendor.

VII. No dispute requests will be accepted by the SA after November 30th for any transaction that occurred on/prior to September 30th of the same calendar year regardless of any other time frames stated in this policy.

VIII. A vendor must submit its written request for dispute resolution to the SA at the following address:

Department of State Health Services
Nutrition Services
Food Issuance and Redemption Services Unit MC4554
PO Box 149347
Austin, Texas 78714-9347

or via email to: *FIRSDisputes@dshs.state.tx.us*

IX. If the outlet's dispute is denied, the store will receive written notification explaining the reason for the denial.