

**Indiana Department of Health**  
**410 IAC 3.6 WIC Program Requirements and Sanctions for Vendors**  
**LSA Document #23-798**

**Readoption Review**

**I. Continued Need for the Rule**

This rule outlines the program requirements for WIC vendor authorization and the sanctions for WIC vendors who fail to comply with WIC policies. This rule is mandated by IC 16-35-1.5-6; therefore, there is still a need for this rule.

This rule meets each of the standards in IC 4-22-2-19.5, which require rules to:

**(1) Minimize the expenses to:**

- (A) regulated entities that are required to comply with the rule;
- (B) persons who pay taxes or pay fees for government services affected by the rule; and
- (C) consumers of products and services of regulated entities affected by the rule.

This rule imposes the minimum requirements needed to comply with federal law and for program access and accountability. Since this rule regulates business behavior rather than WIC client behavior, this rule is not expected to impose costs on WIC clients.

**(2) Achieve the regulatory goal in the least restrictive manner.**

This rule imposes the minimum requirements needed to comply with federal law and for program access and accountability

**(3) Avoid duplicating standards found in state or federal laws.**

The rule does not overlap or duplicate any other state code or rules. The rule aligns with federal WIC policies in some respects.

**(4) Be written for ease of comprehension.**

Vendors have several responsibilities pursuant to their Vendor Agreements. It is essential that responsibilities are met. Vendors who fail to meet WIC requirements may lose their authorization to participate in the Program. The following is in accordance with the US Code of Federal Regulations (CFR) 7.B.II.A § 246.12. IN WIC lists out the sanctions (A consequence given to a vendor for being assessed a vendor violation.) and the sanction schedule (The listing and schedule of sanctions resulting from Indiana WIC vendor violations.) in the vendor manual and presented to all approved vendors during mandatory vendor training.

## **(5) Have practicable enforcement.**

This rule is enforced through routine vendor monitoring, compliance buys, and annual mandatory vendor training. This information is spelled out in the vendor agreement and is a requirement to be an approved IN WIC vendor agreement.

### **II. Analysis of fees, fines, and civil penalties under IC 4-22-2-19.6**

WIC is required to have civil penalties by federal law. WIC implemented a civil penalty formula in 410 IAC 3.6-4-9 when the rule was adopted in 2006. This formula uses the WIC vendor's average monthly redemptions and the months that the vendor has been disqualified to determine the total amount of penalties imposed. Therefore, this formula approximates the impact on the public welfare from the violations and the number of previous violations to determine the amount of the civil penalty imposed.

### **III. Complaints and Comments**

The WIC Division has not received any complaints about the rule.

### **IV. Difficulties Encountered**

This rule states the minimum standards necessary for administering Indiana WIC vendor management practices and outlines the sanctions for WIC vendors who fail to comply with WIC policies. Some aspects of the rule mirror federal standards set by the USDA.

### **V. Changes in Technology, Economic Conditions, or Other Factors**

Indiana WIC has proposed an amended rule that is still currently under review. The proposed changes will meet updated state policies, procedures, and federal requirements, including increased minimum stock requirements for all vendors and new vendor fraud prevention methods. Re-adoption of the current rule will cover the period needed for the amended rule review to be completed.

### **VI. Revised Regulatory Analysis**

Re-adoption has no impact that changes the cost/benefit, fiscal impact, regulatory burden, or economic impact since there are no changes to the rule having such effects.