

## 3.16 Special Formula Distribution System

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### POLICY:

Special formula will be provided by the State contracted distribution center. The distribution center will ship requested special formula to either the Local Agency clinic or the participant's home considering which one is more appropriate.

### DEFINITIONS:

**Out-of-Date Formula:** Formula is considered out-of date on the first day of the month labeled as the expiration date.

### PROCEDURE:

#### A. Local Agency Determination of Special Formula Need

The Local Agency will determine:

- < Participant eligibility to receive special formula;
- < Quantity and type of special formula to be issued to the participant;
- < Availability of special formulas at grocery store within a reasonable distance;

**Note: The following formulas will be provided through approved retail vendors unless they are not available in the participant's selected store: Nutramigen (all types), Alimentum 32 oz. RTF, Pediasure 8 oz. RTF and Similac Expert Care NeoSure 13.1oz. Powder. If not available, the distribution center will be used to supply the product.**

- < Location to which special formula will be shipped.

#### B. Local Agency Special Formula Order

1. The Local Agency must use the electronic form **(WIC-396)** and if necessary **(WIC-397)** for all orders. The information must be typed in the form electronically and printed. The printed orders must be faxed to the Warehouse. Old forms or handwritten information on forms will not be processed.
2. All of the information contained on the **Request for Special Formula (WIC-396)** is necessary for all special formula requests. The Local Agency clinic should complete this form electronically for each request and a copy of the form must be maintained in the participant's file, as per instructions in Section H.
3. Obtain the participant's signature on all formula food benefits issued to the participant; **the price box must be left blank.** Do not give the formula food benefits to the participant, however, if there are food benefits for cereal and infant foods, those are not to be signed and are to be given to the participant.

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4. Have the participant sign the food benefit stub as per normal procedures. Only one month issuance may be ordered from the distribution center at a time. Subsequent months formula food benefits must be held in the clinic for the future orders.
5. The order request for special formula should be done via FAX to the distribution center.
6. If formula is to be shipped to the Local Agency Clinic, Attachment #1, Special Formula Warehouse Order Tracking Form needs to be completed with the necessary ordering information.

#### C. Payment for Special Formula

1. The Local Agency clinic will mail the signed Food Benefit for the order with an attached copy of the **Request for Special Formula ( WIC-396)** to the following address:  
  
    <       **CAP of Lancaster County**  
            **Attn: Special Formula Distribution Center**  
            **601 South Queen Street**  
            **P.O. Box 599**  
            **Lancaster, PA 17608-0599**
2. Food Benefits and a copy of the **Request for Special Formula(WIC-396)** must be mailed the same day that the order is placed.

#### D. Special Formula Shipment to Participant's Home

1. When formula is sent to participant's home, the distribution center **must have a physical address (not a Post Office Box)**. A physical address **must** be documented in STORC for that participant. For special formula only, a rural route and box number is permissible as a physical address in STORC.
2. Local Agency clinic staff should inform the participant when to expect delivery. This will normally be 2-4 business days after the order is placed.
3. The participant should be instructed that if the order is not received within **five (5) business days**, the Local Agency clinic should be contacted. The clinic will then contact the distribution center to trace the order. **Do not give the distribution center phone number to the participants.**
4. Instruct the participant that should the need for special formula change or be discontinued, they must immediately notify the Local Agency and return the unused portion of the discontinued formula before receiving food benefits for a new formula.
5. Notify the participant that if formula is out-of-date when received from the warehouse they should return it to the Local Agency clinic for replacement.

#### E. Special Formula Shipment to Local Agency Clinic

1. The special formula will be delivered to the Local Agency clinic when it is not feasible to send it to the participant's home.

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2. The participant may either contact the clinic when the product is due in (normally 2-4 business days after the order is placed) prior to picking it up, or have clinic staff call when the product has been received.
3. Instruct the participant that should the need for special formula change or be discontinued they must immediately notify the Local Agency and return the unused portion of the discontinued formula before receiving food benefits for a new formula.
4. All formula shipped to the Local Agency Clinic will be tracked on Attachment #1 Special Formula Warehouse Order Tracking Form. Clinic staff will check to make sure the formula is not out-of-date and record the necessary information on Attachment #1. The formula **must** be signed for when it is picked up by either the payee or a proxy.

#### F. Damaged/Broken or Out-Of-Date Formula

1. Call the distribution center before placing a request for replacement, (717)293-0187 “0”.
2. Complete and send the **Request for Replacement (WIC-397)** to the Distribution Center. This documentation must include product type and quantity.
3. The original **Request for Replacement (WIC-397)** must be mailed to the Distribution Center address used to mail food benefits. A copy should be maintained by the Local Agency clinic in a central file and another copy should be filed in the participant’s file.
4. Once documentation is completed, the labels on the infant formula should be removed and destroyed. The damaged or out of date special formula must then be discarded/destroyed.
5. If damage/breakage occurs at the distribution center or is returned from the shipper prior to delivery, the distribution center will complete and maintain a **Request for Replacement (WIC-397)**, and discard/destroy the product.
6. The Distribution Center will also track damaged formula from the shipper to insure that double reporting does not occur.

#### G. Replacement of Special Formula

1. Special formula will only be replaced for the following reasons:
  - < If formula is changed by the physician (providing the participant supplies a **Prescription Formula Documentation Form, WIC-53**) between cycles. The participant must return any unused formula prior to replacement issuance.
  - < Food Benefits stored in tickler file must be retrieved and voided:
  - < A copy of the **Request for Special Formula (WIC-396)** should be marked void and filed in the participant’s record with a notation of formula change, date returned and worker’s initials;

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- < If formula is damaged or out-of-date; or
  - < Non-receipt of initial order. In this case the replacement order must be sent to the clinic site.
2. Instruct the participant that should formula need to be replaced for any of the above reasons, they must notify the Local Agency and return unused formula to the local clinic before new formula can be ordered.
  3. The clinic site must complete the **Request for Replacement (WIC-397)**. All data requested on the form must be complete.
    - a. The order request should preferably be done via FAX to the Distribution Center. An alternate ordering method is to telephone all information using the Distribution Center "1-800-260-3638" telephone number. An answering machine is available to record the order request.
    - b. A copy should be maintained by the Local Agency clinic in the tickler file with the voided form (**WIC-397**), filed in the participant's file.

#### H. Reminder System

Each site must designate a staff person (or persons) to ensure that the subsequent months order form is faxed to the warehouse approximately one week prior to the "first date to spend" on the signed food benefit.

1. After original order, file copy(s) of order form and all signed food benefits in the tickler file according to first date to spend.
2. Each week the designated staff person will review the tickler file for any food benefits which will need to be processed that week.
3. For food benefits that must be processed that week, the order form must be completed (bottom half) and fax date entered in upper right and initialed by the staff person. Then the order form must be faxed to the warehouse. Finally the completed copy and the signed food benefits for that month must be mailed to the warehouse;
4. If a second and/or third months form and food benefits remain, refer back to Section H, number 1.
5. After each month has been ordered, a copy of the order form must be filed in the participant's chart.

#### I. Usage of Returned Special Formula

1. Special formula that is returned by a participant or is not needed once received from the Distribution Center can be issued to another participant.

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2. If there is sufficient formula to fill a participant's entire food benefit (either partial month or complete month), the food benefit is to be signed by the participant and the words "Issued from Stock" are to be written in the Price Box on the food benefit. This food benefit is then sent to the West Virginia State WIC Office for inclusion on the STORC file.
3. If the product will go out of date within ninety (90) days, or if usage of the formula at the Local Agency is considered unlikely, notify other local agencies *via E-mail* that the formula is available.
  - a. The Local Agency, with the formula (sending Agency), will arrange with the appropriate Local Agency, needing the formula (receiving Agency) to ship the formula to that Local Agency, clinic site, or participant.
  - b. The sending Local Agency will contact the shipper and incur shipping costs.  
**The State Agency may be invoiced for shipping cost incurred.**
4. The sending Local Agency will notify the receiving Local Agency when shipment is made and whether a check stub has been signed for the formula being forwarded. If a check stub has been signed, the receiving agency will have the participant sign a statement, but not a check stub, acknowledging receipt of the formula. The signed statement will be maintained in the participant's file.
5. If the receiving clinic or participant does not receive the formula within five (5) days, the receiving Local Agency must notify the sending Local Agency to trace the shipment. If medically necessary, the receiving Local Agency will also order the formula in the normal way; from the Distribution Center.
6. If formula is received in damaged/broken condition follow the procedure for damaged/broken formula.

#### J. Distribution Center Processing of Orders

1. The Distribution Center will determine if requested product is in stock. If the product is in stock, the requests will be processed as follows:
  - < Enter orders into the XLN inventory software and create a pick sheet.
  - < Pull the required quantity of the formula
  - < If loose containers are requested, they will be packaged separately or with other cases, as most appropriate.
  - < Cases of product for a single request will be strapped together for shipping.  
**Note: *In some cases, multiple shipments may be required for a single request depending on the weight requirements of the shipper.***
  - < Strapped shipments will be weighed and data from the **Request for Special Formula (WIC-396)** will be entered into the Pitney Bowes shipping computer system.

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- < The Pitney Bowes shipping computer system will be used to determine the most reasonable shipping carrier based on ship-to-location and cost of shipping.
  - < Appropriate shipping labels will be placed on strapped parcels and the shipping confirmation label will be placed in the lower left hand corner of the **Request for Special Formula (WIC-396)**.
  - < **Distribution Center processing deadline for a business day will be 2 PM. The Distribution Center will process and ship all requests received within one business day of receipt.**
2. If the product is not currently available from the warehouse, the Local Agency will contact the West Virginia State WIC Office. If the West Virginia State WIC Office approves, they will fax authorization to the Distribution center to purchase the product. The Distribution Center staff will special order the product from the manufacturer, in a quantity equal to two (2) times the requested order. Special shipping will be authorized to expedite this process. The Local Agency clinic site which ordered the product will be notified by telephone of the expected arrival date.
  3. If the product is normally stocked by the Distribution Center but is temporarily out of stock, the Distribution Center staff will research when and if the product has been ordered from the manufacturer.
    - a. If the product has not been ordered, it will be ordered from the manufacturer.
    - b. If the product has been ordered and is due in, the Distribution Center staff will contact the manufacturer for an expected delivery date and then notify the Local Agency clinic.
    - c. If under any circumstances a special formula is determined to be out of stock from the manufacturer, the Distribution Center staff will notify the Local Agency clinic as soon as possible that the product is out of stock and when it is expected to become available from the manufacturer.

#### **K. Distribution Center Processing of Non-receipt of Shipped Special Formula**

1. When the Distribution Center is notified by the Local Agency clinic of non-receipt of formula, the Distribution Center will pull the order form and trace the shipment through the carrier. The Local Agency clinic will be notified of the status of the order as reshipment must be sent to them, not the participant.
2. The Distribution Center will reconcile the original shipment with the shipper either through reimbursement, if the shipment was lost, or return of the shipment, if held for contact by participant due to unsuccessful delivery attempt.

#### **L. Distribution Center Processing of Requested Replacement of Special Formula**

1. The Distribution Center will match the replace request with the original order form and ship the replacement order to the local Agency clinic.

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2. If the Food Benefits for the original order have not been reconciled, the shipping costs and the cost of the reordered formula will be added. If the Food Benefits for the original order have been reconciled, the additional shipping costs will be billed to the State Agency in normal contract billing manner.
3. The Distribution Center will hold all replacement orders regarding formula losses due to damage/breakage until the **Request for Replacement (WIC-396)** is received. This report will be maintained to document all replacements of this type.

#### M. Distribution Center Processing of Food Benefits

1. The Distribution Center will match Food Benefits they receive and those numbers documented on the order form.
2. The price the Distribution Center will place on the Food Benefits will be made up of the wholesale price for the formula shipped, plus the actual shipping cost, multiplied by 1.09, for an effective overhead charge of 9%. If any portion of the shipped formula had been returned from a Local Agency, that portion of the shipment will have a zero (0) wholesale cost.
3. The wholesale price will be used for the formula shipped. The wholesale price for the formula is defined as the Distribution Center purchase price for the formula shipped.
4. The overhead charge for the first year will be 9.0% and it will be recalculated each year and the contract adjusted to reflect the revised overhead cost.
5. The Distribution Center will determine the shipping cost from the “shipping confirmation label” on the **Request for Special Formula (WIC-396)**.
6. All Food Benefits will be deposited in the Local Agency banking system. All Distribution Center receipts and expenditures must be accounted for separately in the Local Agency banking system.
7. Weekly, the Distribution Center will gather all Food Benefits without a signature, payable to the wrong vendor or stale dated and ship them overnight to the West Virginia WIC State Office.

#### N. Maintenance of Documentation

1. The Local Agency clinic will maintain a copy of the **Request for Special Formula (WIC-396)** in all the participant files that require the services of the Formula Distribution Center.
2. The Distribution Center will maintain the following documentation;
  - < All formula orders to the manufacturers.
  - < All shipping receipt documents from the manufacturers.

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- < All processed **Request for Special Formula (WIC-396)** received.
- < All shipping information for shipments of formula sent by Distribution Center.

#### **O. State Agency Responsibilities**

1. The State Agency will conduct inventory and review of the Distribution Center records at least twice a year.
2. The Distribution Center staff will be made aware of any problems or concerns relating to the operations of the special formula Distribution Center.
3. The State Agency will maintain a special designation for the Distribution Center which will allow deposit of Food Benefits with local banks and clearance through West Virginia's Banking Clearinghouse without edits for maximum charge.
4. West Virginia's WIC Program will edit all Special Formula Food Benefits, after payment, to ensure that no computational or clerical errors have resulted in an inadvertent overcharge and will work with CAP of Lancaster to resolve any errors and incorrect charges.
5. West Virginia WIC will agree to provide 48 hour turn around on Food Benefits, sent to the Distribution Center without the participant's signature, payable to the wrong vendor, or stale dated, which the Distribution Center have batched, bundled and overnighted to the West Virginia State WIC Program.

#### **REFERENCES:**

1. Pennsylvania Department of Health, WIC Policy and Procedure Number 4.23.
2. Prescription Formula Documentation Form (WIC-53)
3. Request for Special Formula (WIC-396)
4. Request for Replacement (WIC-397)

#### **ATTACHMENTS:**

1. Special Formula Warehouse Order Tracking Form.