



Legislation Text

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Res. No. 1107

Resolution calling upon the State Legislature to pass and the Governor to sign S.7050-A/A.9647-A, which would require regulations to notify vendors of WIC reimbursement discrepancies and the reason for such discrepancy.

By Council Members Reynoso, Chin and Rosenthal

Whereas, In April 2015, New York State implemented a new policy to remove the “not to exceed” (NTE) amounts from the face of WIC checks; and

Whereas, The NTE amounts helped to inform retailers of the maximum amount they can charge for an item purchased with WIC; and

Whereas, Prohibiting vendors from seeing the maximum amount the State is willing to pay for WIC-approved foods on these checks has posed a serious challenge to businesses; and

Whereas, According to *Crain's New York Business*, due to the removal of the NTE from WIC checks, retailers no longer know how to price WIC items, and as a result, their checks were returned because their prices exceeded the regional average; and

Whereas, Check rejections cost retailers approximately \$10 to \$25 per check in bank fees; and

Whereas, Crain's also reported that vendors participating in the WIC program regularly submit retail cost sheets to New York State for their WIC products, yet the State does not flag overpriced items; and

Whereas, S.7050-A, sponsored by State Senator Espaillat, and A.9647-A, sponsored by Assembly Member Crespo, would amend the public health law by requiring regulations to establish a method of notification of discrepancies and the reason for such discrepancy, and prohibits fees for rejected or bounced WIC checks; and

Whereas, The bill would require establishing a method whereby the vendor is responsible for paying the difference between the total submitted for reimbursement and the authorized value of the WIC check, however, the vendor would not be responsible for paying a fee for rejected or bounced WIC checks; and

Whereas, Furthermore, this bill is intended to ensure transparency with regard to WIC reimbursement rejections because arbitrary rejections cost businesses time and resources; and

Whereas, In addition, the bill would require the State Department of Health to give a reason for a WIC reimbursement rejection and help to streamline the process; now, therefore, be it

Resolved, That the Council of the City of New York calls upon the State Legislature to pass and the Governor to sign S.7050-A/A.9647-A, which would require regulations to notify vendors of WIC reimbursement discrepancies and the reason for such discrepancy.

LS #7981
6/2/16
TC