



United States Department of Agriculture

Office of the Secretary
Washington, D.C. 20250

Dr. Rebekah Gee
Secretary
Louisiana Department of Health
Post Office Box 629
Baton Rouge, Louisiana 70821

Dear Dr. Gee:

I am pleased to inform you that, effective May 15, 2017, the U.S. Department of Agriculture's Food and Nutrition Service (FNS) will lift the Federal moratorium on the authorization of new vendors in the Louisiana Special Supplemental Nutrition Program for Women, Infants, and Children (WIC).

On May 2, 2014, FNS notified the Louisiana Department of Health and Hospitals—now the Louisiana Department of Health (LDH)—that it would impose a Federal moratorium on the authorization of new WIC vendors until Louisiana WIC could ensure efficient and effective use of Federal funds by making necessary improvements to its vendor management system.

Since the moratorium was imposed, LDH and Louisiana WIC staffs have worked collaboratively with FNS, devoting considerable time and resources to implementing corrective actions designed to preserve and promote high standards of integrity in the WIC Program. I would like to commend Louisiana WIC for its work in these areas over the past three years, as well as its commitment to ongoing efforts to improve vendor management. An impressive amount of work has been completed, including the development and implementation of improved vendor authorization criteria (including competitive price selection criteria), peer groups, along with corresponding maximum allowable reimbursement levels and filling key vacancies.

FNS will continue to support Louisiana WIC's planned efforts to improve upon its ongoing management of WIC vendors and to transition to an electronic benefit transfer (EBT) system. Louisiana WIC has shown a strong commitment to the goals of good stewardship of taxpayer funds and ensuring that WIC participants have the best possible experience while using WIC benefits to obtain supplemental foods.

In acknowledgment of the significant progress that Louisiana WIC has made over the past three years, FNS is fully lifting the Federal moratorium as of May 15, 2017. Louisiana WIC may begin processing new vendor applications in accordance with the agreed upon timeline (enclosed).

Please be advised that, in August of 2015, Louisiana entered into a settlement agreement with

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USDA, which includes terms that continue through Federal fiscal year 2020. Two important terms are outlined below:

- The State agency must invest a total of \$2,050,000.00 non-Federal State funds in activities to improve WIC Program vendor integrity by September 30, 2018. Louisiana WIC currently has an FNS-approved investment plan that focuses primarily on improving oversight of WIC authorized vendors.
- FNS is holding \$4,100,000.00 at-risk funds pending the implementation and maintenance of all performance measures outlined in the settlement agreement through September 30, 2020.

While Louisiana WIC may begin to accept new vendor applications in accordance with the enclosed timeline, all performance measures that have been met at this time must be maintained.

If you have any questions, please feel free to contact Bill Ludwig, FNS's Southwest Regional Office Administrator, at (214) 290-9800.

Sincerely,

A handwritten signature in blue ink that reads "Yvette S. Jackson". The signature is written in a cursive style with a large initial "Y".

Yvette S. Jackson
Acting Deputy Under Secretary
Food, Nutrition, and Consumer Services