

EBT "ONE-CARD" TECHNICAL AND PROGRAMMATIC CONSIDERATIONS

For many, the "one-card" EBT approach has been the goal since the earliest EBT projects. A one-card concept is a card that allows a benefit recipient to access benefits from multiple programs using the same physical card. Traditional EBT cards in most States have always supported multiple benefits (SNAP and cash programs) and two accounts (SNAP account and cash account). With the advent of WIC EBT implementation in many States, it has been thought that it only makes sense to add WIC benefits and a WIC account to the existing cards. As State agencies move forward with implementing EBT for the WIC Program many are considering the possibility of combining those benefits onto the State's existing EBT card for SNAP and cash benefits.

There have been two successful projects that combined SNAP and WIC benefits on the same card in the States of Wyoming and Ohio. At the time, both programs' benefits were accessed through a smart card. Ultimately, the Ohio WIC EBT pilot was discontinued¹ and in Wyoming the SNAP program moved to online, magnetic stripe technology and the two programs moved to separate cards with WIC continuing to use smart cards and SNAP using online magnetic stripe cards. Several other States have attempted a one-card environment but, for a variety of reasons, including the technical and programmatic issues identified in this document, have not been successful. The trend in SNAP is to remove the cash programs from the card and to place all cash benefits onto a cobranded card. Thus, we are seeing a SNAP only card and a cash benefit card in use in several States.

There are State agencies such as Michigan and Nevada using cards for WIC EBT that have a similar card design and share the same Bank Identification Number (BIN)², the first six digits of the card number, with those used for SNAP and cash EBT cards within the State. Although the BIN is the same, there are differences in the 7th and/or 8th digits between the SNAP/cash card and the WIC card. This is not considered a one-card environment because those numbering differences in the 7th and 8th digits result in the WIC EBT cards being entirely separate cards from the SNAP/cash cards – there is no shared card held by participants in both programs. In this environment, a WIC participant that is also receiving benefits from SNAP or cash programs would have a card for WIC benefits and a separate one for SNAP/cash benefits. Vermont has also implemented a Cash Value Benefit for the WIC Program utilizing the SNAP infrastructure in the food retailer lanes which is recognized as a separate BIN from SNAP EBT. The remainder of this document describes the technical and programmatic considerations related to the implementation of a one-card system. The purpose of identifying these issues is to enable States

¹ The Ohio WIC EBT pilot was converted back to a paper delivery process primarily due to cost concerns. The Southern Alliance of States did gain some experience in sharing an EBT card in the late 1990s with federal benefit recipients but that effort too was eventually suspended.

² The Bank Identification Number or BIN (technical bank standards refer to this as an Issuer Identification Number or IIN) identifies the bank or State agency that has issued a payment card. The first six digits of the 16 or 19 digit card number is the BIN (or IIN) and allows the payment system to route a transaction to the correct EBT processor, or bank processor for transaction approval. Card issuers may use the remaining digits to designate specific purposes for a card such as travel rewards cards.

that are considering a one-card approach to recognize some of the complexities involved and that it may not be as simple as adding a WIC account to the existing SNAP/cash EBT accounts, all accessed via one card. It is the unique BIN (IIN) that allows the transaction to be routed to the appropriate funding source and associated letter-of-credit.

Which entity orders and manages the card inventory for all of the participating programs? There would be liabilities associated with incorrect card management and problems arising that would need to be addressed between the programs. Since smart cards are significantly more expensive than an on-line mag stripe card, here maybe an ongoing struggle to shift card costs between the programs that are using the same card. Because WIC is 100 percent federally funded, the effort would be to shift the card cost to the WIC Program. The Food and Nutrition Service (FNS) would be in the middle of this struggle where for one of its programs, the smaller WIC Program, FNS pays for all of the card costs and for the much larger SNAP, FNS pays for one-half of the card costs.

STATE SYSTEMS AND OPERATIONS

The success of a one-card solution is dependent on the State systems that determine eligibility for SNAP/cash benefit recipients, the systems that are used to certify WIC participants and the ability for these systems to link or share data. Beyond the system perspective, the programs may have differing EBT business processes that must be factored into the planning process. This section addresses the considerations that must be made in these areas when pursuing a one-card approach.

DIFFERENT ELIGIBILITY / CERTIFICATION SYSTEMS

EBT systems rely on State eligibility and WIC information systems to maintain and manage enrollment records such as demographic information. In order for a combined benefits card to function, the SNAP/cash EBT account information (e.g., Name of Head of household, address, Birth Date) provided by the State systems must link together with the WIC EBT account information. This is needed in the EBT system to allow cards to be mailed and to verify caller identity when using toll free help lines. In most of the WIC EBT environments, cards are not mailed to the recipients. Linking two different State systems is not a simple undertaking. Typically, a single system within a State is used to determine eligibility and maintain client records for both SNAP and the various cash programs. That is why they have been so successfully combined on one card for EBT. However, this SNAP/cash eligibility system is almost always separate from the system that is used to certify WIC participants and maintain their records.

These demographic records are maintained separately on each system, and there is nothing linking the records of a family in the SNAP/TANF system to their record in the WIC system, if one exists. WIC operates in the Health Departments by federal regulation while SNAP and cash programs are more typically maintained in a Department of Social Services. There are no program requirements that compel sharing recipient or participant data between these different organizations. Requirements are more focused upon protecting sensitive and confidential data gathered by each program from being disclosed improperly and ensuring that benefits are linked to the correct individual or family/household.

A few States use a master client index number that applies to all systems and could assist in the linkage of records, but this is rare. Many assume that records could be matched based on social security number, but WIC does not collect social security numbers in all State agencies nor is any matching required to validate the supplied social security number with the Social Security Administration. Other alternatives for matching records could be name, date of birth or address, but there is no guarantee that the information will be the same between the different systems.

Being that this stand-alone approach is the typical configuration within most States, system modifications must be made to link records between systems or be able to recognize clients / participants or households between the different systems in order to support a combined benefit card environment. However, the linkage of these records is not as straightforward as it may appear. For example, names, addresses and dates of birth may not match between systems due to a variety of reasons including misspellings, incorrect data entry or how data is formatted. An additional complication is that there are often situations where two different family members are designated the head of household for the family within each of the different systems. Dad might be the head of household for the family's SNAP/CASH case where Mom might be the head of household in the WIC system. Differences in business operations, such as remote clinic sites that do not connect at all times to a central State certification system, must be included as well. System changes as well as procedural changes might be required to resolve these issues.

The linkage of these records can be complicated, but appears to be technically feasible given enough time and resources. However, the level of difficulty can be dependent on the systems involved and, even more so, the organizational structure in which the programs exist. Modifications would need to be made to both systems and data sharing across programs could be required to support the linkage of records between the systems. Because the programs typically reside within different departments there are often difficulties in coordinating the linkage between the systems. There can be privacy concerns related to data sharing, as well as issues related to cost sharing of the system modifications.

Inclusion of additional programs such as WIC and Senior Farmers' Market Nutrition Programs, often run by State Agriculture Departments, makes the issues triply complicated.

MANAGEMENT OF DEMOGRAPHICS

If the linkage of records can be accomplished, there are still issues to consider about how to manage the demographic information that resides on the EBT system. As discussed, the SNAP/cash eligibility and WIC information system are the databases of record for demographics in the EBT environment. The EBT system is dependent on these systems for the most up-to-date information. Therefore, in the one-card environment, you essentially have two databases of record; the SNAP/cash eligibility system and the WIC information system. How do you manage which system has the most up-to-date and accurate record?

Demographic data is not static; people move around the State and leave and enter households. Accurate data is important to program integrity and program operations. Accurate address data is important particularly in the case of mailed EBT card and PIN (Personal Identification Number) issuance which is common with SNAP but not used much in WIC EBT processes. Because demographic data is being submitted from two different Program systems for the same

account, if there are any discrepancies, there needs to be a determination about which record is correct³. A systematic approach would need to be developed to resolve those discrepancies.

Many questions also remain about how to manage the linkage of the demographic information, including:

- What happens if the demographics change in one system, but not the other?
- If one system is updated, would it overwrite the demographic information that was already provided by the other system?
- Does the information need to remain synchronized between the SNAP/CASH system and the WIC system or is it a problem that the EBT system must resolve? If updated information must be shared, how will that process work between the two program agencies and their respective systems?
- Are there protections in place to ensure that privacy and confidentiality of participant information are ensured?
- Where would a cardholder call to report a lost or stolen card? The call centers for each EBT system would have to interface with the eligibility systems for all programs on the card,
- If disaster cards are issued for SNAP, there are special circumstances attached to the SNAP disaster benefits that would not be applicable to WIC. In some situations the disaster cards are issued in a live status; that is, with benefits issued and a live PIN as a part of the PAN.
- In disaster situations, there are SNAP requirements to test for dual participation at the time of card issuance.
- SNAP disaster card stocks are managed differently from card stock inventory issued as part of the daily routine.
- SNAP benefits are time sensitive after one year of nonuse and must be expunged. While the card is not canceled, the benefits are.
- The WIC Authorities which operate smart card EBT systems do expunge card numbers from their hot card list after five months.

Although HIPPA does not apply to WIC agencies, they often find themselves being subject to these stringent health and privacy protection standards because the WIC agencies reside within the Health Department; however, these standards are typically not applied to Social Services programs such as SNAP or CASH which operate under a different set of privacy requirements. On the other hand, a SNAP and CASH EBT account may include a client's social security number which would also be considered sensitive, personally identifiable information, which should not be accessible by other programs. This raises the question of who is allowed access to information for joint program accounts. All of these questions and likely more need to be answered in order to implement a one-card EBT system.

Another area to be considered is the management of alternate cardholders (authorized representatives, alternate payees, or proxies). Often limited information is collected on these individuals and they are only allowed limited access to the programs for which they have been assigned as the authorized representative or proxy. Typically alternate cardholders use the

³ In some cases the different address records could even be "correct" for their own purposes within each program.

demographic information of the primary cardholder to identify themselves when calling the helpdesk for PIN changes. System changes may be necessary to support alternate or proxy cardholders to avoid conflicts caused by creation of these records in separate WIC and SNAP enrollment systems.

DIFFERENT BUSINESS PROCESSES BETWEEN PROGRAMS

In addition to the technical issues, there are also differences between the programs and how they are operated that must be considered. Some of these include:

- **Benefit issuance timeframes:** WIC requires that benefits become available to participants once they have been certified to participate. This means that they must have benefits (or their EBT card with benefits loaded) in hand when leaving their certification appointment. In the paper environment this is often referred to as ‘print on demand’ capability and in EBT it involves immediate issuance of benefits and the EBT card if one has not already been issued previously. This is different from SNAP, where the State agency has seven days to provide the card and benefits for an expedited service case. In the non-expedited cases, SNAP must make the card and benefits available to the recipient within 30 days of application filing if the individual has been determined to be eligible for benefits. The result is that WIC clinics must support over-the-counter card issuance where the other programs can typically accommodate their issuance timeframes through mailed issuance. Considerations need to be made as to how these differences impact all programs in the implementation of a combined benefits card.
- **Card replacement methods:** The different programs have different card replacement requirements. Because benefits are so time sensitive, WIC cards must be replaced immediately. In the smart card WIC EBT environments, a card is not replaced for 5-10 days as the WIC Authority must ensure all claims against the card have been processed by the EBT system. For SNAP, the State has two days to replace the card if over-the-counter issuance is available, and five days to do so if the only option is central mail issuance. Considerations need to be made as to how these differences impact either program. There have been concerns about whether participants in programs that only issue by mail might attempt to get a card from a program that provides over-the-counter issuance because it would be faster than waiting for one by mail. Some smart card WIC Authorities reissue a card, depending upon the circumstances, that was previously stashed.
- **Card replacement fees:** Some States charge card replacement fees of their SNAP and/or Cash program participants that allow for payment of a card fee from the SNAP or cash EBT account. None of the currently operating WIC EBT projects have imposed card replacement fees and the fee would have to be accepted separately from the benefit account which is a food balance rather than dollar based. (e.g., gallons of milk). Consideration needs to be made as to how these fees would be imposed in a combined card environment. Similarly to the issue identified in the previous bullet, if the SNAP and cash programs imposed a fee, but WIC did not, there is concern cardholders would go to the WIC clinic to get a card replacement to avoid the fee, pushing this cost onto the WIC program alone. Additionally, there are a multitude of issues when cash is introduced into the local office environment. Accountability, security, audit, etc. Card

replacement fees may be collected and retained by the EBT processor with off-setting credits to the card issuer depending upon how the contract is structured.

RETAIL VENDOR SYSTEMS AND OPERATIONS

Having the convenience of using one card to access all of their available benefits has implications for integrated electronic cash register (ECR) systems that support each program at the grocery lane. There are several updates to existing cash registers that will be required to support a one-card approach including BIN table modifications, card and PIN entry sequence options, mixed basket purchase logic, split tender capability, and exception handling in a multi-tender purchase environment. Because WIC EBT may use a smart card or a magnetic stripe card, or cards may be acquired from different contract providers, ECR solutions will have to have different capabilities to handle a one-card solution in the lane. Or the retail vendors may have to reconfigure their ECR to accommodate a single entry of a card (BIN/IIN) regardless of the card technology being employed.

TECHNICAL DIFFERENCES

Prior to discussing specific cash register issues that may arise in a one-card solution, it is useful to illustrate a few technical differences between a SNAP EBT purchase compared to a WIC EBT purchase. In SNAP, the purchase is a single dollar amount linked to a unique retailer ID number. SNAP EBT purchases are very similar to a debit or credit purchase in the message formats and transaction details. Many cash registers have capability to ‘flag’ eligible SNAP food items, which eases the scanning process and allows for the SNAP total to be readily identified when it is time for the recipient to pay that portion of the purchase with their SNAP EBT card. Unlike WIC EBT, there is no file or distribution process for the SNAP eligible foods; maintenance of the SNAP ‘flag’ is up to each retail grocer to manage.

For a WIC EBT purchase, the cash register must have the WIC benefit prescription and an electronic copy of the State agency food list, called an authorized products list (APL). The WIC online EBT message sent from the grocery store lane to the EBT host computer contains much more information than is needed for a SNAP EBT purchase message. In addition to the State specific WIC retail vender identification number and a total purchase amount, a WIC EBT transaction includes the Universal Product Code (UPC) for each food item included in the sale, the price for each food item, the quantity of items and any discount amounts. A smart card WIC EBT purchase transaction contains similar information, but rather than transmitting the transaction data real-time to an online host system, it is written to a claim file. This claim file will be sent electronically to the State agency at the end of the day. These specific purchase elements are fundamental to successful WIC transaction processing at the store lane and must be considered in a multi-tender one-card approach. Each ECR system will require the logic to identify and process an EBT card that can be used to access different programs with distinct processing and different data requirements.

HOW THE CARD IS USED IN-LANE

A one-card approach will require existing cash register systems to be updated in order to identify a single card BIN, and to allow the customer to select which of the potential payment accounts to use – WIC, SNAP or cash EBT – or whether to use a completely separate form of tender, such

as cash, for part of the purchase. In the current environment, SNAP/cash single-use card customers usually select “EBT” on the ECR terminal to use their SNAP account and select “debit” to use their cash account. This can be done before or after swiping the card. How WIC cards are identified in the ECR systems has been more varied with some adding on a WIC option to the terminal device, others requiring the shopper to declare they are paying with a WIC card and others detecting this based on the card BIN.

Many retail ECR systems maintain BIN tables so that they can readily recognize different types of payment tender.⁴ These BIN tables are used for several activities. For instance, the BIN is used to identify a bank debit card that is co-branded with a credit card logo. The ECR systems may have a prompt based on a specific BIN that encourages cardholders to enter a PIN (debit transaction) rather than use a more costly signature (credit transaction). Once an EBT card is read by the card reader (swiped or inserted), the ECR links the BIN to a specific State agency. Some ECR systems use this method to recognize SNAP/cash cards and insert the logic to choose between these two program accounts after reading the BIN.

Because a retailer may serve multiple WIC State agencies such as the geographic State, a bordering State agency or one or more Indian Tribal Organizations with each potentially having a different list of authorized foods, the BIN is used as the key to automatically identify the correct APL upon the card swipe.

For SNAP/cash EBT transactions, the timing of the swipe is usually not an issue. It can be done before or after food items are scanned. However, for WIC, ECR designs vary regarding the point at which they require a cardholder to enter their EBT card and the resulting prompts to cardholders for specific actions to take. This depends on how the retail vendor elects to conduct business but is also due to the requirement in WIC to have the food balance either from the card or via an online message request. Some ECR systems require the WIC card to be read before the scanning of items while other ECR systems require card and PIN entry after all items have been scanned. WIC EBT also requires a separate balance inquiry transaction in order to match scanned food item UPCs and the food categories of each WIC food prescription⁵.

PIN ENTRY

In the current environment, PIN entry is done separately for each tender type involved. Typically, this includes two different cards with the exception of a shared SNAP/Cash EBT card. With a shared one-card solution, the process would likely follow the current method used for SNAP/cash EBT cards. Normally the SNAP transaction is completed first, by selecting SNAP as the payment method, swiping the card and entering the PIN. If the customer elects to use cash EBT to pay the balance, they select debit or cash EBT as the payment method, swipe the card again and re-enter the PIN. ECR systems don't automatically assume that a SNAP customer will use cash EBT to pay the balance, because only 35 States use EBT for cash delivery and less than ¼ of SNAP recipients receive State cash benefits. Therefore, it is very likely that the next tender type selected will not be the EBT card. Even if the ECR payment system were to be programmed to retain the card number for a transaction from a second account, industry security

⁴ Interest in using a BIN table has grown in recent years in the retail environment as a way of controlling processing and interchange fees linked to specific payment types.

⁵ WIC prescriptions are not set up as prescriptions with a set of food categories, subcategories and a quantity such as Milk, skim, 3 gallons.

standards prohibit the ECR from storing any PIN values. The cardholder would be required to enter the PIN separately for each tender type used with the card.

MIXED BASKET TRANSACTION

In ECR systems that have been upgraded to handle WIC EBT purchases, a benefit hierarchy has been established for 'mixed basket' purchases. A mixed basket purchase allows WIC families to mix their grocery items together to avoid the stigma of separating WIC food items as they do with the paper WIC delivery systems. The ECR systems that support mixed basket identify WIC eligible items first, compute the WIC tender amount, complete the WIC payment, and then determine whether the remaining items are eligible for SNAP, cash EBT or another payment type. The hierarchy is based on handling the most restrictive tender first. Because WIC limits purchases to specific foods, it is typically completed first followed by SNAP and finally cash. The ECR systems need to be flexible and provide prompts to the cardholder because they cannot assume there are other benefits available even if the card could be used to access WIC, SNAP and Cash. Other tenders can pay for food and nonfood grocery items. If a one-card solution is devised, it must be incorporated into this ECR mixed basket logic for any purchases involving multiple tender types.

One example of how mixed basket capability must be considered in a one-card solution is when a WIC benefit balance is not sufficient to allow a scanned item to be purchased. The starting WIC balance for cheese may be 8 ounces, but the cardholder attempts to purchase a one pound brick of cheese. When an item is rejected,⁶ the ECR system will prompt the checkout clerk to ask if the participant wants to pay for it with some other payment type. If the cardholder agrees, the system will set this item aside until the WIC items have been paid and then allow the cardholder to select another tender type in order to complete the purchase. Prompts to shoppers or clerks are designed into the ECR system to account for funds availability or lack of availability, card or PIN entry and shopper confirmation.

CASH VALUE VOUCHER AND SPLIT TENDER

WIC also allows WIC families to purchase fruits and vegetables with a cash value benefit (CVB) amount that may be up to \$10 per participant. The WIC participant can be allowed to pay any amount above the available CVB amount with their own funds. This is called a split tender CVB purchase. A WIC shopper may purchase a bag of apples for \$4, 4 pounds of bananas for \$3 and a bag of oranges for \$4 that equals an \$11 total purchase amount. If the CVB benefit amount is only \$10, the participant has the option to pay the extra \$1.00 from another payment type or one of the items must be reduced to the \$10 level. Tearing off a banana or two is possible in this instance but not in all cases. Further, the transaction process becomes more complex because the second tender type presented, perhaps a SNAP EBT card, may not have sufficient funds to complete the purchase. Capability to void items from one or the other of the payment tenders involved must be thought through carefully as a result and becomes factored into the design update cost.

⁶ In WIC EBT, there are no partial redemptions for any benefit types except for the Cash Value Benefit; therefore, there must be sufficient value in the balance to redeem the full amount of an item being purchased otherwise it will be denied.

A second tender type may also be subject to State or local sales tax which is another consideration. Application of various discounts such as manufacturer cents off coupons and loyalty cards add further to the complexity of a multi-tender purchase. While these scenarios exist today with any multi-tender purchase (i.e., think of using a gift card with limited value so a debit or credit card is needed to complete a purchase), the added complexity results from having to apply one set of rules to the portion of the split-tender item covered by WIC CVB and another set of rules to the portion covered by the second tender.

EXCEPTION HANDLING

Exception handling must be considered in order for an ECR system to support a one-card solution. Careful planning is needed to minimize confusion and errors. Present smart card solutions do not permit a retail vendor system to reverse or void a WIC purchase once it has been written to the smart card chip. Thus, split tender for CVB items is not supported as an option just yet⁷. In a one-card circumstance, the need to void specific items or an entire purchase would be required whenever the second tender type fails. Differences in program rules, such as the WIC rule that disallows refunds, would also potentially need to be considered.

CONCLUSION

The one-card solution is technically feasible in today's State system and retail Electronic Cash Register environments. A significant amount of work is necessary and adequate lead time to define requirements for system updates is required in both State systems and retail register environments to be successful.

In the State environment, collaboration and coordination between the various programs will be required. Often the programs reside within different departments creating additional barriers. Many decisions will need to be made about data linkage and sharing data among the programs. In addition, joint procedures and policies must be established for card issuance and replacement. Ultimately, States will need to scope out the effort to determine if the time, cost and effort spent are worthwhile and beneficial to SNAP/cash recipients and WIC participants. As noted above, several earlier State initiatives to devise a one-card approach have not reached fruition primarily due to the challenges of bringing the two program areas together to resolve the administrative issues.

To be successful, the retail systems developers will need State agencies to refine the WIC EBT Operating Rules and the WIC Technical Implementation Guide that allow them to program the change into their systems. SNAP EBT is governed by regulations and policies, while WIC is guided by its Operating Rules and TIG, which could result in some major conflicts between the two programs. An initial test approach to identify issues with the business rules and system requirements after initial implementation would make sense before updating the requirements and then implementing more widely. Adoption in multiple States will take considerable time because of the wide variety of cash register systems in use nationwide and the necessity to ensure that all retail vendors are capable of accepting the one-card solution at the time they are made

⁷ State agencies are now working with retailers and cash register providers to define how split-tender can be done using smart cards. At present, a purchase cannot be reversed or cancelled after it has been written to a card despite this being available technically.

available to cardholders. Consideration for changes to the WIC EBT Operating Rules would require attention as well. Some within the cash register industry have suggested that it could take up to five years for present ECR systems to complete this upgrade once a one-card approach is defined. In today's highly integrated cash register environment, this appears to be a realistic timeframe due to the lead time necessary to define requirements, assess the impact on current WIC EBT Operating Rules for commercial integrated WIC ECR systems, and obtain management support to make the necessary changes and commit the necessary resources (funding, technical, and contractual). Any large supermarket chains and all grocers will need to balance this against other demands they may have on current retail ECR agendas. There will also be resource demands on FNS and the WIC Authorities to recertify all of the retail grocery systems.

Lastly, this paper has focused primarily on the programmatic and retail considerations for a one-card approach. There are additional issues that would need to be considered in a possible implementation. One issue would be the need to make a compelling business case that the one-card approach is cost effective and beneficial to the programs involved. A second issue is whether the one-card convenience is desirable from the cardholders' viewpoint. A third issue is that the WIC Program is in the midst of a Congressional mandate to rollout EBT nationwide by 2020. This mandate will require major updates and replacements of the existing WIC MIS which is likely to take priority for WIC State agencies when making their EBT plans than pursuing a one-card system.

The entire premise of a one-card approach is that in any given State, there will be a single EBT processor for all programs on the card. That is not true today and likely will not be true in the future.

P.L. 111-296 mandates that a retailer/vendor, at some point in the future to be determined by FNS, must be EBT-ready if the retailer/vendor wishes to participate in the WIC Program. P.L. 111-296 does not define what EBT-ready is and it may not include some of the technical considerations discussed above.