

**FY 2021 DIRECT CERTIFICATION WITH MEDICAID
REQUEST FOR APPLICATIONS**

August 17 and 19, 2021 Webinars Follow Up

Q1. Are both MAGI and non-MAGI calculations acceptable for participation in Direct Certification with Medicaid (DC-M) through this demonstration project?

A1. Yes, as provided for in the **Demonstration Projects to Evaluate Direct Certification with Medicaid Request for Applications** (RFA), the ability to incorporate both MAGI or non-MAGI calculations is a requirement. Specifically, as provided in subsection (4) of *Section H. Requirements and Considerations for Demonstration Project Participation*, to be selected for the Demonstration Project, a State Agency must “[h]ave the ability through an automated information system to assess MAGI (before application of the five percent disregard) and non-MAGI family income (before the application of any expense, block, or other income disregard), as applicable, and identify family income meeting the 130 percent and 185 percent FPL standards for free and reduced price school meals.”

Q2. How are new Medicaid-eligible children added during the course of the school year (e.g., newly arrived in the school district, new application/re-application, etc.)? Is the direct certification with Medicaid an ongoing process, with respect to children being added/and removed over the course of the school year, based on Medicaid eligibility changes?

A2. Similar to direct certification activities associated with use of other program data (e.g., SNAP, TANF, Foster Care), DC-M is an ongoing process with the intended goal of identifying newly direct certification-eligible children throughout the school year. For best results a State should incorporate the receipt of Medicaid data and the subsequent matching of records within its currently established direct certification schedules and protocols. This approach will ensure the timely processing of identified matches, as well as increase the efficiency of incorporation of the new program data at the LEA and school level.

Q3. A child can be eligible for Medicaid but not covered (e.g., no application, did not renew, private insurance from outside the home in place, etc.). Could such a child be directly certified?

A3. No. Only a child who receives, or live in a household (as defined in the school meals programs’ eligibility regulations at 7 CFR 245.2) with a child who receives medical assistance under the Medicaid program; and is a member of a family with an income, as measured by Medicaid, before the application of any expense, block, or other disregard that does not exceed the NSLP’s family income eligibility standards may be directly certified for free or reduced price meals under the demonstration projects.

Q4. Can you provide more information regarding the Direct Certification Coding/Reporting Hierarchy?

A4. A full description of the hierarchy is provided below

Direct Certification Coding/Reporting Hierarchy—Most children receiving Medicaid and having family income at or below NSLP income standards also receive Supplemental Nutrition Assistance Program (SNAP) and/or Temporary Assistance for Needy Families (TANF) benefits, as well as other program benefits that convey eligibility to be directly certified for free school meals. In collecting data for Federal

reporting, direct certifications/matches should be identified as Medicaid *only* when the child is not already directly certified/matched based on receipt of benefits in another program. For example, if a child is already directly certified for free meals through SNAP data and then is identified as eligible to be directly certified based on Medicaid data, the SNAP direct certification takes precedence for reporting purposes, the child should not be re-categorized as a Medicaid match.

The program hierarchy for categorizing direct certification is prioritized as follows, with SNAP *always* taking precedence over any other direct certification source:

1. SNAP - SNAP takes precedence over all other direct certification sources, as well as children certified for free meals via applications. The SNAP priority also applies in those situations where the child is matched with multiple programs (e.g., both SNAP and TANF, or both SNAP and foster care). The priority is established through the statutory requirement in Section 9(b)(4) of the Richard B. Russell National School Lunch Act, 42 USC 1758(b)(4), that State agencies directly certify school-aged children receiving SNAP benefits. Direct certification with SNAP is extended to other children in the household.
2. Temporary Assistance for Needy Families (TANF) program and/or the Food Distribution Program on Indian Reservations (FDPIR) - Direct certification with TANF and FDPIR is extended to other children in the household.
3. Other categorical eligibility sources - Foster care, migrants, homeless, runaways, Head Start, etc., in no specific order. Direct certifications with these programs do not extend to other children in the household.
4. Medicaid for free meals - Direct certifications with Medicaid (if not preceded by other sources of direct certification in 1-3 above) are extended to other children in the household.
5. Medicaid for reduced price meals. Medicaid direct certification for reduced price meals does not take priority over free meal eligibility from any source (see exception with explanation below), including applications or sources in 1-4 above. If a child receiving Medicaid is directly certified as eligible for reduced price meals, the certification is extended to other children in the household.

Exception to 4 and 5: When the direct certification with Medicaid for free or reduced price meals is the first certification action for a child during the 30-day carryover period at the beginning of a new school year, it can override a free meal status carried over from the previous year, unless and until the child is certified for free in some other way that would take precedence (e.g., a new SNAP direct certification would override the new DCM free certification; a new free certification from any source, including an application, would override the new DCM certification for reduced price).

Q6. Do you know if other states/vendors have coding/best practices to share on status hierarchy and when a status should be overridden, etc.?

A6. States participating in the 2016 Direct Certification-Medicaid Demonstration Projects were required to ensure proper incorporation and assignment of the Direct Certification Coding/Reporting Hierarchy. With that, those States are a great resource for best practices and technical guidance regarding system functionality. FNS provided a chart listing of those States on page 4 of the RFA and on Slide 20 of the webinar presentation. The chart is included below in the response to Question 7. FNS will provide additional information and best practices regarding system functionality in November 2021, during our DC-M demonstration project webinar with selected States.

Additionally, most local-level systems, such as point of service (POS) systems, are used throughout multiple States. Therefore, State agencies and their LEAs should benefit in that most POS systems in use have incorporated DC-M functionality within their application and LEAs will simply need to turn on this feature, or upgrade to the vendor’s appropriate software version.

Q7. What States are already participating in DC-M demonstration projects?

A7. The following table provides States currently participating in Direct-Certification Demonstration Projects:

States Participating in DCM Demonstrations		
DCM - Free Pilot States since SY 2012-2013	DCM-F/RP Pilot States Beginning SY 2016-2017	DCM-F/RP Pilot States Beginning SY 2017-2018
<ul style="list-style-type: none"> • Illinois • Kentucky • New York • Pennsylvania 	<ul style="list-style-type: none"> • California (14 districts)* • Florida* • Massachusetts* • Nebraska • Utah • Virginia • West Virginia 	<ul style="list-style-type: none"> • California (statewide) • Connecticut • Indiana • Iowa • Michigan • Nevada • Texas • Washington • Wisconsin
<p>*California, Florida and Massachusetts transitioned from previous DCM pilots for free meals only. 19 States participating effective with SY 2017-2018</p>		

Q8. Is there any funding to cover the additional IT costs?

A8. No, no additional federal funding is available for costs of the demonstration projects. As stated in the RFA at Section I Funding, “No Federal funds will be made available to State agencies specifically for the purpose of participating in the demonstration projects through this RFA. However, once selected, administrative expenses associated with preparation for the demonstration projects (i.e., staff, software updates) may be allowable costs under State administrative expense funds (SAE) and SAE reallocation funds. Also, State agencies applying/selected to participate with Medicaid may pursue grant funding available during the respective demonstration project.”

Q5. Will a letter from USDA notifying each State Medicaid Agency of the "importance of collaborating" with the State Education agency to achieve DC with Medicaid be forthcoming? This letter, linking both State agencies, and signaling USDA's support for this project was critical to the early Direct Certification work, and helped gain the cooperation and commitment of the State Health and Human Services Agency for the original DC project.

A5. We understand that the Department of Health and Human Services, Center for Medicare & Medicaid Services (CMS) may issue an informational bulletin to state Medicaid agencies in support of the FNS FY 2021 Direct Certification with Medicaid demonstration projects. Previously, CMS issued a bulletin advising state Medicaid agencies of the authorities and opportunities to partner with NSLP State agencies through data sharing agreements facilitating direct certification for free and reduced-price school meals for eligible children participating in Medicaid. We have attached a copy of that 2016 CMS informational bulletin for your reference. *The 2016 informational bulletin is attached.*