

Direct Certification with Medicaid

Streamlining Student Access
to Free & Reduced Price School Meals

Demonstration Project Opportunities
School Year 2022-23 and School Year 2023-24
August 17 and 19, 2021



Rachel H. Bishop
and
Joseph Templin

USDA Food & Nutrition Service



We'll cover...

- FY 2021 Demonstration Project
 - Background
 - Key Considerations
 - Opportunity Overview
- Participating States' Insights and Best Practices
- Please post questions in Chat
- Webinar PowerPoint and responses to Chat questions will be posted next week.

Benefits of Direct Certification

Direct Certification uses data matching to automatically certify students for school meal benefits.

Reduces Burden: Eliminates application completion, submission, certification, and verification process for families and local education agencies.

Improves Program Access: Reaches eligible students who are not receiving NSLP and SBP benefits.

Impacts Program Integrity: Increases student certification accuracy.

Increases Identified Student Percentages: Increases # students certified for **free** meals without an application for Community Eligibility Provision measures. (*Note: Does not apply to students directly certified for reduced price meals*)

2021 Demonstration Projects

Directly certify students using State Medicaid agency data outcomes

- Streamlines f/rp certification for eligible students.
- Eliminates household application process for eligible students participating in Medicaid.
- Enables evaluation of effect on Federal costs and Program participation.

Agencies' Collaboration

- USDA FNS as lead partnering with HHS Center for Medicare & Medicaid Services (CMS) to provide technical assistance to State agencies.
- NSLP State agencies as lead partnering with State Medicaid agencies to develop data sharing agreements and processes.

Authority – Section 18(c) of the Richard B. Russell National School Lunch Act, 42 USC 1769(c).

RFA - Significant Dates

SIGNIFICANT DATES	
August 17 and 19, 2021	Webinars with interested State agencies
September 30, 2021	Applications for participation in demonstration projects beginning School Year 2022-2023 due to the Food and Nutrition Service
November 2021	Notifications to State agencies of selection/non-selection
November/December 2021	Technical assistance webinars with selected National School Lunch Program State agencies and partnering State Medicaid agencies
July 1, 2022	SY 2022-2023 demonstration projects begin
July 2022	Webinars with interested State agencies
September 30, 2022	Applications for participation in demonstration projects beginning SY 2023-2024 due to the Food and Nutrition Service
November 2022	Notifications to State agencies of selection/non-selection

State Agencies' Direct Certification Process

State Medicaid Agency

- Identify children meeting income & eligibility criteria for direct certification
- Send data for children to CN State Agency

Child Nutrition Agency

- CN State agency (or local school district) matches Medicaid list with school enrollment data to find students in their schools eligible for direct certification

Local School Districts & Schools

- Identify directly certified children in their point of service systems
- Provide the free or reduced price meal to the matched student

Demonstration Projects - Definitions

Medicaid is—

- The medical assistance program established under **Title XIX** of the Social Security Act
 - **Includes** -- Medicaid and Expanded Medicaid (expansions funded with Title XXI funds)
 - **Could Include** -- Children enrolled in Medicaid only for treatment of an emergency medical condition, if they satisfy all other Medicaid eligibility requirements. (Must get clearance from FNS)
 - **Does not Include** – Children’s Health Insurance Program (CHIP, Title XXI *stand alone*)

Demonstration Projects Definitions

Eligible child must both—

- Receive Medicaid, or live in household with another child who receives Medicaid, **and**
- Have family income as determined by Medicaid, before application of any expense, block, or other disregard, that does not exceed National School Lunch Program (NSLP) income standards applicable to family size.

Income

- NSLP income eligibility standards for 2021 Demonstration Projects
- **130%** Federal Poverty Level (FPL) for **free** meal eligibility
- **185%** FPL for **reduced price** meal eligibility

Definitions in Demonstration Projects

What does “income as measured by Medicaid, before application of any expense, block, or other disregard” mean for the demonstration projects?

- Depends on the income calculation methodology used for the specific Medicaid category
 - **“MAGI” (Modified Adjusted Gross Income)** household income calculation, or
 - **“Non-MAGI”** household income calculation

MAGI

May include a disregard equivalent to 5% of the FPL for the respective family size. The 5% of the FPL equivalent disregard:

- takes the place of all previously existing disregards for MAGI-based groups, and
- is applied when it impacts the outcome for the eligibility group with the highest income standard.

Application Example-- State does not apply 5% FPL equivalent disregard - household meets 133% standard without disregard.

- State's Medicaid income standard = **133%** FPL.
- Child's household MAGI income = **129%** FPL

Child is eligible for Medicaid. Child is eligible to be directly certified for free school meals since MAGI income, *before 5% disregard*, does not exceed 130% FPL.

MAGI

May include a disregard equivalent to 5% of FPL.

Application Example--

State's Medicaid income standard = **142%** FPL

Child's household MAGI income = **146%** FPL

State checks income against 142% FPL

Determines income exceeds 142% FPL

State applies disregard to the MAGI income = Medicaid standard effectively = **147% FPL** (142% + 5%).

Child is eligible to be directly certified for reduced price meals. MAGI income, before 5% disregard, (146%) exceeds 130% FPL. Child is eligible for reduced price meals since MAGI income does not exceed 185% FPL.

Definitions in Demonstrations

Non-MAGI Categories – Identifying children eligible for direct certification during demonstration projects

- For purposes of the direct certification demonstration projects, **“family income as measured by Medicaid, before the application of any expense, block, or other disregards”** means—
 - **Gross income**
 - **Before** application of State-specific disregard of expenses, blocks of income, or other disregards.

Definitions in Demonstrations

Non-MAGI Categories: Identifying children eligible for direct certification, Medicaid State agencies should—

- Determine family's gross income, **before** application of State-specific disregard of expenses, blocks of income, or other disregards.
- Compare gross income amount to NSLP income standard for household size used in Medicaid eligibility determination. Income must not exceed—
 - **130% FPL** for free meal eligibility, or
 - **185% FPL** for reduced price meal eligibility

Key Demonstration Policies

Children determined eligible to be directly certified for free meals based on Medicaid data are **not categorically eligible** for meal benefits since they must meet an income standard.

- State agencies/LEAs must use automated data matching with Medicaid eligibility records to directly certify students
- State agencies/LEAs must not certify eligibility based on family providing a Medicaid case number or letter from State Medicaid agency.

State Agency Agreements

Data-sharing agreements between NSLP State agency and State Medicaid agency must establish, at a minimum—

- Method and frequency for data-sharing.
- How students will be identified to be directly certified as eligible for free and reduced price school meals.
- How data will be protected to ensure compliance with Federal disclosure statutes and regulations.

Timing of Demonstration Projects Startups

- **SY 2022-2023:** States selected for SY 2022-2023 demonstrations will begin—
 - No earlier than July 1, 2022
 - May begin at any point in SY 2022-2023 once demonstrate readiness and FNS approves
- **SY 2023-2024:** States selected for SY 2023-2024 demonstration projects will begin—
 - No earlier than July 1, 2023
 - May begin at any point in SY 2023-2024 once demonstrate readiness and FNS approves
- **SY 2021-2022:** States selected and demonstrating readiness.

Requirements and Considerations for Selection

States participating in existing demonstration projects

- May continue current demonstration projects without change.
- **No new application is required to continue participation.**
- May expand direct certification with Medicaid *and/or add direct certification for reduced price meals.*
- **New application is required for the new, expanded participation.**

Requirements and Considerations for Selection

State Agencies must

- Submit a timely and complete application package.

Readiness

- Accurate data-sharing agreements in place
- Testing completed between the NSLP and Medicaid agencies to ensure accurate identification of eligible children (receiving Medicaid and meeting income standards for f/rp meals).
- Matching process and mechanism for providing match data to school districts is in place
- Training completed with school districts
- Able to report data for evaluation study

State and Federal Collaboration

Selected State Agencies must

- Be ready to accurately identify children eligible to be directly certified, based on MAGI and Non-MAGI income determinations and NSLP income standards.
- Be ready to have in place data-sharing agreements between NSLP State agency and State Medicaid agency.
- Agree to cooperate with approved data requests from FNS for the required evaluation study.

FNS and CMS will

- Provide coordinated technical assistance to State agencies selected for participation in the demonstration projects.
- Technical assistance will include guidance and communications including training webinars, calls and meetings, site visits consistent with guidance.

Current DC-M 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

*California, Florida and Massachusetts transitioned from previous DCM pilots for free meals only. 19 States participating effective with SY 2017-2018

Participating States' Insights and Best Practices

Pre-Application Considerations

- Internal and external partners communication to discuss project and identify any barriers, roadblocks, and solutions.
- Ensure State and local-level system functionality to assign proper direct certification hierarchy.
- Define an implementation timeline with project partners.
- Allow for time needed for LEA/SFA UAT and training before implementing statewide.

Participating States' Insights and Best Practices

Memorandum of Understanding Considerations

- Identify contacts from each agency which need to be involved in the MOU data sharing agreement – include contacts in technical, program, and leadership positions.
- Understand the data sharing policies within your agency and the partnering agency(ies).
- Define a timeline for the MOU data sharing agreement.
- Pursue an “Addendum” over a new MOU.

Participating States' Insights and Best Practices

General Considerations

- Elect Statewide project vs. select districts
- DC-M Household Notification Letters
- SOPs (e.g. communication of IEGs w/Medicaid agency)
- System reporting capabilities (*next slide is very important)

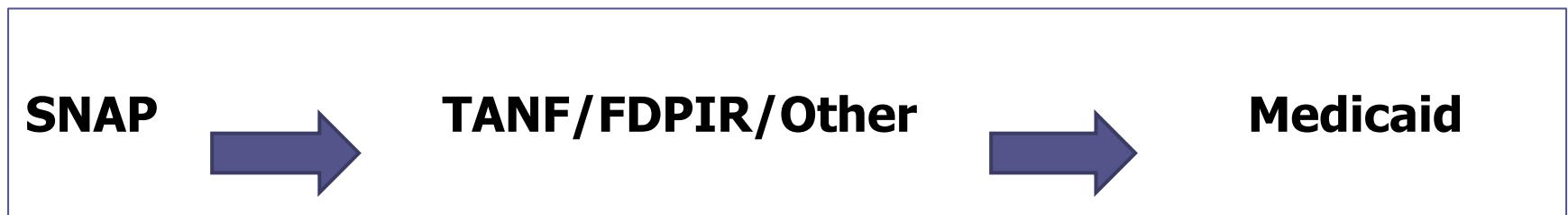
**FNS will also conduct a kick-off webinar with selected States to provide additional participating States' insights and best practices, and tips to assist in the timely implementation of DC-M protocols and activities.*

Participating States' Insights and Best Practices

Understand Direct Certification Hierarchy —

- SNAP, TANF, FDPIR & other direct certification matches *always* supersede Medicaid matches for reporting purposes.
- Identify as a Medicaid match *only* when child does not match with SNAP, TANF, FDPIR, or other programs.

Priority Order--



Contact Information

Rachel H. Bishop

Child Nutrition Programs

USDA Food and Nutrition Service

cnstatesystems@usda.gov

(Contact via CN State Systems mailbox for DC-M questions)

Rachel.Bishop@USDA.gov