

**U.S. DEPARTMENT OF AGRICULTURE
FOOD AND NUTRITION SERVICE**



**Food and Nutrition Service
National School Lunch Program and
School Breakfast Program**

**Demonstration Projects to Evaluate
Direct Certification with Medicaid**

SIGNIFICANT DATES	
November 2023	Webinar with interested State agencies
January 15, 2024	Applications due for participation in demonstration projects beginning SY 2024-2025, to the Food and Nutrition Service, <i>including</i> an option to apply <i>early</i> for demonstration projects beginning SY 2025-2026.
February 2024	Notifications to State agencies of selection/non-selection.
February 2024	Technical assistance webinar with selected National School Lunch Program (NSLP) State agencies and partnering State Medicaid agencies.

Table of Contents

A. INTRODUCTION AND AUTHORITY	3
B. BACKGROUND	4
C. DEFINITIONS	6
D. KEY DEMONSTRATION POLICIES	7
E. SCOPE of DEMONSTRATIONS.....	8
F. TECHNICAL ASSISTANCE AND TIMING FOR DEMONSTRATION PROJECTS	9
G. STUDY AND EVALUATION OF DEMONSTRATION PROJECTS.....	9
H. REQUIREMENTS AND CONSIDERATIONS FOR DEMONSTRATION PROJECT PARTICIPATION.....	10
1. Agreements with State Medicaid Agencies	10
2. Centers for Medicare & Medicaid Services Support	10
3. Considerations for State Agency and LEA Participation	10
4. Requirements for State Agency Participation.....	11
I. FUNDING	12
J. TIMELINE	12
K. WHO MAY APPLY	12
L. HOW TO APPLY	13
1. Letters of Commitment.....	13
2. Applications	13
M. APPLICATION REVIEW AND SELECTION PROCESS.....	14
1. Initial Screening.....	14
2. Review Panel	15
3. Application Review	15
4. Selection and Notification.....	16

Separate Documents

Appendix A - Application to Participate in Demonstration Projects to Evaluate Direct Certification with Medicaid

Appendix B - Letters of Commitment Templates

A. INTRODUCTION AND AUTHORITY

Under the pilot project authority in Section 18(c) of the Richard B. Russell National School Lunch Act (NSLA), 42 U.S.C. 1769(c), the USDA Food and Nutrition Service (FNS) will conduct additional demonstration projects to expand the evaluation of direct certification with Medicaid (DC-M) for both **free and reduced price** (f/rp) meal eligibility in the National School Lunch Program (NSLP) and School Breakfast Program (SBP). DC-M is the use of Medicaid data files to identify children eligible to receive meals through the NSLP and SBP for free or reduced price without need of application.

In addition, DC-M supports State and local agency implementation of the Community Eligibility Provision (CEP) in an efficient way by identifying additional free children to be included in the identified student percentage. Further, DC-M can facilitate implementation of the new Summer Electronic Benefit Transfer (Summer EBT), through identifying eligible children and streamlining their certification for Summer EBT benefits.

For these additional demonstration projects, FNS will expand its evaluation of—

- the effectiveness of DC-M to directly certify children who are eligible for both free and reduced price school meals but are not currently certified to receive meals;
- the effectiveness of DC-M to directly certify eligible children who are currently enrolled for free or reduced price school meals based on a household application; and
- the effect of DC-M on Federal costs and participation in the school lunch and breakfast programs.

State agencies that administer the NSLP and SBP are invited to apply to participate in these demonstration projects to evaluate DC-M. In 2021 and 2022, FNS offered State agencies the opportunity to apply to begin demonstration projects in School Year (SY) 2022-2023, as well as SY 2023-2024, in light of the challenges and time needed to establish data-sharing agreements and implement system changes to begin data matching.

This Request for Applications (RFA) offers State agencies the opportunity to begin submitting applications by January 15, 2024, for demonstration projects beginning in SY 2024-2025, and allows for applications to continue to be submitted after that date for demonstration projects beginning in SY 2025-2026 and SY 2026-2027. FNS is also inviting any State which has previously submitted an application for participation in a DC-M demonstration project RFA to update it and resubmit.

FNS will consider applications received during the period beginning from the date of publication through November 30, 2025, from State agencies proposing demonstration projects beginning no later than SY 2026-2027 which would meet the requirements set forth in **Section H.**

Requirements and Considerations for Demonstration Project Participation.

Decisions to offer additional application opportunities will depend on outcomes in the previous demonstration years, as well as the operational readiness of additional States/local education agencies (LEAs) to participate. The following information provides details about the demonstration projects and application process.

B. BACKGROUND

In 2012, using demonstration authority in Section 9(b)(15) of the Richard B. Russell National School Lunch Act, 42 U.S.C. 1758(b)(15) (NSLA), the FNS released an RFA inviting State agencies to establish new demonstration projects to evaluate the impact of using Medicaid data to directly certify students for free meal eligibility in the NSLP and SBP. The result of this RFA was the initiation of demonstration projects by seven State agencies.

In 2016, FNS released a second RFA using the pilot project authority in Section 18(c) of the NSLA, 42 U.S.C. 1769(c), to test the effectiveness of using Medicaid data to directly certify students for both free *and* reduced price meal eligibility in the NSLP and SBP. The result of this RFA added seven State agencies in SY 2016-2017, including three States which transitioned from the initial “free status” demonstration project, and eight State agencies in SY 2017-2018. This totaled 19 State agencies utilizing Medicaid data for NSLP and SBP direct certification purposes, covering an estimated 60 percent of eligible children nationwide.

In 2021, FNS released another RFA which added eight State agencies in SY 2022-2023, for a total of 26 States participating, covering an estimated 75 percent of eligible children nationwide. An additional 13 States are being added in SY 2023-2024 bringing the total number of participating States¹ to 38 (one State agency² is transitioning from the initial “free” status demonstration project) covering an estimated 91 percent of eligible children nationwide.

The States participating in the DC-M demonstration projects are:

¹ States approved and currently participating in DC-M demonstration projects include:

- Kentucky, New York and (free only); and
- Alabama, Arizona, California, Colorado, Connecticut, Delaware, Florida, Georgia, Illinois, Indiana, Iowa, Kansas, Louisiana, Maryland, Massachusetts, Michigan, Minnesota, Montana, Nebraska, New Mexico, Nevada, North Carolina, Ohio, Oklahoma, Oregon, Pennsylvania, South Carolina, Tennessee, Texas, Utah, Vermont, Virginia, Washington, West Virginia, Wisconsin, and Wyoming (free and reduced price).

² Pennsylvania was participating in the DC-M demonstration project authorized in Section 9(b)(15) of the NSLA (free only) and will be participating in the DC-M demonstration project authorized in Section 18(c) of the NSLA to add reduced price meals.

DC-M Pilot States since SY 2012-13 (free meals only)	DC-M Pilot States since SY 2016-17 (free and reduced price meals)	DC-M Pilot States since SY 2017-18 (free and reduced price meals)	DC-M Pilot States since SY 2022-23 (free and reduced price meals)	DC-M Pilot States selected for SY 2023-24 (free and reduced price meals)
California* Florida* Illinois* Kentucky Massachusetts* New York Pennsylvania*	California* (14 districts) Florida* Massachusetts* Nebraska Utah Virginia West Virginia	California* (statewide) Connecticut Indiana Iowa Michigan Nevada Texas Washington Wisconsin	Alabama Illinois* Kansas Louisiana Maryland Minnesota North Carolina South Carolina	Arizona Colorado Delaware Georgia Montana New Mexico Ohio Oklahoma Oregon Pennsylvania* Tennessee Vermont Wyoming

*California, Florida, Illinois, Massachusetts, and Pennsylvania transitioned from their original DC-M pilot for free meals only to include reduced price meals. There are 38 States participating effective SY 2023-2024.

Medicaid Income Eligibility

USDA has published reports to detail evaluation findings³ for the existing Direct Certification with Medicaid demonstrations projects. The most recent report indicated that:

1. In SY 2019-2020, more than 1.2 million students were directly certified for free meals based on Medicaid data in the 13 States studied.
2. In SY 2019-2020, 240,000 students were directly certified for reduced price meals based on Medicaid data in the 13 demonstration States.
3. State administrative costs decreased over the course of the demonstration, and only three States reported administrative costs for the D-CM demonstration projects above \$5,000 in SY 2019–2020.

³ USDA Study, “[Evaluation of Demonstrations of National School Lunch Program and School Breakfast Program Direct Certification of Children Receiving Medicaid Benefits for Free School Meals: SY2012-2013 Year 1 Report](https://www.fns.usda.gov/evaluation-demonstrations-national-school-lunch-program-and-school-breakfast-program-direct),” January 2015 at <https://www.fns.usda.gov/evaluation-demonstrations-national-school-lunch-program-and-school-breakfast-program-direct>. Additional evaluations of the current DCM-F/RP demonstrations are available at:

- [Evaluation of USDA Direct Certification with Medicaid for Free and Reduced-Price Meals \(DCM-F/RP\) Demonstration, Year 1 SY 2016-17](https://www.fns.usda.gov/cn/evaluation-direct-certification-medicaid-free-and-reduced-price-meals) at <https://www.fns.usda.gov/cn/evaluation-direct-certification-medicaid-free-and-reduced-price-meals>
- [Evaluation of USDA Direct Certification with Medicaid for Free and Reduced-Price Meals \(DCM-F/RP\) Demonstrations, Year 2 SY 2017-18](https://www.fns.usda.gov/nslp/evaluation-direct-certification-medicaid-free-and-reduced-price-meals-dcm-frp) at <https://www.fns.usda.gov/nslp/evaluation-direct-certification-medicaid-free-and-reduced-price-meals-dcm-frp>
- [Evaluation of USDA Direct Certification With Medicaid for Free and Reduced-Price Meals \(DCM-F/RP\) Demonstration, SY 2019-20](https://www.fns.usda.gov/cn/usda-dcm-frp-demonstration) at <https://www.fns.usda.gov/cn/usda-dcm-frp-demonstration>

C. DEFINITIONS

1. **Medicaid Program**

For the purposes of these demonstration projects, “Medicaid” is the program of medical assistance under Titles XIX of the Social Security Act (42 U.S.C 1396 et seq.). This definition encompasses both regular Medicaid programs and Medicaid expansion programs where States use funding from Title XXI of the Social Security Act, 42 U.S.C. 1397aa, et seq. (the Children’s Health Insurance Program, or “CHIP”), which can be used to expand Medicaid to reach children in households with higher incomes.

2. **Eligible Child**

For the purpose of these demonstration projects, an eligible child is one who—

- receives, or lives in a household (as defined in 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-related, block, or other disregard* (as defined in paragraph 3 below) that does not exceed the NSLP’s family income eligibility standards—
 - ***Free school meal eligibility***, 130 percent of the FPL for the family size used by Medicaid;
 - ***Reduced price school meal eligibility***, 185 percent of the FPL for the family size used by Medicaid.

3. **Family income as measured by Medicaid, before the application of any expense-related, block, or other disregard**

Under the ACA’s 2014 changes to Medicaid eligibility requirements, household policies and the methodology for measuring household income became consistent nationwide for most Medicaid applicants and beneficiaries. Household income for most categories covering children is defined as the sum of the Modified Adjusted Gross Income (MAGI)—basically following the Internal Revenue Code—for every applicant included in the child’s household, as determined for Medicaid eligibility purposes. However, a few Medicaid categories serving school age children do not use MAGI methodologies—e.g., for children who have disabilities. For such individuals, the financial methodologies applied by the federal supplemental security income (SSI) program are generally used to determine Medicaid eligibility. For the purpose of these demonstration projects, we will refer to Medicaid categories as “MAGI” or “non-MAGI”. State agencies should consult their State Medicaid agencies for further information about these categories in their individual States, as the non-MAGI groups may vary by State.

- **MAGI categories**: For the Medicaid categories where the MAGI calculations for household income apply, all States follow the same disregard policy—a disregard equivalent to five percentage points of the FPL for the applicable family size is applied **only if** household income before the disregard is greater than the highest applicable income standard. States are not allowed to apply any additional expense-related, block, or other disregards to the final calculated MAGI income amount. For

the purpose of the direct certification demonstration projects, “family income as measured by Medicaid, before the application of any expense-related, block, or other disregard” is defined as the MAGI calculated for the family **before** application of the five percentage points of the FPL disregard.

- **Non-MAGI categories:** For the non-MAGI categories, States typically use, as mentioned above, the SSI rules to determine income eligibility. Where SSI methodologies apply, States are permitted to apply various income disregards, which vary by State. For these categories that involve very few children, “family income as measured by Medicaid, before the application of any expense-related, block, or other disregards” is defined basically as the family’s gross income before the State applies any expense-related, block, or other disregard to reduce the family income.

D. KEY DEMONSTRATION POLICIES

Local Educational Agencies (LEAs) participating in the demonstration projects will directly certify eligible children, as defined in ***Section C. Definitions***, for free and reduced price lunches and breakfasts under section 9 of the NSLA, 42 U.S.C. 1758, and section 4 of the Child Nutrition Act of 1966, 42 U.S.C. 1773. It is important for State agencies and LEAs to understand the following key policies and procedural requirements during the demonstrations.

1. States participating in demonstration projects awarded under this RFA must conduct direct certification for both free and reduced price meals in every participating LEA.
2. Households with eligible children directly certified for free or reduced price meals based on Medicaid data will not be required to submit applications for school meal benefits and will not be subject to the verification requirements at 7 CFR 245.6a.
3. Due to differences in household definition and income assessments between programs, some children directly certified for reduced price meals through Medicaid matches may have been eligible for free meals if the household had applied. States participating in the demonstration projects must ensure that households with children directly certified for reduced price meals receive notice of the income level used and are offered the opportunity to apply if their income, based on NSLP eligibility policies, is within the limit for free meals (using the NSLP’s current income eligibility guidelines).
4. Children meeting the “eligible child” definition for free school meal eligibility under the demonstration projects with Medicaid are not considered categorically eligible for free school meals, since those children must meet an income standard as a factor of eligibility. Under the demonstration projects, children may be directly certified only via an automated data matching process with Medicaid eligibility records. Children must not be certified based on the family providing a Medicaid case number or a letter from the State Medicaid agency. Also, remember that categorical eligibility policies do not apply to certification for reduced priced meals under any circumstances.
5. Students already certified for free or reduced price meals based on an application or direct certification with another program must not be negatively impacted by the match with Medicaid data. States that choose to apply for demonstration projects to directly

certify children for free and reduced price meals must build in safeguards at both the State and LEA/local levels to ensure that—

- children already certified for free meals through the application process or directly certified for free meals through other means-tested programs or other conditions (foster care, migrants, runaways, homeless, etc.) are not changed from free to reduced price or full price meals based on the Medicaid match; and
 - children already certified for reduced price meals through the application process are not changed to full price meals based on the Medicaid match.
6. Increasing the number of direct certifications for free school meals via matching with Medicaid has a direct impact on a school's/district's identified student percentage (ISP) under the Community Eligibility Provision (CEP). However, direct certifications for reduced price meals will not impact the ISP, since the ISP is the percentage of students certified for free meals without an application.
 7. Most children receiving Medicaid and having household income at or below 130 percent of the FPL standard 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 and the child should not be re-categorized as a Medicaid match.

E. SCOPE OF DEMONSTRATIONS

Scope

In these demonstration projects, direct certification using Medicaid data is limited to children who are members of households with income that does not exceed the following NSLP income standards—

- **Free** school meal eligibility, 130 percent of the FPL for the family size used by Medicaid; and
- **Reduced price** school meal eligibility, 185 percent of the FPL for the family size used by Medicaid.

Refer to *Section C. Definitions* for additional eligibility and family income information.

Subsequent Years

FNS anticipates receiving applications for each school year from fewer than nine new States (i.e. those not participating in existing demonstration projects) to begin demonstration projects in SY 2024-2025 through SY 2026-2027.

States and LEAs selected to participate in the demonstration projects and continuing to meet all requirements for participation in subsequent years, are expected to continue their participation each year without further application. However, each year FNS reserves the right to adjust

application procedures and project scope (including increases or reductions in participation) to incorporate changes resulting from impact and lessons learned in the previous years' demonstration projects.

IMPORTANT: State Medicaid agencies continually engage in making modifications and enhancements to their information systems. The level and granularity of the income data captured, as well as the reporting capability of individual State Medicaid systems varies. This variability may significantly impact the State agency's ability to readily conduct accurate data matching to identify children eligible for direct certification under the demonstration projects. Before applying to participate in a demonstration project category, interested State agencies should work closely with their State Medicaid partner agency to determine their combined capacity for conducting successful direct certification demonstration projects.

F. TECHNICAL ASSISTANCE AND TIMING FOR DEMONSTRATION PROJECTS

Technical Assistance

FNS, in consultation with the Centers for Medicare & Medicaid Services (CMS) within the Department of Health and Human Services, will provide technical assistance via webinars and meetings with State agencies interested in applying to participate in the demonstration projects. FNS and CMS also will work together to provide focused technical assistance to each selected State agency (including NSLP and its partnering Medicaid agency) to help ensure its readiness to begin and maintain the demonstration project. Technical assistance will be in the form of webinars, meetings, and site visits, as appropriate, to ensure quality and accuracy in preparing for and carrying out the demonstration projects.

Timing

State agencies selected for these demonstration projects will be expected to demonstrate readiness (i.e., data sharing agreements in place, software/system changes completed, etc.) and receive FNS approval to begin directly certifying students in the school year identified by the State agency in the application. FNS strongly encourages States to target direct certification matching activities on or around July 1st to take advantage of determining eligibility prior to the start of school year meal service.

G. STUDY AND EVALUATION OF DEMONSTRATION PROJECTS

Participating State agencies must cooperate in reporting data concerning the impact of the demonstration projects on application, certification, and participation in the school meals programs. Data already collected for other program purposes will be used to the extent possible to evaluate project impact. However, additional reporting may be required in order to evaluate project outcomes and estimate the impact of the Medicaid eligibility changes on—

- the effectiveness of direct certification with Medicaid to reach children who are eligible for free and reduced price school meals but are not certified to receive the meals;
- the effectiveness of direct certification with Medicaid to directly certify eligible children who are enrolled for free and reduced price school meals based on a household application; and
- the effect on Federal costs and participation in the school lunch and breakfast programs.

Participating State agencies will be expected to provide FNS (or designated contractor(s)) access to NSLP and Medicaid data that is necessary for completion of an evaluation study, such as certification and participation data. To the extent possible, FNS will conduct analysis and evaluation using data already collected and maintained at the LEA and State levels for other administrative purposes. Data may be requested prior to the start of the demonstration project to determine a baseline. The information collected will be used for creating summary reports that do not disclose the identity of students and households participating in the evaluation study.

H. REQUIREMENTS AND CONSIDERATIONS FOR DEMONSTRATION PROJECT PARTICIPATION

1. Agreements with State Medicaid Agencies

Prior to beginning the matching process with Medicaid eligibility records and student enrollment data, State agencies selected to participate in demonstration projects must have an agreement in place with the State agency that conducts eligibility determinations for Medicaid. The agreement must establish the procedures under which all children enrolled in NSLP schools will be matched to Medicaid eligibility data and the procedures under which an eligible child will be certified for free or reduced price lunches and breakfasts without further application. All such agreements must be in compliance with Federal disclosure statutes and regulations for the NSLP, SBP, and the Title XIX Medicaid programs.

2. Centers for Medicare & Medicaid Services Support

FNS has worked with CMS to ensure that State Medicaid agencies are aware of the direct certification demonstration project opportunities. CMS has advised that State Medicaid agencies are permitted to exchange the information necessary to certify or verify children's eligibility for free or reduced price school meals. The State Medicaid agency may share individually identifiable health information relating to Medicaid eligibility and enrollment with the agency administering the school meals programs, since such disclosure is permitted under the Health Insurance Portability and Accountability Act (HIPAA) Privacy Rule [45 CFR 164.512(k)(6)(i)] and section 1902(a)(7)(B) of the Social Security Act, 42 USC 1396a(a)(7)(B). A State Medicaid agency may only disclose the minimum amount of information needed to certify or verify a child's eligibility for free or reduced price school meals.

A State Medicaid agency may enter into an agreement with the State agency administering the school meals programs for the purpose of establishing procedures for information sharing and cooperation. CMS and FNS will provide coordinated technical assistance to both the NSLP and Medicaid agencies to help ensure that States selected to conduct the demonstration projects are prepared to carry out successful projects.

3. Considerations for State Agency and LEA Participation

In selecting State agencies and LEAs to participate in the demonstration projects, FNS will consider various factors, including, but not limited to the following:

- The demonstrated understanding and willingness of the NSLP State agency (including LEAs) and its partnering State Medicaid agency to comply with

requirements of the demonstration project, as described in this RFA and committed to in the demonstration project application.

- The applicant State agency's current direct certification rate with SNAP, as published in the latest Direct Certification Report to Congress. *Refer to the [Direct Certification in the National School Lunch Program Report to Congress: State Implementation Progress, School Year 2017-2018 and 2018-2019 | USDA-FNS](#).*
- The feasibility of matching data between NSLP State agencies/LEAs and the State Medicaid agency (e.g., is the State currently conducting direct verification with Medicaid? Are data sharing agreements already in place and easily amendable, as needed, for the State agencies involved? Will system changes be ready in time for the targeted SY start date?).
- The potential for the State agency and LEAs to carry out the demonstration project successfully and provide the data and information necessary for the project evaluation (as demonstrated in the application).
- The socioeconomic profile of the State or LEAs (i.e., percentage of students receiving free and reduced price meals, estimate of number of students with household incomes below the 130 or 185 percent FPL standards, estimate of number of eligible students that would be reached by the demonstration project).

4. Requirements for State Agency Participation

To be selected for the demonstration projects, applicants must thoroughly demonstrate their ability and willingness to comply with the following requirements.

- Submit a timely and complete application to participate in the demonstration projects and provide appropriate responses for all questions on the application template in *Appendix A. Application to Participate in Demonstration Projects to Evaluate Direct Certification with Medicaid*.
- Have the ability through an automated information system to assess MAGI (before application of the five percentage points of FPL disregard) and non-MAGI family income (before the application of any expense-related, 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.
- Establish appropriate data-sharing agreements with their partner State Medicaid agencies that will enable accurate identification of children eligible to be directly certified for free and reduced price school meals and maintain all federally mandated confidentiality and data security requirements. (See paragraphs 1 and 2 in this section.)
- Agree to provide FNS with access to all needed historical (archived) data and data collected and obtained throughout the demonstration, as needed. FNS will collect data from participating State agencies and LEAs to analyze and evaluate the effectiveness of direct certification with the Medicaid program. The State agency will be responsible for collaborating with FNS in collecting the data necessary for the demonstration and providing it to FNS. The methodology and details for data collection will be provided to State agencies after selection for the demonstrations.

Although not required, in selecting States and LEAs for the demonstration projects, FNS may give preference to—

- States that have operational automated direct verification processes in place with the applicable State Medicaid agency.
- States (and their proposed LEAs) that can provide FNS with electronic data that identifies the basis for certification (e.g., NSLP application, direct certification with SNAP or TANF, or other determinations such as homeless, migrant, runaway, foster child, etc.).
- States that currently have data-sharing agreements in place with their State Medicaid agencies for matching student enrollment data with Medicaid eligibility data.

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.

J. TIMELINE

This table shows the significant dates for the demonstration project implementation timeline.

SIGNIFICANT DATES	
November 2023	Webinar with interested State agencies
January 15, 2024	Applications due for participation in demonstration projects beginning SY 2024-2025, to the Food and Nutrition Service, <i>including</i> an option to apply <i>early</i> for demonstration projects beginning SY 2025-2026.
February 2024	Notifications to State agencies of selection/non-selection
February 2024	Technical assistance webinar with selected NSLP State agencies and partnering State Medicaid agencies

K. WHO MAY APPLY

Eligible applicants include all State agencies that administer the NSLP and SBP school meals programs. In this instance, the term State agency means (a) the State educational agency; and (b) any other agency of the State which has been designated by the Governor or other appropriate executive or legislative authority of the State and approved by the U.S. Department of Agriculture to administer the child nutrition programs in schools. In instances where there are two agencies within a State, such as in the case where different State agencies administer the programs in public and private schools, separate applications are acceptable. FNS will accept applications that are submitted timely (see Table 1), contain all required information, and demonstrate the State agencies and LEAs' ability to meet the requirements of participation.

L. HOW TO APPLY

1. Letters of Commitment

- NSLP State Agency Letter of Commitment

As part of the application process, the NSLP State agency must submit, with its application, a “letter of commitment” signed by the appropriate authorizing State personnel that includes the following affirmations. (Letter of Commitment templates for both the NSLP State agency and partnering State Medicaid agency are provided in ***Appendix B - Letters of Commitment Templates***).

- Affirms the State agency’s commitment to the project; describes its role and responsibility in the project; identifies the State Medicaid agency and any other public agency partners for the project; and
- Affirms that the State agency and LEAs (if applying for specific LEAs) are willing to devote the necessary time and effort to meet the requirements of the demonstration project at the State and LEA levels.

- State Medicaid Agency’s Letter of Commitment

The applicant State agency must also submit, with its application, a letter of commitment from its partnering State Medicaid agency, signed by appropriate authorizing State personnel, that includes the following affirmations.

- Affirms the State Medicaid agency’s understanding and commitment to the demonstration project; describes the agency’s role and affirms that it will cooperate with the NSLP State agency in implementing the project, including cooperation with the evaluation component of the demonstration project, as necessary; and
- Affirms that the agency has the capacity to identify income (MAGI or non-MAGI as appropriate) used in the child’s Medicaid eligibility determination, before the application of expense-related, blocks, or other disregards, as described in ***Section C–Definitions***.

Templates for Letters of Commitment for both the NSLP State agency and partnering State Medicaid agency are provided in ***Appendix B - Letters of Commitment Templates***. Applicants are not required to use a template to develop their Letters of Commitment. However, the format chosen by the applicant must include the required affirmations and must include all identifying information requested on the templates.

2. Applications

Applications must include all information listed in Table 2. Failure to provide any item on the list could result in a State agency’s application being removed from consideration.

Table 2. Check list for “Application to Participate in Demonstration Projects to Evaluate Direct Certification with Medicaid (DC-M)” Application Packet	
Required Documents and Information	Explanation
a) Application – Appendix A	Applicants must structure and develop their project proposal by responding to all questions (1-15) in the application template in <i>Appendix A - Application to Participate in Demonstration Projects to Evaluate Direct Certification with Medicaid (DC-M)</i> . Be sure that the responses to all questions provide sufficient information to fully describe the agency’s ability to perform the tasks required for the demonstration project. Additional information or clarification may be requested from FNS when reviewing the application.
b) Letters of Commitment (and Other Documents) – Appendix B	<ul style="list-style-type: none"> • Letters of Commitment from the applicant State agency and the State Medicaid agency partner in the direct certification demonstration project. See <i>Appendix B - Letters of Commitment Templates</i>. • Copies of pertinent current data sharing agreement(s) between the State agency/agencies and the State Medicaid agency.
c) Submission	<p>Submit all required application documents according to the timeframes identified in this RFA—the deadline is by January 15, 2024, to apply for demonstration projects beginning in SY 2024-2025 to allow sufficient time for preparation —submit to:</p> <p>Email: ATTN: Rachel Bishop cnstatesystems@fns.usda.gov</p> <p>Subject Line: Direct Certification Demonstration Projects with Medicaid – Application to Participate - [State Name]</p>

M. APPLICATION REVIEW AND SELECTION PROCESS

1. Initial Screening

FNS will screen all applications submitted by eligible State agencies, with the accompanying documents, to ensure they are timely, complete, and fully responsive to all questions in the application template (Appendix A). Unless otherwise noted, all requirements listed in *Section H.4, Requirements for State Agency Participation*, must be met for an application to pass the initial screening. FNS reserves the right to contact the applicant for clarification if the application appears complete, but the screener does not understand the application information sufficiently to confirm that a specific requirement is met.

Applications that are not submitted timely, or are not complete, or that show clearly that all requirements in Section H.4 will not be met, may be removed from further consideration. Applications that pass the initial screening step will be reviewed by a panel of program representatives to assess the potential for each applicant to conduct the

demonstration projects successfully. FNS will review and consider eligible applications in accordance with the evaluation process described in the following paragraphs.

2. Review Panel

A Federal review panel, including program representatives, will evaluate the viability and merits of the applications for participation in the demonstration projects.

3. Application Review

The FNS review panel will evaluate applications on:

- **Demonstration Project Design and Management:** The demonstration project organization, management approach, and staffing plan indicate that the State agency has the capacity to manage and execute the demonstration project successfully. The application should show that the State agency and LEAs have the capacity for adding the demonstration project activities to current responsibilities at the State agency and LEA levels.
- **Readiness for Demonstration Project Start-Up:** The State agency documents strong preliminary steps to establish a partnership with its State Medicaid agency and enter into viable interagency agreements for data sharing. The State agency demonstrates a clear understanding of potential challenges and risks and demonstrates approaches that indicate strong potential for success. Current direct certification and direct verification processes enhance readiness. FNS will consider the State agency and LEA capacity to facilitate collaboration and cooperation between the NSLP agency and the State Medicaid agency to accomplish a viable agreement prior to project startup for matching activities with school enrollment data and Medicaid participation and income data. Automated systems that are already in place and require only minor adjustments to be ready for start-up prior to beginning data matching. A State agency that has accomplished successful direct certification or direct verification data processes in the past with the same agency that will provide the Medicaid data for matching enhances readiness.
- **Capacity to Conduct Direct Certification with Medicaid for Free and Reduced Price Meals:** The State agency fully describes and documents its potential capacity to conduct direct certification activities with the State Medicaid agency successfully among the State agency, LEAs, and State Medicaid agency. The applicant's description of their State agency's planned process for conducting matches between student enrollment data and Medicaid program participation and income data appears viable and reasonable for accomplishing direct certification with Medicaid. The State agency's documented methods for ensuring data security and confidentiality are appropriate to meet Federal requirements. The applicant demonstrates understanding and capacity for readily identifying children eligible for direct certification with Medicaid via automated processes. This includes how Medicaid eligibility information can be accessed with accuracy and ease to identify children that meet the income requirements to be eligible for direct certification.
- **Capacity and Commitment to Compiling and Reporting Evaluation Data:** The State agency (and LEAs, as appropriate) have fully described and documented their capacity and willingness to compile and report the necessary data for evaluation.

4. Selection and Notification

Approximately four weeks following FNS receipt of each application, FNS will finalize the selection of a State agency to participate in the demonstration projects for the appropriate school year and notify the applicant. Following notification, FNS will provide technical assistance and further guidance to selected State agencies to support them in their preparations to participate in the demonstration projects and evaluation activities.