

Direct Certification Using Medicaid Data to Connect Students to Free and Reduced Price School Meals

**Demonstration Projects
School Year 2023-2024**



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Welcome and Overview

- Partnering Federal and State agencies
- Demonstration project overview
- State Agency readiness
 - State Agencies collaborating
 - Project next steps
 - Outstanding questions
- State technical assistance opportunities
- Overview of data collection for evaluation study
- Questions and Wrap-up

Partnering Agencies

- USDA Food and Nutrition Service (FNS) is the lead **Federal agency** and is partnering with the US Department of Health and Human Services, Centers for Medicare & Medicaid Services (CMS) to provide technical assistance to State agencies.
- National School Lunch Program (NSLP) agencies are the lead **State agencies** and are partnering with their State Medicaid agencies to develop data-sharing agreements and processes.

Purpose of DC-M Demonstration Projects

To evaluate potential of direct certification with Medicaid data to—

- Identify students who are eligible for **free and reduced price** school meals but are not certified for them
- Directly certify students who are currently enrolled in school meals programs based on a household application
- Assess effect on Federal costs and participation

Expanded Demonstration Projects

- Demonstration projects designed to evaluate direct certification for *free and reduced price school meals* using Medicaid data begin in school years (SY) 2022-2023 and 2023-2024
- **8** States were selected for participation beginning in SY 2022-2023.
- **14** States were selected for participation beginning in SY 2023-2024.

SY 2023-2024 Demonstration Projects States

Arizona

Oklahoma

Colorado

Oregon

Delaware

Pennsylvania

Georgia

South Dakota

Montana

Tennessee

New Mexico

Vermont

Ohio

Wyoming

Definitions in Demonstrations

Medicaid is—

- The medical assistance program established under **Title XIX** of the Social Security Act
 - **Includes** -- Regular Medicaid and Expanded Medicaid (e.g., expansions of children's Medicaid eligibility using Children's Health Insurance (CHIP) funds authorized under Title XXI).
 - **May include** -- Children enrolled in Federally-funded 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** – CHIP programs separate from the state's Medicaid program.

Definitions in Demonstration Projects

Eligible child must meet both criteria—

1. Receives Medicaid *or* lives in household with another child who receives Medicaid, *and*
2. Has family income **as measured by the Medicaid Program, before application of any disregard, including an expense-related, block, or other disregard**, that does not exceed National School Lunch Program (NSLP) demonstration income standards applicable to family size.

Definitions in Demonstration Projects

NSLP income eligibility standards will be used in the demonstration projects—

- **130%** of the Federal Poverty Level (FPL) for **free** meal eligibility
- **185%** of the FPL for **reduced price** meal eligibility

Definitions in Demonstration Projects

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

- For nearly all Medicaid beneficiaries, a portion of their otherwise-countable income is excluded, or “disregarded,” in determining income eligibility.
- Income that is disregarded for purposes of Medicaid eligibility will not be excluded for purposes of this demonstration.

Definitions in Demonstration Projects

“Modified Adjusted Gross Income” (MAGI)

- For most Medicaid populations, countable income is based on the income rules of the Internal Revenue Code (IRC). “MAGI” refers to the IRC rules, with further changes under the Medicaid program.
- In determining MAGI income eligibility, all state Medicaid programs apply a disregard to otherwise-countable income equivalent to five percentage points of the FPL, for those individuals whose family income is above the highest relevant eligibility standard. We refer to this as the “5 percentage point” disregard in this presentation.

Definitions in Demonstration Projects

MAGI Categories: Income Definition for Direct Certification Demonstration Projects

- For purposes of the direct certification demonstration projects, **“family income as measured by Medicaid, before the application of any disregard, including an expense-related, block, or other disregard”** means—
 - **MAGI income amount** as calculated/measured by Medicaid, before application of the five percentage point income disregard.

Definitions in Demonstration Projects

MAGI Categories: To identify children eligible for direct certification, State Medicaid agencies should—

- Determine family's MAGI income amount, **before** application of the 5 percentage point disregard.
- Compare MAGI income amount to NSLP income standard for household size used in Medicaid eligibility determination. Income must not exceed—
 - **130%** of the **FPL** for free meal eligibility.
 - **185%** of the **FPL** for reduced price meal eligibility.

Definitions in Demonstration Projects

Application of 5 percentage point disregard --

- Through the DC-M demonstration projects, we've learned that States use different methods for application of the 5 percentage point disregard.
- Regardless of the application method used, the results are the same.

MAGI Examples

Example 1:

State's Medicaid income standard = **133%** FPL.

Child's household MAGI income = **129%** FPL

State Medicaid agency does *not* apply 5 percentage point disregard since child's household meets 133% FPL standard without disregard. Child is eligible for Medicaid.

Child is eligible to be directly certified for free school meals since MAGI income, before 5 percentage point disregard, does not exceed 130%

MAGI Examples

Example 2:

State's Medicaid income standard = **133%** FPL

Child's household MAGI income = **134%** FPL.

State Medicaid agency applies 5 percentage point disregard which reduces household income to an effective **129** percent FPL, so child is eligible for Medicaid.

Child is not eligible to be directly certified for free school meals since MAGI income, before 5 percentage point disregard, is over 130% FPL. Child is eligible for reduced price meals, since MAGI income does not exceed 185% FPL

Definitions in Demonstration Projects

Non-MAGI Categories – Some Medicaid applicants and beneficiaries have their income eligibility determined by use of the rules of federal cash assistance programs, such as the supplemental security income (SSI) program. **Cash assistance-related income eligibility determinations are “non-MAGI” determinations.** Some children have their Medicaid eligibility determined using non-MAGI rules.

Non-MAGI income eligibility determinations typically include application of a host of disregards of otherwise countable income; e.g., a flat amount of monthly income (\$20, or greater), a type of income (interest from a bank account), or an expense-related one (for certain medical expenses)

Definitions in Demonstration Projects

Non-MAGI Categories: To identify children eligible for direct certification, Medicaid agencies should—

- Determine family's gross income, **before** application of State-specific expense-related, block, or other disregards.
- Compare family's 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 Projects Policies

- Participating States must conduct direct certification for both **free and reduced price** school meals in all local educational agencies (LEAs) participating.
- Children directly certified are not required to submit applications for free and reduced price meals and are not subject to verification procedures.
- Households directly certified for reduced price meals must be notified of the income level used and offered the opportunity to apply if they think their income is within the standard for free meals.

Key Demonstration Projects Policies

- Since they must meet an income standard, children determined eligible to be directly certified for free meals based on Medicaid data are **not categorically eligible** for meal benefits.
 - State agencies/LEAs must use automated data matching with Medicaid eligibility records to directly certify students.
 - LEAs must not certify based on family providing a Medicaid case number or letter from Medicaid agency.

Key Demonstration Projects Policies

- 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 match with Medicaid
- Direct certification for **reduced price** meals does not impact the identified student percentage for the Community Eligibility Provision

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; and,
- How data will be protected to ensure compliance with Federal disclosure statutes and regulations.

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

Implementation

- Internal and external partners communication to discuss project and identify any barriers, roadblocks, and solutions.
- Understand Medicaid Programs categories and the eligibility process/standards for each population.
- Ensure State and local-level system functionality to assign proper direct certification hierarchy.
- Allow for time needed for LEA/SFA User Acceptability Testing (UAT) and training before implementing statewide.
- DC-M Household Notification Letters.
- Standard Operating Procedures (SOPs); e.g. communication of Income Eligibility Guidelines w/Medicaid agency.

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--

SNAP



TANF/FDPIR/Other



Medicaid

Timing of Demonstration Projects Startup

- **SY 2023-2024:** Selected States will start demonstration projects—
 - No earlier than July 1, 2023.
 - May start at any point in SY 2023-2024 when **readiness** is demonstrated and FNS approves.

What is Readiness?

- Accurate data-sharing agreements in place.
- Testing completed between the NSLP and Medicaid State agencies to ensure accurate identification of eligible children (receiving Medicaid and meeting right income standards).
- Matching process and mechanism for providing match data to LEAs is in place (e.g. a change in algorithm(s)?).
- State agency training completed with LEAs.
- Able to report data for evaluation study.

DC-M State Agency One-on-One Calls

- FNS will schedule initial one-on-one calls with State Agencies to discuss their demonstration projects.
- FNS expects to begin these calls starting the week of January 16, 2023.
- Topics for discussion
 - State agencies involved
 - Preparation process status
 - Outstanding questions

Technical Assistance

- FNS and CMS will provide coordinated technical assistance to State agencies to help ensure their readiness to conduct successful, accurate projects.
- Monthly status calls with State agencies will continue through implementation and early period of matching activities.
- FNS will be available for more frequent communication and consultation as needed or requested.
- **FNS DC-M Website: [Click Here](#)** [National School Lunch Program and School Breakfast Program Demonstration Projects to Evaluate Direct Certification with Medicaid | Food and Nutrition Service \(usda.gov\)](#)

Evaluation Study

- FNS will conduct an evaluation study to assess impact on Federal costs and participation and the effectiveness of the demonstration project in—
 - Directly certifying students who are eligible for free and reduced price school meals but were not certified to get them.
 - Directly certifying students who are currently approved based on a household application.

Evaluation Study

- Overview of Data Collection—
 - State Agencies will sign data use MOUs with the contractor doing the evaluation.
 - Each State will have a liaison with the contractor.
 - Data collection will include
 - One day on-site observations
 - Follow-up interviews
 - Cost logs
 - Administrative data
 - Will use data already being reported for other purposes, to extent possible.
 - FNS will provide instructions for reporting for DCM-F/RP on FNS-742.

Questions?

Wrap-Up

Contact Information

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