

USDA Direct Certification With Medicaid for Free and Reduced-Price Meals (DCM-F/RP) Demonstration, School Year 2019-2020 (Summary)

Background

The U.S. Department of Agriculture's Food and Nutrition Service (FNS) administers the National School Lunch Program (NSLP) and School Breakfast Program (SBP), which provide cash reimbursements to school food authorities (SFAs) to provide meals to children in school. The demonstration of Direct Certification With Medicaid for Free and Reduced-Price Meals (DCM-F/RP) enhances benefit coordination by allowing authorized States and school districts to use information from Medicaid data files to identify students eligible to receive meals for free or at a reduced price, so that eligible students can be certified for meals without the need for household applications.

Fifteen States participated in the DCM-F/RP demonstration. Six began conducting DCM-F/RP statewide in school year (SY) 2016–2017 (Florida, Massachusetts, Nebraska, Utah, Virginia, and West Virginia), and 1 implemented DCM-F/RP in 14 districts that year and expanded to statewide implementation in SY 2017–2018 (California). Eight States began implementing DCM-F/RP in SY 2017–2018 (Connecticut, Indiana, Iowa, Michigan, Nevada, Texas, Washington, and Wisconsin), although one State did not certify students through DCM-F/RP until SY 2018–2019 (Nevada).

Evaluations of the first and second years of the DCM-F/RP demonstration found that it resulted in a small increase in the number and percentage of students certified for free and reduced-price meals but found limited effects on participation and Federal reimbursements. The current report examines outcomes related to certification, participation, Federal reimbursement, and State administrative costs in SY 2019-2020 and over the course of the demonstration.

Key Findings

- In SY 2019-2020, more than 1.2 million students were directly certified for free meals based on Medicaid data in the 13 States for which this outcome was measured.
- In SY 2019-2020, 240,000 students were directly certified for reduced-price meals based on Medicaid data in the 13 demonstration States for which this outcome was measured.
- State administrative costs decreased over the course of the demonstration, and only three States reported administrative costs for DCM-F/RP above \$5,000 in SY 2019–2020.

Methods

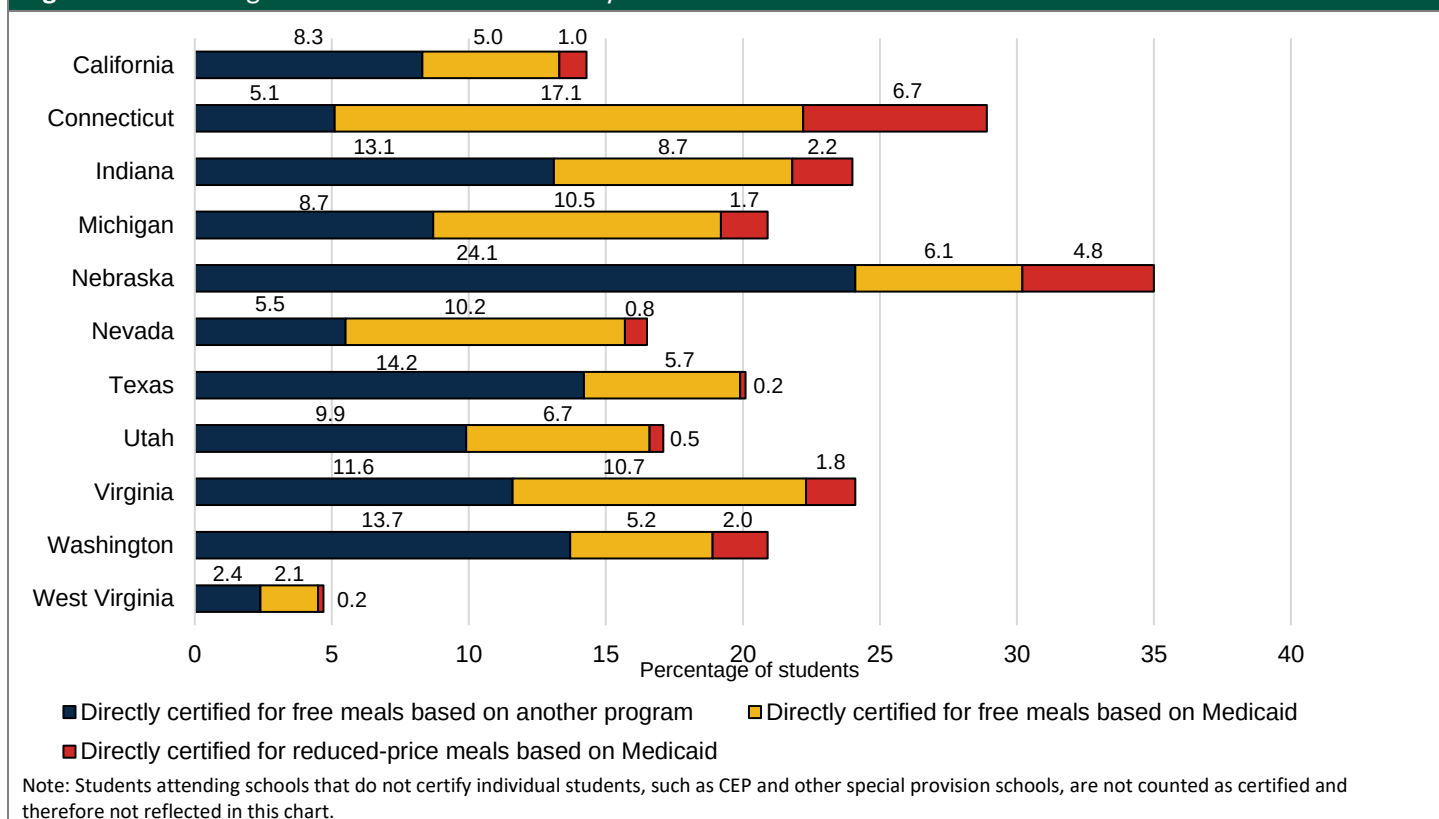
The analysis sample includes 5,966 public, private, and charter school districts in the 15 States participating in the DCM-F/RP demonstration. Some analyses include only a subset of the overall sample due to differences in State participation in the demonstration or availability of necessary data.

The study team collected two key types of data for SY 2019–2020: (1) district-level administrative records of certification and NSLP and SBP participation, and (2) data on the administrative costs incurred by State agencies for DCM-F/RP activities. The effects of the demonstration on percentages of students certified, participation (i.e., numbers of meals served), and Federal reimbursements

are estimated by comparing the outcomes in the year before the demonstration began (SY 2015-2016 or SY 2016–2017, depending on the State) to those same outcomes in SY 2019–2020. Analyses are restricted to data from the beginning of the school year through February, to ensure comparability to SY 2019-2020 prior to the COVID-19 pandemic disruptions. State administrative cost outcomes are analyzed using descriptive statistics.

The analysis of certification, participation, and reimbursement outcomes uses a statistical model to control for the influence of district enrollment and local economic conditions as well as characteristics of the school district. However, factors not included in the model and unrelated to the demonstration could be contributing to

Figure 1: Percentage of enrolled students directly certified in SY 2019–2020.



observed changes in outcomes. In particular, increases in school and district use of the Community Eligibility Provision (CEP) likely affected outcomes in some States, as CEP schools do not certify students in a traditional way.

Findings

In SY 2019–2020, more than 1.2 million students were directly certified for free meals based on Medicaid data across the 13 States for which this outcome was measured. The percentage of students directly certified for free meals based on Medicaid ranged from 2.1 to 17.1 percent of all enrolled students (Figure 1). Notably, these numbers do not include any students in CEP schools, including those who were identified as eligible for free meals through DCM-F/RP.

In SY 2019–2020, 240,000 students were directly certified for reduced-price meals based on Medicaid in the 13 demonstration States for which this outcome was measured. Across States, this represents from less than 0.2 to 6.7 percent of enrolled students.

Direct certification rates increased during DCM-F/RP implementation in two States, and CEP participation increased in seven. Increasing participation in CEP decreases the number of students available to be directly certified for free or reduced-price meals based on Medicaid or another program. Still, two States had

statistically significant increases in the total percentage of students directly certified for free meals. Four States saw statistically significant decreases in students directly certified because there were even larger increases in the percentage of students attending CEP schools.

State administrative costs decreased over the course of the demonstration, and only three States reported administrative costs for DCM-F/RP above \$5,000 in SY 2019–2020. Six States reported zero costs for DCM-F/RP, as did one agency (either the child nutrition agency or the Medicaid eligibility agency) in five other States. The cost of DCM-F/RP per student enrolled was less than 1 cent in 12 of the 15 States in the demonstration.

For States with changes in certification rates or CEP participation between baseline and SY 2019–2020, these translated into changes in at least some participation outcomes. The seven States with increases in the percentage of students eligible to receive free meals all had statistically significant increases in the percentage of lunches served for free (ranging from 1.7 to 12.7 percentage points). This increase was generally larger than any decrease in the percentage served at a reduced price, indicating an increase in the overall percentage of meals served for free or at a reduced price.

Federal reimbursements increased in most States between the baseline year and SY 2019–2020. Eleven States experienced statistically significant increases in the blended reimbursement rate for the NSLP, which measures the average reimbursement per lunch served. Eight of these States—including six of the seven with increases in CEP participation—also had increases in reimbursements per student per day. Fewer States had statistically significant changes in SBP reimbursements.

For More Information:

Hulsey, L., Gothro, A., Leftin, J., et al. (2022). USDA Direct Certification With Medicaid for Free and Reduced-Price Meals (DCM-F/RP) Demonstration, School Year 2019-2020. Contract No. AG-3198-B-16-0004. Alexandria, VA: U.S. Department of Agriculture, Food and Nutrition Service, Office of Policy Support, Project Officer: Amy Rosenthal. Available online at: <https://www.fns.usda.gov/research-and-analysis>.