

Direct Certification with Medicaid

Streamlining Student Access
to Free & Reduced Price School Meals

Demonstration Project Opportunities
School Year 2023-24
July 19, 2022



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We'll cover...

- 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 need for 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*)

SY 2023-2024 Demonstration Projects

Directly certify students using State Medicaid agency data outcomes

- Streamlines F/RP certification for eligible students.
- Eliminates need for 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	
July 19, 2022	Webinars with interested State agencies
September 30, 2022	Applications for participation in demonstration projects beginning School Year 2023-2024 due to the Food and Nutrition Service
November 2022	Notifications to State agencies of selection/non-selection
November/December 2022	Technical assistance webinars with selected National School Lunch Program State agencies and partnering State Medicaid agencies
July 1, 2023	SY 2023-2024 demonstration projects begin

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

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 Policies

Children determined eligible to be directly certified for free meals based on Medicaid data:

- **are not** categorically eligible for meal benefits
- must meet an income standard.

Key Demonstration Policies (continued)

State agencies/LEAs must:

- use automated data matching with Medicaid eligibility records to directly certify students
- 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 be established early, and include:

- Method and frequency for data-sharing.
- Data fields/attributes to be shared.
- 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 2023-2024:

States selected for SY 2023-2024 demonstration projects will begin—

- No earlier than July 1, 2023
- Later in SY 2023-2024 with FNS approval

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.
- Demonstrate **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

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States Participating in DCM Demonstrations

DCM for <u>Free Meals</u> Pilot States since SY 2012-2013	DCM-F/RP Pilot States Beginning SY 2016-2017	DCM-F/RP Pilot States Beginning SY 2017-2018	DCM-F/RP Pilot States Beginning SY 2022-2023
• Kentucky • 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
*California, Florida, Illinois and Massachusetts transitioned from previous DCM pilots for free meals only. 26 States participating effective with SY 2022-2023			

Participating States' Insights and Best Practices

Pre-Application Considerations

- Internal and external partners communicate 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.
- Start this effort Immediately!

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--

SNAP



TANF/FDPIR/Other



Medicaid

Contact Information

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