

Using Medicaid Data to Connect Kids to Free & Reduced Price School Meals through Direct Certification

Demonstrations
School Years 2016-2017 & 2017-2018

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USDA Announced New Demonstrations

- On January 27, 2016, the USDA Food & Nutrition Service (FNS) announced new demonstrations to evaluate direct certification of students for both **free and reduced price** school meals using Medicaid data
- State agencies that administer the National School Lunch Program (NSLP) are invited to apply to participate in the demonstrations
- This is the first time USDA will test direct certification for both free and reduced price meals

Request for Applications

USDA Announced Request for Applications January 27, 2016

Documents available at:

<http://www.fns.usda.gov/request-applications-participate-new-demonstrations-evaluate-direct-certification-medicaid>

U.S. DEPARTMENT OF AGRICULTURE
FOOD AND NUTRITION SERVICE



National School Lunch Program and
School Breakfast Program

Request for Applications to Participate
In Demonstration Projects to Evaluate
Direct Certification with Medicaid

January 27, 2016

SIGNIFICANT DEMONSTRATION DATES

February 2016	Webinar/Conference call with interested State agencies
March 1, 2016	Notice of Intent to Apply due to FNS
April 15, 2016	Applications for participation in demonstrations beginning SY 2016-2017 due to FNS
May 2016	Notifications to State agencies of selection/non-selection
May/June 2016	Technical assistance webinars with selected NSLP State agencies and partnering Medicaid agencies
July 1, 2016	SY 2016-2017 demonstrations begin
September 15, 2016	Applications for participation in demonstrations beginning SY 2017-2018 due to FNS
October 2016	Notifications to State agencies of selection/non-selection
October/November 2016	Technical assistance webinars with selected NSLP State agencies and partnering Medicaid agencies
July 1, 2017	SY 2017-2018 demonstrations begin

Basic Direct Certification Process

Eligible children identified, matched and directly certified through electronic process, with no application required

- Medicaid agencies identify eligible children and pass a file listing these children to the NSLP State agency
- NSLP agencies (State or local level) match the file with school enrollment data to find students in their schools, then pass the direct certification list to the school districts
- School districts directly certify the matched students in their point of service systems and provide the free and reduced price meals

Benefits of Direct Certification

- Direct Certification uses data matching to automatically certify students for school meal benefits
 1. **Reduces Burden:** Eliminates application processing for families and school districts
 2. **Improves Program Access:** Reaches eligible students that are not getting meal benefits
 3. **Improves Program Integrity:** Increases student certification accuracy
 4. **Increases Identified Student Percentages:** Increases # students certified without an application for Community Eligibility Provision measures

Overview of Existing Demonstrations

- FNS already implemented similar demonstrations with Medicaid to directly certify students for **free** meals, beginning SY 2012-2013, under the Healthy, Hunger-Free Kids Act (HHFKA) and other administrative provisions
- Currently conducting projects in **7 States**—California, Florida, Illinois, Kentucky, Massachusetts, New York, and Pennsylvania
- California's demonstration involves 14 school districts. All other States are matching statewide

Overview of Existing Demonstrations

Existing demonstrations—

- Use family income standard mandated by HHFKA — Income as measured by Medicaid does not exceed **133% of Federal Poverty Level** (FPL) for family size, before application of expenses, blocks, or other disregards
- Include only direct certification for free school meals

Overview of Existing Demonstrations

Year 1 evaluation indicated that direct certification with Medicaid can increase the number of directly certified students

For example, schools participating in New York City in Year 1 experienced:

7.1% increase in # of students directly certified, and
5.6% increase in # of kids certified for free

Year 1 Evaluation Report—

<http://www.fns.usda.gov/evaluation-demonstrations-national-school-lunch-program-and-school-breakfast-program-direct>

Overview of Existing Demonstrations

Year 1 evaluation also indicated that—

- Changes in Medicaid eligibility rules under the Affordable Care Act (ACA) could increase opportunities to directly certify students for **both free and reduced price meals**
- Changes to Medicaid eligibility rules were implemented in January 2014

ACA Changes

ACA changes could improve ability to identify kids eligible for direct certification—

- Increased Medicaid's minimum family income standard for all children under 19 to a standard level of **133% FPL** nationwide (previously 100% FPL for ages 6-19). Most States now cover children at even higher income standards
- Eliminated State-specific income exclusions and disregards for most children's Medicaid categories
- Implemented a new methodology to measure household income—**"modified adjusted gross income" (MAGI)**
- Caused State Medicaid agencies to update information systems

ACA Changes

Medicaid Family Income Standard <u>Before</u> ACA Changes			
Ages	Minimum Family Income Standard	# States Using Standard 133% FPL or Less	# States Using Standard Higher than 133% FPL
1-5	133% FPL	25	26
6-18	100% FPL	26	25
Medicaid Family Income Standard <u>After</u> ACA Changes			
Ages	Minimum Family Income Standard	# States Using Standard 133% FPL	# States Using Standard Higher than 133% FPL
1-5	133% FPL	1	50
6-18	133% FPL	17	34

ACA Changes

- Based on the most recent information on State Medicaid income standards provided by CMS:

- **20** States use Medicaid income standards for children **ages 1-5** that are at **185% FPL** or greater
- **18** States use Medicaid income standards for children **ages 6-18** that are at **185% FPL** or greater

- There's significant potential to strengthen access to free and reduced price school meals via Medicaid matching

CMS State Profiles: <https://www.medicaid.gov/medicaid-chip-program-information/by-state/by-state.html>

Purpose of New Demonstrations

To evaluate potential of direct certification with Medicaid data to—

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

Definitions in Demonstrations

Medicaid is—

- The medical assistance program established under **Title XIX** of the Social Security Act
 - **Includes** -- Regular Medicaid and Expanded Medicaid (expansions funded with Title XXI funds)
 - **Does not Include** -- Children's Health Insurance Program (CHIP, Title XXI)

Definitions in Demonstrations

Eligible child must meet both—

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

See RFA for details on income measurement!

Definitions in Demonstrations

NSLP income eligibility standards will be used in the new demonstrations—

- **130%** FPL for **free** meal eligibility
- **185%** FPL for **reduced price** meal eligibility

Definitions in Demonstrations

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

Definitions in Demonstrations

Depends on Medicaid category of coverage:

- **Majority of Children:** Use **“MAGI” (Modified Adjusted Gross Income)** family income calculation implemented with ACA, before 5% disregard allowed under ACA changes
- **Small Number of Children:** Use **“Non-MAGI”** family income calculation, using pre-ACA policies before State-specific expenses/disregards applied

See RFA for details!

Key Demonstration Policies

- Participating States must conduct direct certification for both free and reduced price school meals in all LEAs participating
- Households 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 offered the opportunity to apply if their income is within the standard for free meals

Key Demonstration Policies

- Children found 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
 - Cannot certify based on family providing a Medicaid case number or letter from Medicaid agency

Key Demonstration 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

Categories for New Demonstrations

1. **Category DCM-F/RP:** Direct Certification with Medicaid for Free and Reduced Price Meals

- State agencies may apply to conduct demonstrations statewide or in only a portion of their LEAs
- Any State may apply, including States already participating in existing demonstrations
- Family income, as defined previously, cannot exceed:
 - **130% FPL** for free meal eligibility
 - **185% FPL** for reduced price eligibility

Categories for New Demonstrations

2. **Category OT2:** Other Proposed Projects, Phase 2

- FNS welcomes proposals for alternative approaches to demonstrate other variations of direct certification with Medicaid to reach additional eligible children for free and reduced price meals

Categories for New Demonstrations

States in existing demonstrations:

- May continue their current demonstrations without change and without reapplying, or
- May apply for the new demonstrations.

Scope of New Demonstrations

- **SY 2016-2017:** FNS expects to approve approximately **5 new States** to begin demonstrations in SY 2016-2017
- **SY 2017-2018:** Additional States will be selected to participate in SY 2017-2018 based on responses to the current Request for Applications
- **SY 2018-2019** and future years: FNS expects to repeat the application process to expand demonstrations to up to **20 States** by SY 2018-2019

Timing of Project Startup

- **SY 2016-2017:** States selected for SY 2016-2017 demonstrations will begin—
 - No earlier than July 1, 2016
 - May start at any point in the school year that they demonstrate readiness and FNS approves
- **SY 2017-2018:** States selected for SY 2017-2018 demonstrations will begin—
 - No earlier than July 1, 2017
 - May start at any point in the school year that they demonstrate readiness and FNS approves

Technical Assistance

- FNS and CMS will provide coordinated technical assistance to State agencies selected for participation in the demonstrations to help ensure their readiness to conduct successful, accurate projects
- Technical assistance will include guidance and communications such as—
 - Training webinars
 - Conference calls
 - Site visits

Evaluation Study

- FNS will conduct an evaluation study to assess impact on Federal costs and participation and the effectiveness of the demonstrations in—
 - Enrolling students who are eligible for free & reduced price school meals but are not certified to get them
 - Directly certifying students who are currently enrolled based on a household application
- Participating State agencies will be required to cooperate in providing data for the evaluation study

Requirements & Considerations

- Collaboration between NSLP and Medicaid agencies—
 - Build a strong partnership between agencies and timely negotiate accurate data-sharing agreements
 - Collaborate to develop application and ensure both agencies have the same understanding and agreement on how the demonstration would work in their State

Requirements & Considerations

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S2-26-12
Baltimore, Maryland 21244-1850



CMS Informational Bulletin

DATE: February 12, 2016

FROM: Vikki Wachino
Director
Center for Medicaid and CHIP Services

SUBJECT: **United States Department of Agriculture (USDA) Demonstration Project to Test Using Medicaid Enrollment to Qualify Children for Free and Reduced Price School Meals**

The Healthy Hunger-Free Kids Act of 2010 amended section 1902(a)(7) of the Social Security Act (the Act) to permit Medicaid agencies to enter into data-sharing agreements with state agencies that administer the National School Lunch Program and School Breakfast Program. These data-sharing agreements allow the state agencies to directly certify students to receive both free and reduced price school meals based on the child's Medicaid eligibility and verified income. Direct certification has the potential to improve student access to school meals, reduce administrative burden for schools and families, and improve certification accuracy.

On January 27, 2016, the USDA Food and Nutrition Service (FNS) issued a Request for Applications inviting state agencies that administer school meal programs to participate in a new demonstration project to evaluate the impact of direct certification for both free and reduced price school meals. Medicaid state agencies are key partners in these demonstrations, and CMS encourages Medicaid agencies to work with their state agencies in considering this opportunity.

Changes in Medicaid eligibility and processes since 2014, including the shift to using Modified Adjusted Gross Income (MAGI) and the presence of new or modernized eligibility systems in state Medicaid agencies, may increase the identification of children eligible for both free and reduced price meals. The new demonstrations will evaluate the potential of direct certification to enroll new children, certify currently enrolled children, and impact participation in the school lunch and breakfast programs.

Applications for the 2016-2017 school year must be received by FNS by April 15, 2016; and applications for the 2017-2018 school year must be received by FNS by September 16, 2016. States will be able to apply for funding to cover the associated project costs. Additional states will be able to apply to participate in the demonstrations in future years.

For purposes of these demonstrations, the Medicaid program is defined as both Medicaid under Title XIX and Medicaid expansion programs funded under Title XXI of the Act.

CMS published an Informational Bulletin to their Medicaid State agencies to alert them to the demonstrations and encourage cooperation

<https://www.medicaid.gov/federal-policy-guidance/downloads/CIB-02-12-16.pdf>

Requirements & Considerations

To be selected for the demonstrations, State agencies must—

- Submit a timely and complete application package
- Have the ability to accurately identify children eligible to be directly certified, based on MAGI and Non-MAGI income measurements and NSLP income standards
- Establish accurate data-sharing agreements
- Agree to cooperate with data requests from FNS for the evaluation study

Requirements & Considerations

Before demonstrations can begin, **data-sharing agreements must be in place between NSLP State agency and Medicaid State agency to establish—**

- How student enrollment data will be matched to Medicaid eligibility data
- How students will be identified and directly certified as eligible for free and reduced price school meals, without an application
- How data will be protected to ensure compliance with Federal disclosure statutes and regulations

Funding

No Federal funds are available specifically for the demonstration projects, however, multiple funding sources could be used for allowable costs—

- Administrative Review & Training (ART) grants
- Direct Certification Improvement grants
- State administrative expense (SAE) allocation and reallocation funds

(Note: Currently, we are exploring the potential for other funding sources)

Application Process & Timeline

Who may apply—

- All State agencies that administer the National School Lunch Program are eligible to apply to participate in the demonstrations, including the 7 States conducting existing demonstrations with Medicaid under HHFKA and other administrative provisions

Application Process & Timeline



APPENDIX B - APPLICATION TEMPLATE

**National School Lunch and School Breakfast Programs
Application to Participate in Demonstration Projects to Evaluate Direct Certification with Medicaid
SYs 2016-2017 and 2017-2018**

Please complete all contact information in the application table below and answer each of the 15 questions on the following pages. You may expand the tables throughout to use as much space as you need to adequately address each question. Additional information may be attached to the application narratives in the table as needed. Completed applications must include: *full responses to questions 1-15 of the Application Template, copies of required Letters of Commitment from your agency and your partnering State Medicaid agency, and copies of any current data sharing agreements with your Medicaid State agency, as applicable.*

EMAIL APPLICATIONS TO: cnstatesystems@fns.usda.gov Attn: Vivian Lees

<u>Check Application Deadline for this Application</u>	
<input type="checkbox"/> April 15, 2016 for Demonstrations Beginning SY 2016-2017 <input type="checkbox"/> September 15, 2016 for Demonstrations Beginning SY 2017-2018	
Applicant Information	
State Agency Name & Address:	Agency Administrator Name, Title & Contact Information (Telephone, Email, Fax)
	Application Contact Name, Title & Contact Information (Telephone, Email, Fax)

Appendix B:
Application
Template
due
April 15, 2016
for SY 2016-2017
Sept 15, 2016
For SY 2017-2018

Application Process & Timeline

Letters of Commitment Templates

Document 1 - Letter of Commitment from NSLP State Agency - Page 1

Submitting State Agency: _____

TO: USDA Food and Nutrition Service:

The [Name of State Agency] is submitting an application for participation in the Demonstration Projects to Evaluate Direct Certification with Medicaid beginning school year _____ [Enter 2016-2017 or 2017-2018]. We are providing the following affirmations concerning our State's participation.

[Please check the box(es) below to confirm the State agency's and LEA understanding].

We affirm that the [State Agency], the [State's Medicaid Agency], and [Other public agency partner] are committed to the demonstration project and affirm that we understand and will follow the requirements, roles and responsibilities for State agency participants, as outlined in the Request for Applications.

We affirm that the project has been explained to each LEA named in the application and both the State agency and LEAs understand and agree to the following:

- a. To devote the necessary time and effort to meet the requirements of the project at the State and LEA level;
- b. To cooperate in implementing and evaluating the project, including cooperation with FNS on the evaluation component of the demonstration.

Authorized Signatory: _____
 Print Name _____
 Date: _____

Appendix C - Letters of Commitment Page 2

Appendix C:

Letter of Commitment from NSLP State Agency due With Application Templates

Application Process & Timeline

Letters of Commitment Templates	
Document 2 - Letter of Commitment from Medicaid State Agency - Page 1	
Submitting Medicaid Agency:	

TO: USDA Food and Nutrition Service:	
The [Medicaid State Agency]'s is submitting a letter of commitment to partner with [NSLP State Agency] to participate in the Demonstration Projects to Evaluate Direct Certification with Medicaid beginning school year _____ [Enter 2016-2017 or 2017-2018]. We affirm that the [Medicaid State Agency] has reviewed the requirements, roles and responsibilities of participation in the project.	
<i>[Please check the box(es) below to confirm the State Medicaid agency's understanding].</i>	
<input type="checkbox"/>	We affirm the [Medicaid State Agency]'s commitment to the demonstration project. We understand our role in the project, as described in the Request for Applications, and will cooperate with the NSLP State agency in implementing the project, including cooperation with the evaluation component of the demonstration, as necessary.
Identifying Children Eligible for Free and Reduced Price School Meals:	
<input type="checkbox"/>	MAGI Categories: We affirm that the [Medicaid State Agency] has the capability to readily identify children receiving Medicaid and whose family income (i.e., the household's Modified Adjusted Gross Income, "MAGI," before the application of the <u>five percent disregard</u> allowed under the Patient Protection and Affordable Care Act of 2010) does not exceed 130 percent (for free school meals) or 185 percent (for reduced price school meals) of the Federal Poverty Level.
<input type="checkbox"/>	Non-MAGI Categories: In those Medicaid groups that do not use the MAGI calculation (non-MAGI), we have the capability to readily identify children receiving Medicaid and whose family income <u>before the application of disregards, deductions or other adjustments</u> does not exceed 130 percent (for free school meals) or 185 percent (for reduced price school meals) of the Federal Poverty Level.
Authorized Signatory: _____	
Print Name _____	
Date: _____	
Appendix C - Letters of Commitment	
Page 4	

Appendix C: Letter of Commitment from Medicaid State Agency due With Application Templates

Application Review & Selection

Application Review Panel scoring—

- **10 Points** – Project design and management
- **30 Points** – Readiness for project start-up
- **50 Points** – Capacity to conduct direct certification for both free and reduced price meals
- **10 Points** – Capacity and commitment to compiling and reporting evaluation data

Application Review & Selection

Selection and Notification

- Selected States will be notified **approximately 6 weeks** after each application date
- FNS and CMS will provide **technical assistance** and guidance to selected States' NSLP and Medicaid State agencies to support readiness for start-up, maintenance and evaluation of projects

Demonstration Summary Timeline

SIGNIFICANT DEMONSTRATION DATES	
February 16, 2016	Webinar with interested State agencies
March 1, 2016	Notice of Intent to Apply due to FNS
April 15, 2016	Applications for participation in demonstrations beginning SY 2016-2017 due to FNS
May 2016	Notifications to State agencies of selection/non-selection
May/June 2016	Technical assistance webinars with selected NSLP State agencies and partnering Medicaid agencies
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July 1, 2017	SY 2017-2018 demonstrations begin

Let's hear about Kentucky's Experience with Direct Certification Using Medicaid Data

QUESTIONS?

Contact Information

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