

Direct Certification with Medicaid: Steps to Consider when Working with Point-of-service (POS) Software Companies

The Connecticut State Department of Education (CSDE) is participating in the U.S. Department of Agriculture's (USDA) Demonstration Project to Evaluate Direct Certification with Medicaid. This project allows school food authorities (SFAs) to use Medicaid as a method of directly certifying children for free or reduced-price meals.

Until now, all direct certifications have corresponded to the free meal benefit. However, the income levels of Medicaid recipients span a broader range than Supplemental Nutrition Assistance Program (SNAP) and Temporary Family Assistance (TFA) recipients. While all SNAP and TFA recipients automatically qualify for free meals, Medicaid data will, on a case-by-case basis, directly certify the student for either free or reduced-price meals.

This document summarizes the steps that SFAs must consider when working with their software company to update the direct certification process.

Step 1

Notify your Point of Sale (POS) software company that effective in July 2017, Connecticut's direct certification system includes Medicaid. This means there will now be two eligibility categories for direct certification: free eligibility and reduced-price eligibility.

Step 2

Discuss with the POS software company their ability to categorize these expanded benefits sources to include both free Medicaid and reduced Medicaid. For reporting purposes, all the eligibility categories must be distinguished.

Step 3

Determine if the school's or district's POS system is automated or manual. If the POS software allows for an automated import of the CSDE's direct certification file, discuss the software's system ability to process the two new categories:

- Free Medicaid (FM); and
- Reduced Medicaid (RM).

If the POS software allows for the manual input of direct certification data, discuss the need for the system to have the ability to qualify the determination method and the eligibility type to include both free Medicaid and reduced Medicaid.

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Step 4

Discuss the POS system's ability to activate and populate the fields on the Student Eligibility Reports to include categories for free Medicaid and reduced Medicaid.

Step 5

Review the other considerations that apply to direct certification with Medicaid and the impact these areas may have on the POS system. These considerations are listed below.

- Students who are determined to be directly certified as free or reduced Medicaid are not subject to verification. Therefore, they cannot be included in the October 1 sample pool of households that are subject to verification. Including these households will lead to verifying more applications than required.
- The POS system must be able to differentiate between the different types of direct certification categories for reporting purposes, which are summarized below.

FS (Supplemental Nutrition Assistance Program [SNAP] benefits)	Free benefits extend to all children in the household
AF (Temporary Family Assistance [TFA])	Free benefits extend to all children in the household
OT (Other, i.e., foster child)	Free benefits do not extend to all children in the household
FM (Free Medicaid)	Free benefits extend to all children in the household
RM (Reduced Medicaid)	Reduced-price benefits extend to all children in the household

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- There is a hierarchy of eligibility and certain considerations when allowing the POS software to override a determination. For example, **eligibility for SNAP benefits (FS) supersedes all other eligibility categories**. Additionally, a Medicaid match should never overlay an existing direct certification match with another allowable program category (e.g., SNAP, TFA or OT). Districts must identify a Medicaid match only when the child does not match with SNAP, TFA, or OT. The hierarchy is as follows:
 1. **FS** (SNAP benefits): Free benefits extend to all children in the household.
 2. **AF** (Temporary Family Assistance): Free benefits extend to all children in the household.
 3. **OT** (Other, i.e., foster child): Free benefits do **NOT** extend to all children in the household.
 4. **FM** (Free Medicaid): Free benefits extend to all children in the household.
 5. **RM** (Reduced Medicaid): Reduced-price benefits extend to all children in the household.

Example of Hierarchy of Eligibility: If a student is categorized as RM and the latest direct certification file now has the student categorized as AF, the student's eligibility category would change to AF and this would extend to all children in the household.

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For more information, visit the Connecticut State Department of Education's (CSDE) [Direct Certification for School Nutrition Programs](#) webpage, or contact the [school nutrition programs staff](#) in the CSDE's Bureau of Health/Nutrition, Family Services and Adult Education, 450 Columbus Boulevard, Suite 504, Hartford, CT 06103-1841.

This document is available at <https://portal.ct.gov/-/media/SDE/Nutrition/NSLP/DirectCert/DirectCertificationMedicaidSteps.pdf>.

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