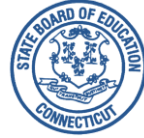





STATE OF CONNECTICUT  
DEPARTMENT OF EDUCATION



**TO:** Sponsors of the School Child Nutrition Programs including the Special Milk Program

**FROM:** John D. Frassinelli, Chief   
Bureau of Health/Nutrition, Family Services and Adult Education

**DATE:** June 8, 2017

**SUBJECT: Operational Memorandum No. 08-17**  
Update on the Direct Certification Process and Medicaid

Since school year 2012-13, under authority of the Healthy Hunger-Free Kids Act of 2010 and Section 18(c) of the National School Lunch Act, the U.S. Department of Agriculture (USDA) has conducted demonstration projects to evaluate the use of Medicaid data to directly certify children for school meal benefits. All prior demonstration projects are limited to direct certification for free school meals, and do not include identification of students eligible for reduced-price meals.

This project will seek to enroll children who are potentially eligible for free and reduced-price school meals, but are not currently directly certified to receive meals through other programs. For students on Medicaid, and meeting the income requirements, who are currently enrolled for free or reduced-price school meals based on a household application, this project may eliminate the need for future applications. States will also be looking at the effect of direct certification with Medicaid on federal costs and participation in the National School Lunch Program (NSLP) and School Breakfast Program (SBP).

Beginning in school year 2017-18, the USDA awarded new demonstration projects to states to evaluate direct certification with Medicaid in the NSLP and SBP. Connecticut has been authorized to use Medicaid data (also referred to as HUSKY in CT) to directly certify students for both **free and reduced-price** meal eligibility.

Beginning in **July 2017**, the CSDE's [Direct Certification Web Application](#) webpage (i.e., the direct certification lists) will include students who are directly certified through Medicaid. Currently, the direct certification lists contain the following codes identifying students who are directly certified for free meals:

- FS (SNAP benefits);
- AF (Temporary Family Assistance); and
- OT (Other, e.g., foster child).

Starting in **July 2017**, the following two categories will be added to the direct certification lists:

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

The CSDE has developed the two attached documents to assist sponsors with implementing the new requirements for direct certification with Medicaid:

- *Important Points for Direct Certification with Medicaid*; and
- *Direct Certification with Medicaid: Steps to Consider When Working with Point-of-Service (POS) Software Companies*.

**Please review these documents carefully.** LEAs that contract with POS software companies must work with their company to be in compliance with the new Medicaid direct certification requirements.

Questions may be directed to your school nutrition consultant.

Consultants for School Nutrition Programs	
County	Consultant
<ul style="list-style-type: none"> <li>• Fairfield County (Includes Region 9)</li> <li>• Litchfield County (Includes Regions 1, 6, 7, 12 and 14)</li> </ul>	Fionnuala Brown <a href="mailto:fionnuala.brown@ct.gov">fionnuala.brown@ct.gov</a> 860-807-2129
<ul style="list-style-type: none"> <li>• Hartford County (Includes Region 10)</li> </ul>	Teri Dandeneau <a href="mailto:teri.dandeneau@ct.gov">teri.dandeneau@ct.gov</a> 860-807-2079
<ul style="list-style-type: none"> <li>• Middlesex County (Includes Regions 4, 13 and 17)</li> <li>• Tolland County (Includes Regions 8 and 19)</li> <li>• Windham County (Includes Region 11)</li> </ul>	Susan Alston <a href="mailto:susan.alston@ct.gov">susan.alston@ct.gov</a> 860-807-2081
<ul style="list-style-type: none"> <li>• New Haven County (Includes Regions 5, 15 and 16)</li> </ul>	Jackie Schipke <a href="mailto:jackie.schipke@ct.gov">jackie.schipke@ct.gov</a> 860-807-2123
<ul style="list-style-type: none"> <li>• New London County</li> </ul>	Kelly Mero <a href="mailto:kelly.mero@ct.gov">kelly.mero@ct.gov</a> 860-807-2073

JDF:tdd

Attachments: (2)

Important: This is a numbered Connecticut State Department of Education (CSDE) operational memorandum that contains important program information. Please read carefully and retain in a binder for future reference. All CSDE operational memoranda are posted on the CSDE's [Operational Memoranda for School Nutrition Programs](#) webpage.

## IMPORTANT POINTS FOR DIRECT CERTIFICATION WITH MEDICAID

The Connecticut State Department of Education 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. This handout summarizes the important points that SFAs must consider when directly certifying children through Medicaid. All personnel involved with the process of certifying applications and conducting verification should review this document.

### NO APPLICATIONS

Households that are directly certified based on Medicaid data are not required to submit applications for school meal benefits and are not subject to verification.

### DIRECT CERTIFICATION CODES

Starting in July 2017, the direct certification list includes the codes below.

<b>FS</b> (SNAP benefits)	Free benefits extend to all children in the household
<b>AF</b> (Temporary Family Assistance)	Free benefits extend to all children in the household
<b>OT</b> (Other, e.g., foster child, homeless, runaway, or Head Start)	Free benefits do <b>not</b> extend to all children in the household
<b>FM</b> (Free Medicaid)	Free benefits extend to all children in the household
<b>RM</b> (Reduced Medicaid)	Reduced-price benefits extend to all children in the household

### REDUCED-PRICE CHILDREN DETERMINED THROUGH MEDICAID

Due to differences in household definition and income assessments between programs, some children directly certified for **reduced-price** meals through Medicaid may have been eligible for free meals if the household applied. The USDA requires that these households receive notice of the income level used and be offered the opportunity to apply if their income, based on National School Lunch Program (NSLP) eligibility policies, is within the limit for free meals (using the NSLP's current income eligibility guidelines). The Connecticut State Department of Education's (CSDE) parent notification letter (version 3), *Reduced-price Eligibility Established through Direct Certification Based on Medicaid Benefits*, includes the income eligibility guidelines.

### DIRECT CERTIFICATION USING HANDWRITTEN CASE NUMBERS

Under the Medicaid pilot, children are not considered to be categorically eligible and may be directly certified **only via an automated data matching process with the Medicaid eligibility records**. Therefore, households are not allowed to handwrite their Medicaid case number on the application or provide "proof" of Medicaid in order for their child to be eligible for free or reduced-price meals.

### NEGATIVE IMPACT AND MEDICAID DETERMINATION

Students already certified for free or reduced-price meals based on an application or direct certification with another program cannot be negatively impacted by the match with Medicaid data. The CSDE has safeguards to ensure that direct certification for the Supplemental Nutrition Assistance Program and Temporary Family Assistance supersede a free or reduced status given through Medicaid. However, if a local educational agency (LEA) has determined that a child is directly certified as reduced-price eligible through Medicaid, and the child is determined to be homeless, a runaway, enrolled in a federally funded Head Start Program, or is a foster child; the LEA's determination supersedes the

## IMPORTANT POINTS FOR DIRECT CERTIFICATION WITH MEDICAID, continued

Medicaid reduced-price status. Children already certified for reduced-price meals through the application process are not changed to full-price meals based on the Medicaid match.

### COMMUNITY ELIGIBILITY PROVISION (CEP)

Increasing the number of direct certifications for **free** school meals via matching with Medicaid has a direct impact on a school's/district's identified student percentage (ISP) under the Community Eligibility Provision. However, direct certifications for reduced-price meals will not impact the ISP, since the ISP is the percentage of students certified for **free** meals without an application.

### VERIFICATION AND MEDICAID

If a child is directly certified as FM (Free Medicaid) on the direct certification list, the child (and all applicable children in the household) must be included in Section 3-3 of the Verification Collection Report (FNS 742). Section 3-3 reports the following: *“Students directly certified through other programs: Include those directly certified through Temporary Assistance for Needy Families (TANF), Food Distribution Program on Indian Reservations (FDPIR), or Medicaid (if applicable); those documented as homeless, migrant, runaway, foster, Head Start, Pre-K Even Start, or non-applicant but approved by local officials.”* **Children identified as RM (Reduced Medicaid) are not reported on the district's Verification Collection Report at this time.**



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

*This handout is available at*  
[www.sde.ct.gov/sde/lib/sde/pdf/deps/nutrition/demedicaidpoints.pdf](http://www.sde.ct.gov/sde/lib/sde/pdf/deps/nutrition/demedicaidpoints.pdf).

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- (1) mail: U.S. Department of Agriculture  
Office of the Assistant Secretary for Civil Rights  
1400 Independence Avenue, SW  
Washington, D.C. 20250-9410;
- (2) fax: (202) 690-7442; or
- (3) email: [program.intake@usda.gov](mailto:program.intake@usda.gov).

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## 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 handout 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.

#### 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.

## Direct Certification with Medicaid

### STEPS TO CONSIDER WHEN WORKING WITH POS SOFTWARE COMPANIES, continued

#### 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.

<b>FS</b> (Supplemental Nutrition Assistance Program [SNAP] benefits)	Free benefits extend to all children in the household
<b>AF</b> (Temporary Family Assistance [TFA])	Free benefits extend to all children in the household
<b>OT</b> (Other, e.g., foster child, homeless, runaway, or Head Start)	Free benefits do <b>not</b> extend to all children in the household
<b>FM</b> (Free Medicaid)	Free benefits extend to all children in the household
<b>RM</b> (Reduced Medicaid)	Reduced-price benefits extend to all children in the household

- 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, homeless, runaway or Head Start): 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.



## Direct Certification with Medicaid

### STEPS TO CONSIDER WHEN WORKING WITH POS SOFTWARE COMPANIES, continued



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[www.sde.ct.gov/sde/lib/sde/pdf/deps/nutrition/dcmemoaidpoints.pdf](http://www.sde.ct.gov/sde/lib/sde/pdf/deps/nutrition/dcmemoaidpoints.pdf).

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- (1) mail: U.S. Department of Agriculture  
Office of the Assistant Secretary for Civil Rights  
1400 Independence Avenue, SW  
Washington, D.C. 20250-9410;
- (2) fax: (202) 690-7442; or
- (3) email: [program.intake@usda.gov](mailto:program.intake@usda.gov).

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