

EVALUATION OF THE DIRECT CERTIFICATION WITH MEDICAID FOR FREE AND REDUCED-PRICE MEALS (DCM-F/RP) DEMONSTRATIONS, YEAR 2 (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 at low or no cost to children in school. The Healthy, Hunger-Free Kids Act of 2010 required FNS to conduct a demonstration to directly certify students for free school meals based on income eligibility identified through Medicaid data.

Unlike other direct certification methods with programs that confer eligibility for free school meals (e.g., with Supplemental Nutrition Assistance Program (SNAP) administrative data), Medicaid participation does not confer categorical eligibility. Rather, income data from the State Medicaid agency must be matched to student records to determine eligibility. Medicaid comes last in the hierarchy of direct certification. Students are only directly certified with Medicaid if they are not identified using another program.

Evaluation of five demonstrations in school year (SY) 2012-13 and six demonstrations in SY 2013-14 found that Direct Certification with Medicaid (DCM) modestly increased the percentage of students who received meals for free, while reducing administrative burden associated with certifying students who would otherwise have been certified by application.¹

In SY 2016-17, FNS awarded new demonstrations to seven States to evaluate the use of Medicaid data to directly certify students for *both* free and reduced-price meals. Cohort 1 States included participants in the original DCM demonstration (California, Florida, and Massachusetts) as well as four new States to DCM: Nebraska, Utah, Virginia, and West Virginia.

An evaluation of the first year 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 and the percentage of meals served for free, but found limited, mixed effects on participation and Federal reimbursement rates.²

¹ Hulsey et al. (2016). *Year 2 Demonstration Impacts of Using Medicaid Data to Directly Certify Students for Free School Meals*. Contract No. AG-3198-B-12-0006. Prepared by Mathematica Policy Research, Alexandria, VA: U.S. Department of Agriculture, Food and Nutrition Service, Office of Policy Support, Project Officer: John Endahl.

For SY 2017-18, a second cohort of States was added to the demonstration: Connecticut, Indiana, Iowa, Michigan, Nevada, Texas, Washington, and Wisconsin. Year 2 of the evaluation is discussed here and examined certification, participation, and reimbursement outcomes for Cohort 1 States in their second year of implementation and Cohort 2 States in their first year of implementation.

Methods

Administrative data were collected from Child Nutrition and Medicaid agencies in participating States over SY 2017-18 (July 2017 to June 2018). State Agencies (SAs) that administer Child Nutrition programs also provided cost logs. The study collected supplemental data from Michigan, Nebraska, Iowa, and Wisconsin to analyze whether students matched using Medicaid data were also directly certified using other sources such as SNAP; other SAs were unable to provide these data. Quantitative analyses were regression-adjusted to isolate the effects of DCM-F/RP on certification, participation, and Federal reimbursement rates. In addition, the study used site visits in participating SAs and up to four school districts in each State to discuss implementation and the matching process.

One State (Nevada) did not conduct any matches until after the end of SY 2017-18. Several States in Cohort 2 did not conduct matches until late in the school year. Though the analysis accounted for operating days and excluded Nevada, in some cases, the short period between the first match and the end of the year may have affected estimates of impact. The third year of the evaluation (in SY 2019-20) will provide analyses featuring every State matching from the first day of the school year.

Study Findings

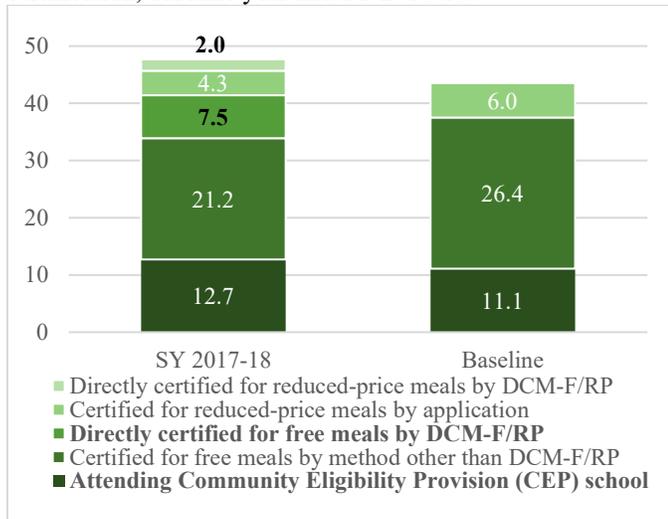
Similar to Year 1 findings, DCM-F/RP resulted in an incremental increase in the number and percentage of students certified for free and reduced-price meals, but effects varied across States. The percentage of students directly certified for free meals based on Medicaid in SY 2017-18 ranged from 0.6 percent to 10.5 percent of all students, depending on the State. Across 12 States,

² Hulsey et al. (2019). *Evaluation of the Direct Certification with Medicaid for Free and Reduced-Price Meals Demonstration - Year 1*. Contract No. AG-3198-B-16-0004/AG-3198-K-16-0042. Prepared by Mathematica Policy Research, Alexandria VA: U.S. Department of Agriculture, Food and Nutrition Service, Office of Policy Support, Project Officer: Conor McGovern

1,019,865 students were certified for free meals using Medicaid data through DCM-F/RP.

The percentage of students directly certified for reduced-price meals based on Medicaid in SY 2017-18 ranged from 0 to 5.3 percent. Across 14 States, 258,893 students were certified reduced-price through DCM-F/RP.

Figure 1. Percentage of enrolled students in pooled sample of demonstration States certified for school meals by method of certification, baseline year and SY 2017-18.



Four States experienced no statistically significant increase in the *total* percentage of students certified for free meals. Of the eight States that did, the increase ranged from 2.5 to 9.0 percent. As shown in Figure 1, in the pooled sample, the total percentage of students certified for free meals across all States by any method increased from 26.4 percent in the baseline year to 28.7 percent in SY 2017-18. Of those, 7.5 percent were directly certified using Medicaid, but the percentage who were certified for free meals using methods *other* than DCM-F/RP decreased from 26.4 to 21.2 percent compared to baseline (see Figure 1). This impact suggests that many students certified via DCM-F/RP were *not* newly certified for free meals. Because DCM comes last in the hierarchy of direct certification but before household applications, a substantial group of students identified by DCM were likely already certified for free meals via application; in these cases, the demonstration alleviates administrative burden on both households and SFAs by reducing the need to complete and process applications by hand.

If the number of students moved from reduced-price to free category was higher than the number moved from uncertified/paid to reduced-price category, the demonstration results in a net decrease in the total percentage of students certified for reduced-price meals. This occurred in six States. In five States, the percentage of students certified for reduced-price meals increased, as more students' certifications were changed from reduced-price to free; in three States there was no significant change. These findings suggest that, in addition to

reducing burden, DCM-F/RP provides an important integrity benefit in mitigating under-certification error by correcting erroneous certifications resulting from applications.

Changes in certification rates had no clear association with participation rates and reimbursement. For both NSLP and SBP, there was no clear pattern showing either an increase or decrease in the number of meals served per student per day as a result of the demonstration. As a result, there is no evidence that the demonstration had any meaningful impact on the number of meals served per student per day.

The percentage of lunches served for free increased over baseline in all but three States and decreased in one State new to DCM, while the percentage of breakfasts served for free increased in six States and decreased in one State. Most States saw a decrease in the percentage of lunches and breakfasts, a result of the aforementioned movement of students across eligibility categories. As a second order effect of these changes, States experienced mixed results in Federal reimbursement outcomes, both in reimbursements per student per day and the blended reimbursement rate. For the NSLP, reimbursements per student per day generally increased in the Cohort 2 States by between 2 and 13 cents, while for SBP, effects were more limited and mixed with no clear pattern.

As in the first year, implementation was generally successful but with longer timelines than expected.

Only one Cohort 2 State was ready to begin matching before the first day of school of 2017. Three more States conducted their first match prior to 2018. One State (Nevada) was unable to conduct any matches in SY 2017-18. While preparing for the demonstration, Cohort 2 State agencies encountered challenges similar to those reported by Cohort 1 States in their first year, including difficulties identifying which Medicaid aid categories contained the information needed to assess students' eligibility for DCM-F/RP. Cohort 1 States reported resolving some of the challenges that had persisted during their first year of implementation. Administrative costs to State Agencies involved in the demonstrations were modest during start-up and were largely negligible following implementation.

For More Information

Hulsey et al. (2020). *Direct Certification with Medicaid for Free and Reduced-Price Meals (DCM-F/RP) Demonstration, Year 2*. Prepared by Mathematica Policy Research, Contract No. AG-3198-K-16-0042. Alexandria, VA: U.S. Department of Agriculture, Food and Nutrition Service, Office of Policy Support, Project Officer: Conor McGovern. Available online at: [the FNS research and analysis page](#).