

Background

On an average school day, the National School Lunch Program (NSLP) provides subsidized meals to approximately 30 million school children, including 18 million low-income children. To ensure program integrity, school districts must select a sample of household applications for free or reduced-price meals, contact the households, and verify eligibility. This process (known as household verification) can be burdensome for both school officials and households. Some households do not respond to verification requests. When this happens, children may lose the free or reduced-price benefits even though they may be eligible for those benefits.

Direct verification uses information collected by means-tested programs to verify eligibility for free and reduced-price meals without contacting applicants. Potential benefits of direct verification include: enhanced program integrity, less burden for households when no contact is needed, less work for school district officials, and fewer students with school meal benefits terminated because of nonresponse to verification requests.

The *Child Nutrition and WIC Reauthorization Act of 2004* (P.L. 108-265) permits direct verification of school meal applications and requires the Food and Nutrition Service (FNS) to evaluate the feasibility and effectiveness of direct verification by school districts.

Method

FNS offered all States the opportunity to participate in a pilot study of direct verification using Medicaid data.¹ Four States implemented direct verification with Medicaid data (DV-M) during the first year of the pilot (Indiana, Oregon, Tennessee, and Washington; South Carolina tried but was unable to implement). In the

¹ Medicaid was the focus because a related process—direct certification—uses records from the Supplemental Nutrition Assistance Program (SNAP, formerly the Food Stamp Program), Temporary Assistance for Needy Families, and the Food Distribution Program on Indian Reservations to certify children for free meals without an application. Direct certification is generally conducted at the start of the school year, and directly certified students do not need to submit an NSLP application. Medicaid records have the potential to verify children who have not been directly certified.

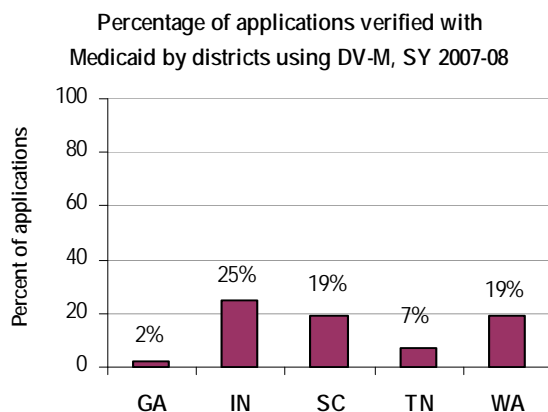
second year, Georgia and Wisconsin were added. The Direct Verification Pilot Study – as summarized here – evaluated the feasibility and effectiveness of DV-M using data collected from a random sample of 121 school districts in School Year (SY) 2006-07 and 118 school districts in SY 2007-08.

Findings

Direct verification with Medicaid is technically feasible. The pilot States established data-sharing agreements, secured Medicaid data, and made the data available to school districts by early October.

School districts can directly verify a substantial percentage of sampled NSLP applications if the DV-M system is available to them with complete Medicaid data when they need it (prior to October 1). After the second year of the pilot, the overall rates of verification with Medicaid were 25 percent in Indiana, 19 percent in each of South Carolina and Washington, 7 percent in Tennessee, and 2 percent in Georgia (Chart 1).

Chart 1

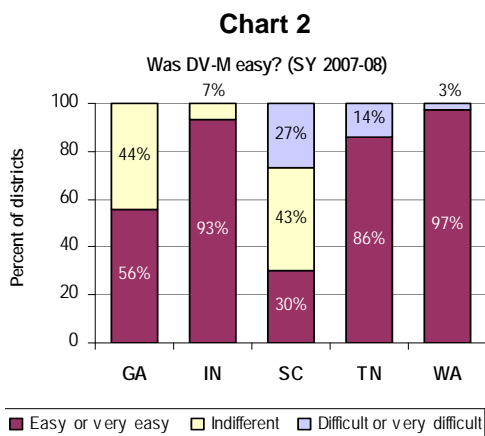


Source: Direct Verification Pilot Study: Final Report – 2009.

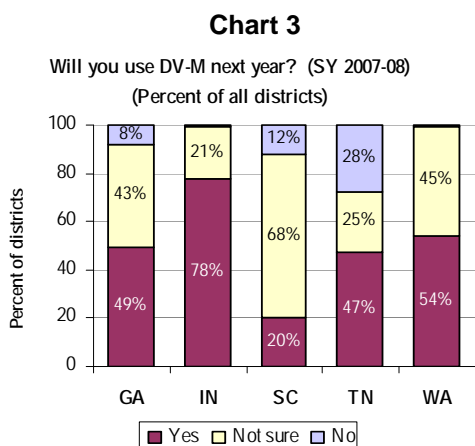
Several different types of systems can work. In the second year, the States implemented three basic DV-M models: Georgia and Indiana used statewide online lookup systems, while Tennessee used district-level look-up and Washington used a State-level matching system. Indiana and Washington used Medicaid with the State Children’s Health Insurance Program (SCHIP) while Georgia and Tennessee used Medicaid alone. Oregon and South Carolina implemented DV-M, but their systems were not easy to use.

States can build their DV-M systems as an extension of their direct certification systems. In addition, DV-M can be integrated with direct verification using SNAP data (DV-S). Indiana adapted its Web-based direct certification system to combine direct verification with SNAP and DV-M.

Among the pilot States, school districts found DV-M easy and planned to use it again (Charts 2 and 3). Indiana, Tennessee, and Washington districts found it very easy.

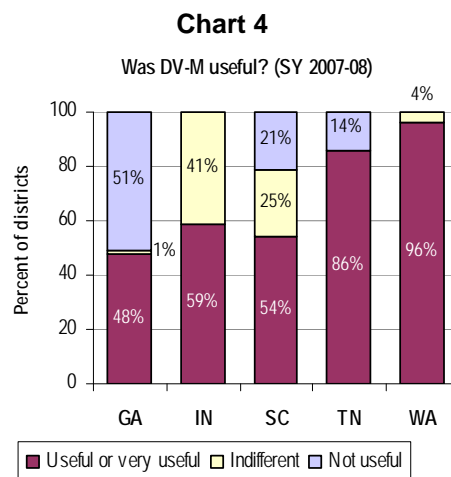


Source: Direct Verification Pilot Study: Final Report – 2009.



Source: Direct Verification Pilot Study: Final Report – 2009.

A majority of districts found DV-M useful (Chart 4). However, districts had mixed views on the usefulness of DV-M, with more districts in Washington and Tennessee finding it useful than elsewhere. Ratings reflected varying difficulties in implementation, differing expectations, and the underlying limitations of DV-M in States with low Medicaid income limits.



Source: Direct Verification Pilot Study: Final Report – 2009.

Challenges of implementation include: lead-time for planning and establishing interagency agreements, ensuring complete and accurate data, integrating DV-M with DV-S, promoting district participation, and timely implementation. Advance planning, good working relationships, strong systems for direct certification, and effective communications with school districts are keys to meeting these challenges.

Conclusion

Under the right conditions, direct verification with Medicaid is feasible. Even at modest match rates, DV-M can save time for households and school districts. DV-M can reduce the number of students losing free or reduced-price meals because of nonresponse to verification.

Download full report at: <http://www.fns.usda.gov/ora/>

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