

Nutrition Assistance Program Report Series
Office of Research and Analysis

Special Nutrition Programs

Report No. CN-10-DVFinal

*Feasibility of Wider Implementation
of Direct Verification
With Medicaid*



United States
Department of
Agriculture

Food and
Nutrition
Service

October 2010

Non-Discrimination Policy

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or part of an individual's income is derived from any public assistance program. (Not all prohibited bases apply to all programs). Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD).

To file a complaint of discrimination, write to USDA, Director, Office of Civil Rights, 1400 Independence Avenue, SW, Washington, DC 20250-9410 or call (800) 759-3272 (voice) or (202) 720-6382 (TDD). USDA is an equal opportunity provider and employer.



United States
Department of
Agriculture

Food and
Nutrition
Service

October 2010
Special Nutrition Programs
Report No. CN-10-DVFinal

Feasibility of Wider Implementation of Direct Verification With Medicaid

Authors:

Christopher W. Logan
Maura Pillsbury

Submitted by:

Abt Associates Inc.
55 Wheeler Street
Cambridge, MA 02138-1168

Project Director:

Christopher W. Logan

Submitted to:

Office of Research and Analysis
Food and Nutrition Service
U.S. Department of Agriculture
3101 Park Center Drive, Room 1014
Alexandria, VA 22302-1500

Project Officer:

Sheku G. Kamara, Ph.D.

This study was conducted under Contract number AG-3198-D-06-0060 with the Food and Nutrition Service.

This report is available on the Food and Nutrition Service web site: <http://www.fns.usda.gov/ora/>.

Suggested Citation:

U.S. Department of Agriculture, Food and Nutrition Service, Office of Research and Analysis, *Feasibility of Wider Implementation of Direct Verification With Medicaid*, by Christopher W. Logan and Maura Pillsbury. Project Officer: Sheku G. Kamara, Ph.D., Alexandria, VA: October 2010.

Acknowledgments

The authors wish to express their sincere gratitude to the nine States that volunteered to participate in the site visits for this study, and to the 25 other States that attended meetings to learn about and share insights on direct verification. We greatly appreciate the time that the State Child Nutrition and other staff spent on this process and the information they shared.

The authors wish to acknowledge the support, guidance, and comments of Sheku G. Kamara as Project Officer at the USDA Food and Nutrition Service (FNS) throughout this project. We are also grateful for the help of the following individuals at FNS: Ted Macaluso and Gary Vessels for planning assistance and review; Jay Hirschman for review; and Melissa Rothstein and William Wagoner for planning assistance. We thank the FNS Regional Offices for their help in setting up site visits and meetings. In addition to the authors, site visit data were ably collected by Nancy Cole, Bulbul Kaul, and Katherine Schulmann, while Jan Nicholson provided skilled production support and keen eyes. Their efforts and contributions are also acknowledged.

Contents

Executive Summary	i
Overview of Direct Verification	i
Methods and Data Collection.....	ii
Interest in and Readiness for Direct Verification with Medicaid.....	iii
State Child Nutrition Agencies.....	iii
State Education Agencies	iv
State Medicaid and SCHIP Agencies	iv
State SNAP/TANF Agencies.....	iv
Local Education Agencies	v
Barriers to DV-M and Potential Solutions	v
Access to Medicaid and SCHIP Data	v
Methods of Matching for DV-M	vi
Infrastructure for DV-M	vi
Resources for Implementation.....	vii
Other Issues	vii
The Future of DV-M.....	vii
Chapter 1: Introduction.....	1
1.1 Overview of Direct Verification.....	2
1.2 Using Medicaid Data for Direct Verification	4
Income Eligibility for Medicaid versus NSLP	5
1.3 Pilot Study Findings	5
1.4 Organization of the Report	6
Chapter 2: Methods and Data Collection.....	7
2.1 Regional Meetings.....	7
In-Person Meeting Open to All States.....	8
In-Person Meetings at FNS Regional Conferences	8
Web Meetings for All States	8
State Participation.....	9
2.2 State Site Visits.....	9
Selection of States	9
Meeting Agenda	11
Follow Up Meetings.....	11
Chapter 3: Interest in and Readiness for Direct Verification with Medicaid.....	13
3.1 Roles and Requirements for State Agencies in Implementing Direct Verification with Medicaid.....	13
3.2 State Child Nutrition Agencies.....	15
Interest in DV-M	15
Understanding of Rules and Requirements for DV-M.....	16
Strength of Direct Certification	16
3.3 State Education Agencies	17
3.4 State Medicaid and SCHIP Agencies	18
Organizational Structure.....	18
Integration of Data Systems	19

Income Limits for Medicaid and SCHIP	19
Potential Cooperation.....	20
3.5 State SNAP/TANF Agencies	20
3.6 Local Education Agencies.....	21
Chapter 4: Barriers to DV-M and Potential Solutions	23
4.1 Access to Medicaid and SCHIP Data.....	23
Child Nutrition Program Laws and Regulations Concerning Exchange of Medicaid and SCHIP Eligibility Data.....	23
Concerns and Decisions About Providing Access to Medicaid and SCHIP Data	24
4.2 Methods of Matching for DV-M.....	29
Reducing the Number of Missed Matches	29
Minimizing and Resolving Duplicate and False Matches.....	31
4.3 Infrastructure for DV-M.....	32
CN Systems.....	32
State Education Agency Systems.....	33
SNAP, TANF, Medicaid, and SCHIP Systems.....	34
4.4 Resources for Implementation	35
4.5 Other Implementation Issues.....	36
References.....	39
 Appendix A: Recruiting Materials for Regional Meetings and Site Visits	
Appendix B: Site Visit Summaries	
DV-M Case Study Report: ALABAMA.....	B-1
DV-M Case Study Report: CALIFORNIA.....	B-5
DV-M Case Study Report: FLORIDA	B-9
DV-M Case Study Report: IOWA.....	B-11
DV-M Case Study Report: MASSACHUSETTS	B-15
DV-M Case Study Report: NEBRASKA	B-19
DV-M Case Study Report: PENNSYLVANIA.....	B-23
DV-M Case Study Report: TEXAS	B-27
DV-M Case Study Report: WISCONSIN	B-31

Exhibits

Exhibit 1.1: FNS Guidelines for Direct Verification.....	4
Exhibit 2.1: State Participation in Regional Meetings on DV-M.....	10
Exhibit 2.2: Meeting Agenda for State Site Visits	12
Exhibit 3.1: Flow of information for DV-M.....	14
Exhibit 4.1: Plans for Sharing Medicaid/SCHIP Data in Site Visit States (Excludes Florida and Iowa).....	30

Executive Summary

Direct verification uses information collected by means-tested programs to verify eligibility for free and reduced-price meals under the National School Lunch Program (NSLP) and School Breakfast Program (SBP), without contacting applicants. The *Child Nutrition and WIC Reauthorization Act of 2004* (P.L. 108-265) permits direct verification of school meal applications based on data from the Supplemental Nutrition Assistance Program or SNAP (formerly known as the Food Stamp Program or FSP), Temporary Assistance for Needy Families (TANF), Food Distribution Program on Indian Reservations (FDPIR), Medicaid, and State Children’s Health Insurance Program (SCHIP).

The Food and Nutrition Service (FNS) of the U.S. Department of Agriculture, administers the NSLP, SBP, SNAP, and FDPIR. FNS contracted with Abt Associates, Inc. to conduct the Direct Verification Evaluation. The first phase of the study evaluated pilot projects testing the feasibility and effectiveness of direct verification with Medicaid or SCHIP (DV-M) in School Year (SY) 2006–07 and SY 2007–08. The participating States were: Georgia, Indiana, Oregon, South Carolina, Tennessee, Washington, and Wisconsin. The evaluation of the DV-M pilots was completed and published in October 2009 (Logan et al., 2009).

This report presents the results of the second phase of the evaluation. In this phase, the goals were to: (1) share the results of the pilot evaluation with other States and help them explore the feasibility of implementing DV-M, and (2) gather information about the feasibility of implementing DV-M in more States.

This report addresses the following questions:

- To what extent are State Child Nutrition officials interested in implementing DV-M?
- What are the barriers to the establishment of effective systems of DV-M?
- How can FNS and the States make DV-M feasible to implement on a wider scale?

To gather information on these questions, the evaluation team conducted regional meetings of State Child Nutrition officials and site visits to nine States. In these meetings, evaluation staff shared the results of the Direct Verification Pilot and discussed feasibility issues from the perspectives of the meeting participants.

Overview of Direct Verification

Local education agencies (LEAs, which are usually equivalent to school districts) are required to use information from SNAP and TANF to certify recipient children as eligible for free school meals. This process is called “direct certification”. LEAs also certify eligible children for free or reduced-price (F/RP) meals on the basis of an application submitted by their household. Children with family incomes of 130 percent of the Federal poverty guidelines (FPG) are eligible for free meals; those with incomes between 130 percent and 185 percent of the FPG are eligible for RP meals.

By law, LEAs must verify a random sample of approved F/RP meals applications on file as of October 1, and complete verification by November 15. Verification is generally conducted by

providing written notice to households selected for verification, requesting documentation of eligibility (“household verification”).

Since the enactment of P.L. 108-265 in 2004, LEAs have been authorized to use direct verification with SNAP, TANF, Medicaid, and SCHIP records before contacting households whose applications have been sampled. Certification for SNAP, TANF cash assistance, or FDPIR confirms eligibility for free meals.¹ (This report refers to direct verification with SNAP or TANF as DV-S.) Medicaid eligibility confirms eligibility for free meals in States with Medicaid income limits less than or equal to 133 percent of the FPG. This is the case in 27 States. Otherwise, the LEA must determine whether the family income as a percentage of the FPG, according to Medicaid/SCHIP records, is consistent with free meals eligibility (133 percent of the FPG or less) or RP eligibility (133 percent to 185 percent of the FPG). All but three States have combined Medicaid/SCHIP eligibility limits at or above 185 percent of the FPG, i.e., at or above the threshold for verifying RP eligibility. If the eligibility of any child on the application is directly verified, the entire application is verified. Otherwise, the LEA must contact the household and obtain documentation of eligibility.

The key findings of the Phase 1 DV-M pilot study are:

- Direct verification with Medicaid/SCHIP is technically feasible. Systems that can work include: statewide online lookup systems, district-level lookups, and state-level matching.
- LEAs can directly verify a substantial percentage of sampled F/RP meals applications if the DV-M system is available to them with complete Medicaid/SCHIP data when they need it.
- A majority of districts found DV-M useful and easy, and planned to use it again.
- Even with 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.
- 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.

Methods and Data Collection

For this report, the researchers conducted six regional meetings with State Child Nutrition officials and nine State site visits. In the regional meetings, the researchers shared information on DV-M experiences, discussed feasibility issues, and sought to identify States for site visits. All States were offered the opportunity to participate in a regional meeting, and 34 States attended at least one. Three types of regional meetings were held with State Child Nutrition officials: in-person, in-person in conjunction with FNS regional conferences, and web meetings.

In the State site visits, the researchers assisted State officials in planning for DV-M and gathered information on the feasibility of DV-M. States were selected for site visits by FNS based on perceived interest in and readiness for DV-M. Researchers visited Alabama, California, Florida, Iowa (by web meeting), Massachusetts, Nebraska, Pennsylvania, Texas, and Wisconsin. Site visits

¹ The feasibility of direct verification with FDPIR is not in the scope of this evaluation.

followed the same basic format of meetings and discussions with State officials from the relevant State agencies, including Education, Child Nutrition, and Medicaid/SCHIP. Researchers contacted State officials before and after the site visits to ensure collection of thorough, up-to-date information.

The data collected for this report identify States that are currently working to implement DV-M and provide limited, mostly suggestive, information about the level of interest among other State CN Directors. Our information about other agencies is based on the pilot study, the site visits, and second-hand information from CN directors. This information identifies the types of factors that may help or hinder their involvement in DV-M but does not indicate which States have more or less likelihood of cooperation with the State CN Agency by potential partners.

Interest in and Readiness for Direct Verification with Medicaid

The roles and requirements for State and local agencies in implementing DV-M depend on the design that the State adopts. Key choices include:

1. How do LEAs conduct DV-M?
2. What agency prepares the Medicaid/SCHIP data for use by LEAs?
3. What agency shares the data for DV-M with LEAs?
4. Is DV-M integrated with DV-S?

Agencies that will certainly be involved in DV-M include the State Child Nutrition (CN) and Medicaid/SCHIP Agencies, and LEAs. In addition, the State Education Agency (SEA) and SNAP/TANF Agency may be involved.² The level of cooperation and resources needed from agencies is commensurate with their role in DV-M. The feasibility of an agency's involvement in DV-M depends on its interest in and understanding of DV-M, and on the capabilities of systems such as the process for direct certification (DC).

State Child Nutrition Agencies

The State CN Agency will necessarily be involved with DV-M as the agency responsible for overseeing the process at State and local levels. Other possible roles include: providing funding, data preparation, providing the interface for LEAs, and training LEAs.

A total of 37 States have expressed some interest in DV-M, including 34 that attended a regional meeting conducted for this project. There are 14 States with higher levels of interest, including 1 that has taken initial steps toward implementing DV-M, 7 States currently using DV-M, and 6 more in development. Reasons for considering and undertaking DV-M focus on increasing program integrity and access, and reducing burden. Reasons for not implementing DV-M focus on lack of demand among LEAs, low expected match rates due to successful DC, and lack of resources.

Factors that may affect the readiness of State CN Agencies for DV-M include the following:

² In all but two States, the CN Agency is part of the SEA. In this situation, references to the SEA indicate other parts of the SEA. New Jersey and Texas house the CN Agency in the State Department of Agriculture.

- State CN officials appear to be confused by Medicaid/SCHIP eligibility categories and their relationship to free/reduced-price (F/RP) meals eligibility. This and other sources of confusion could be addressed by an implementation guide or resource package.
- Establishing a robust, effective DC process develops capabilities that will make DV-M easier to implement.
- FNS Direct Certification and Verification Grants facilitate improvements to DC and fund the implementation of DV-M. States are encouraged to apply each time grants are offered.

State Education Agencies

The SEA typically has a well-established working relationship with the State CN Agency that can serve as a foundation for collaboration on DV-M. Nearly all SEAs have the capability to provide student records for DV-M and to exchange data with LEAs. Many States have existing capabilities to match student data with means-tested program data, based on roles in DC or other data exchanges.

State Medicaid and SCHIP Agencies

State Medicaid and SCHIP Agencies control the data needed for DV-M. Factors that may affect the ease or difficulty of working with State Medicaid and SCHIP Agencies to implement DV-M include:

- Integration of Medicaid, SCHIP, SNAP, and TANF in a single agency may be helpful because of existing interagency agreements and relationships for DC.
- Having an integrated database of SNAP/TANF, Medicaid, and SCHIP participants is advantageous though not necessary for DV-M. In 2005, these data were integrated in 21 States.
- Only 16 States cover the full range of F/RP meals eligibility with Medicaid alone. Realizing the full potential of DV-M will require both Medicaid and SCHIP data in 32 States. In 3 States, the combined Medicaid/SCHIP income limit is less than the RP income limit, so DV-M can be used to verify eligibility for free meals but likely will not be effective for verifying eligibility for RP meals.
- The level of cooperation by Medicaid/SCHIP agencies is likely to vary, depending on the interests of leaders, the relationships among agencies, competing priorities, and State budget conditions.
- The lack of guidance about data-sharing from the Federal level of the Medicaid and SCHIP programs creates uncertainty and may impede efforts to implement DV-M.

State SNAP/TANF Agencies

State SNAP/TANF agencies have existing relationships and agreements with State CN Agencies to conduct DC. These relationships and agreements can serve as the basis for partnering for DV-M and DV-S.

Local Education Agencies

State CN Directors expect a range of responses to DV-M from LEAs, with some having strong interest and others being disinterested. The reasons given are similar to those found in the pilot study: motivators for LEAs include high nonresponse rates, concerns about accuracy of F/RP meals applications, and assuring that eligible children get benefits. LEAs may be reluctant to use DV-M because they are satisfied with the household verification process, or they may lack the resources to learn and implement their role in DV-M.

Readiness of LEAs for DV-M does not appear to be an issue where DV-M uses a simple web-based query or where DV-M uses existing capabilities developed through DC, such as district-level matching. Potential readiness issues include:

- Capability to create a verification sample file for matching;
- Ability of LEA information systems to process verification matching results; and
- Access of private schools and residential child care institutions to DV-M systems that rely on the state student information system.

Barriers to DV-M and Potential Solutions

There are four key requirements for successful implementation of DV-M:

1. Access to Medicaid and SCHIP data;
2. Identifiers and algorithms for matching;
3. Information technology infrastructure; and
4. Funding for implementation.

Discussion with State officials for this report and lessons from the pilot study identified potential barriers and solutions for meeting these requirements.

Access to Medicaid and SCHIP Data

DV-M requires two kinds of data on children enrolled in Medicaid/SCHIP:

- Identifying information to allow queries or data matching, such as name, date of birth, gender, Social Security Number (SSN), address, and parent/guardian name or SSN; and
- Income eligibility for F/RP meals, as determined by Medicaid/SCHIP.

P.L. 108-265 amended the Social Security Act to authorize State Medicaid/SCHIP agencies to provide information necessary for DV-M to State and local agencies administering the NSLP and SBP, without explicit consent from participants. The concerns of State Medicaid/SCHIP Agencies about DV-M include:

- Uncertainty about what data may be shared under Federal laws and regulations, including Medicaid/SCHIP rules and the Health Insurance Portability and Accountability Act (HIPAA) and its implementing regulations;

- State laws that restrict data-sharing;
- Need to obtain consent from participants;
- Protecting against misuse of data;
- Using existing methods for verifying Medicaid/SCHIP eligibility; and
- Resources needed to implement and conduct DV-M.

The Centers for Medicare and Medicaid Services (CMS) has not issued rules regarding DV-M, and neither P.L. 108-265 nor CMS rules address whether and how HIPAA applies to DV-M. As a result, States have had to reach their own interpretations of what information may be shared for DV-M, and these interpretations have varied.

In general, the States visited for this report have adopted or appear likely to adopt approaches that minimize the information shared by Medicaid and SCHIP. These approaches avoid or minimize potential issues of compliance with Medicaid and HIPAA regulations. On the other hand, these approaches place the primary workload for DV-M within the State Medicaid Agency or the SNAP/TANF agency, thus requiring the State CN Agency to provide funding to another agency. To date, the FNS DC/DV grants have been the primary source of these funds.

Methods of Matching for DV-M

There is no single, unique, verified identifier available in both student records and Medicaid/SCHIP records. As a result, missed matches and multiple matches to the same record can occur.

To reduce the number of missed matches, three States plan to use algorithms that compensate for spelling errors or inconsistencies in names, and two States plan to allow variants on date of birth. Three States plan query systems that would allow users to try variations on identifiers for individuals, and two other States plan DV-M systems that could be used interactively but would provide more protection against improper use of the data.

To avoid duplicate matches, one State plans to use an exact match on name, date of birth, and address. Use of Social Security Numbers (SSNs) might reduce both missed matches and false or duplicate matches, but this approach does not appear likely because of Medicaid restrictions. One or more State DV-M systems would include secondary identifiers useful for confirming matches and resolving duplicate matches.

Infrastructure for DV-M

DV-M requires infrastructure for LEA interfaces, database management and processing, and data matching (in batch mode, queries, or both). The available state-level infrastructure to support DV-M includes systems used by CN programs, the SEA, the SNAP/TANF Agency, and the Medicaid/SCHIP agency. The infrastructure includes hardware, software, telecommunications, staff, and contractors. Key findings with regard to infrastructure include:

- All five site visit States that are currently implementing DV-M plan to use some portion of their systems for DC as a platform for DV-M; this group includes California, Massachusetts, Nebraska, Pennsylvania, and Texas.

- Except in Nebraska, the systems for DC and DV-M will be separate from the systems used for other CN functions, such as SFAs' annual applications and reimbursement claims. Nebraska's approach gives the State CN Agency the most control over the DC and DV-M systems, and also provides a "one-stop" point of access for LEAs.
- District-level matching for DV-M does not appear to be acceptable to State Medicaid/SCHIP Agencies. Therefore, CN Agencies that use this method for DC face two relatively costly options in selecting the platform for DV-M: building a new system for DV-M or adapting an existing external (non-CN) system with the necessary capabilities.
- Using the state student database is simpler and more efficient than collecting data from LEAs for DV-M, but state data may be less current than LEA data, unless LEAs update the state database frequently.
- Lack of integration between Medicaid and SCHIP data systems poses a significant barrier to inclusion of SCHIP in DV-M.
- Use of SEA, SNAP, TANF, Medicaid, or SCHIP data systems is likely to increase the time to implement DV-M and pose challenges of making DV-M a priority.

Resources for Implementation

Implementing DV-M requires staff and other resources from the State CN Agency and its partners. Among the States visited for this report, all five that are currently implementing DV-M are using FNS grants. Lack of resources for DV-M was seen as a significant barrier by three of the four States that are not currently implementing DV-M. A related barrier is the need to upgrade DC systems in States that have limited capacity in this area.

States need expertise to plan and oversee implementation of DV-M. Available sources of expertise include: hiring staff or contractors, information-sharing among States, and meetings and presentations sponsored by FNS as part of this evaluation. A website or resource package on DV-M might be a useful supplement.

Other Issues

Additional issues identified during the meetings and site visits include:

- Need for regular training to assure effective use of DV-M and to prevent errors and misuse;
- Use of controls and monitoring to prevent and detect errors and misuse of DV-M; and
- Addressing common areas of confusion about DV-M through multiple channels, including presentations and print or web resources.

The Future of DV-M

FNS and the States have taken major steps in response to the mandate of the 2004 Reauthorization, which enabled the use of DV-M to streamline the verification process and reduce its adverse consequences. By the fall of 2011, current information indicates at least 12 States will be using DV-

M, and more may join them. The States working to implement DV-M now may face challenges, but they have the plans and resources needed to succeed.

Implementing DV-M appears to have become more challenging than it was for the pilot projects in 2006-2008. State budget crises have made resources for new projects such as DV-M scarcer. Access to Medicaid/SCHIP data for DV-M may be becoming more difficult due to the position of Federal program authorities. On the other hand, States now have several successful, effective models for DV-M.

States interviewed for this report identified several actions by FNS that could facilitate DV-M implementation. First, States expressed the need to clarify Federal rules governing the exchange of data for DV-M, including F/RP meals applications, student records, and Medicaid/SCHIP eligibility data. In particular, the uncertainty about sharing income and other data from Medicaid/SCHIP needs to be resolved. Second, States called for a guide to DV-M implementation. Such a guide might include:

- Explanation of the applicable rules and policies
- Discussion of alternative approaches and their pros and cons
- Recommended practices and checklists of implementation steps
- Resources for training LEAs and other communications

Finally, providing additional grant funding for DV-M would enable more States to turn their interest in DV-M into action.

The effectiveness of DV-M will vary among States as in the pilots, and it may change over time. Improvements to direct certification and expansion of SNAP participation will increase the number of children directly certified. This may reduce the proportion of applications for F/RP meals that can be verified with Medicaid or SCHIP, to the extent that more Medicaid/SCHIP children are directly certified based on SNAP participation. On the other hand, future expansions of Medicaid and additional funding for SCHIP authorized by the Affordable Care Act of 2010 may increase the enrollment of children in these programs and the potential of DV-M. The combined impact of these is unknown, but past experience suggests that DV-M will continue to be a worthwhile investment by Federal, State, and local agencies.

CHAPTER 1:

INTRODUCTION

Direct verification uses information collected by means-tested programs to verify eligibility for free and reduced-price meals under the National School Lunch Program (NSLP) and School Breakfast Program (SBP), without contacting applicants. The *Child Nutrition and WIC Reauthorization Act of 2004* (P.L. 108-265) permits direct verification of school meal applications based on data from the Supplemental Nutrition Assistance Program or SNAP (formerly known as the Food Stamp Program or FSP),³ Temporary Assistance for Needy Families (TANF), Food Distribution Program on Indian Reservations (FDPIR), Medicaid, and State Children's Health Insurance Program (SCHIP).

School districts use direct verification at the beginning of the verification process, and then send letters to households still needing verification. Information from means-tested programs may be used to verify SNAP, TANF, or FDPIR case numbers submitted on school meal applications, and also to verify the eligibility status of children approved on the basis of income.

Direct verification has many potential benefits: enhanced program integrity; less burden for households when their eligibility is confirmed and no contact is needed; less work for school district staff; and fewer students with school meal benefits terminated because of nonresponse to verification requests.

A related process—direct certification—uses SNAP, TANF and FDPIR records 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. In contrast, direct verification is conducted after most applications have been processed and a sample of applications is selected for verification. Direct verification complements direct certification.

The Food and Nutrition Service (FNS) of the U.S. Department of Agriculture administers the NSLP, SBP, SNAP, and FDPIR. FNS contracted with Abt Associates Inc. to conduct the Direct Verification Pilot Study. The first phase of the study evaluated the feasibility and effectiveness of direct verification with Medicaid (DV-M) in SY 2006-07 and SY 2007-08. The participating pilot States were Georgia, Indiana, Oregon, South Carolina, Tennessee, Washington, and Wisconsin. The evaluation of the DV-M pilots was completed and published in October 2009 (Logan et al., 2009). The key findings are summarized in Section 1.4.

This report presents the results of the second phase of the evaluation. In this phase, the goals were (1) to share the results of the pilot evaluation with other States and help them explore the feasibility of implementing DV-M, and (2) to gather information about the feasibility of implementing DV-M in more States.

³ The *Food, Conservation, and Energy Act of 2008*, P.L. 110-246, changed the name of the Food Stamp Program to the Supplemental Nutrition Assistance Program, effective October 1, 2008.

This report addresses the following questions:

- To what extent are State Child Nutrition officials interested in implementing DV-M?
- What are the barriers to the establishment of effective systems of DV-M?
- Are there challenges that limit State use of available FNS assistance for direct verification? If so, what are they?
- How can FNS and the States make DV-M feasible to implement on a wider scale?

To gather information on these questions, the evaluation team conducted regional meetings of State Child Nutrition officials and site visits to nine States. In these meetings, evaluation staff shared the results of the Direct Verification Pilot and discussed feasibility issues from the perspectives of the meeting participants. The data collection process is described in Chapter 2.

The remainder of this chapter presents an overview of direct verification, a summary of the pilot study findings, and the organization of the report.

1.1 Overview of Direct Verification

By law, local education agencies or LEAs (which are usually equivalent to school districts) must verify a sample of approved applications for free/reduced-price (F/RP) meals on file as of October 1, and complete verification by November 15. Most school districts must verify 3 percent of applications selected randomly from among “error-prone” applications (defined as applications with household income within \$100 of the monthly income limit or \$1,200 of the annual income limit). If the number of error-prone applications is insufficient to yield a 3 percent sample, the remainder of the 3 percent sample is selected at random from among all applications.⁴

Verification is generally conducted by providing written notice to households selected for verification, requesting documentation of eligibility (“household verification”). Prior to contacting the household, a person other than the official who approved the application must review and confirm the determination of eligibility (“confirmation review”). Failure to respond with documentation, or providing documentation of income in excess of NSLP eligibility limits, results in termination of free or reduced price benefits. LEAs must contact a nonresponding household a second time by telephone or mail, and then send a notice of adverse action prior to terminating benefits.

Direct verification uses information collected and documented by other means-tested programs to verify NSLP eligibility directly without contacting households. Prior to 2004, local education agencies could use information from SNAP, TANF, and FDPIR to verify categorical applications. (Applications for F/RP meals require either household income or a case number from a program that makes children categorically eligible for free meals. An application with a SNAP, TANF, or FDPIR case number is called a categorical application.) LEAs could also verify eligibility through records of

⁴ The maximum sample is 3,000 applications. LEAs may qualify for an alternate sample size if they have a nonresponse rate less than 20 percent, or they have more than 20,000 children approved by application and they reduce their nonresponse rate by at least 10 percent. The two alternate sample sizes are: a random sample of 3 percent of all applications, or a focused sample of 1 percent of error-prone applications plus 0.5 percent of categorical applications.

agencies such as the State unemployment office. At that time, such categorical applications were about 20 percent of verification samples.⁵

The 2004 *Reauthorization* made two changes to direct verification: SNAP and TANF records may now be used to verify applications approved on the basis of income (“income applications”), and additional means-tested programs may be used to verify NSLP eligibility. In particular, direct verification may now use records from the State Medicaid Program under Title XIX of the Social Security Act, and the State Children’s Health Insurance Program (SCHIP).

USDA Food and Nutrition Service (FNS) guidance memoranda specify rules for conducting direct verification and determining income eligibility (Exhibit 1.1).

Direct verification is best used early in the verification process, so that there is sufficient time to contact households for verification of applications not directly verified. Thus, it is essential that direct verification data are available for use by school districts when they select their samples on or before October 1.⁶

⁵ In SY 2005-06, 82 percent of applications sampled for verification by school districts nationwide were income applications and 18 percent were categorical applications.

⁶ LEAs may begin verification before October 1, but they must use the number of applications approved as of October 1 to determine their final sample.

Exhibit 1.1

FNS Guidelines for Direct Verification

Information verifying NSLP eligibility status

- SNAP, TANF cash assistance, or FDPIR eligibility confirms eligibility for free meals.
- Medicaid eligibility confirms eligibility for free meals in States with Medicaid income limits less than or equal to 133 percent of the Federal poverty guidelines (FPG).
- Family income and family size, or income as a percentage of the FPG, according to Medicaid records, is needed to determine eligibility for free or reduced-price meals in States with Medicaid income limits above 133 percent of the FPG.

Timing of information used for direct verification

The latest available information should be used from State SNAP, TANF, and Medicaid agencies:

- Information should be obtained from 1 month, no more than 180 days prior to the school meals application; or
- Information should be obtained for all months from the month prior to application through the month direct verification is conducted.

Criteria for establishing a match to direct verification information

- Direct verification should be based on a match of records from SNAP, TANF, FDPIR, and/or Medicaid with the names and other identifiers of children approved for NLSP benefits.
- Names of other household members appearing on the NSLP application may not be shared with the SNAP, TANF, FDPIR, and/or Medicaid agency.

Use of direct verification information

- When the eligibility of one child on an NSLP application is verified with SNAP, TANF, FDPIR, or Medicaid records, all children on the application are verified.
- Direct verification may be used to confirm the eligibility status determined during certification, but may not be used to change eligibility from reduced-price to free or vice versa.

Sources: FNS Memoranda (SP-14, SP-19, and SP-32-2006). For the most recent verification policies, go to <http://www.fns.usda.gov/cnd/Governance/policy.htm>

1.2 Using Medicaid Data for Direct Verification

Medicaid was authorized by Title XIX of the Social Security Act and is jointly funded by Federal and State governments. The program provides health insurance to low-income persons, including children up to age 18, who meet requirements such as income, citizenship, or legal immigrant status. Income eligibility limits and rules for counting income vary from State to State.

The Medicaid Program was expanded by the creation of SCHIP in 1997, under Title XXI of the Social Security Act. SCHIP provides benefits to children in families that cannot obtain medical insurance, but have incomes too high to qualify for Medicaid. SCHIP operates as an optional expansion or supplement to State Medicaid Programs.

Income Eligibility for Medicaid versus NSLP

Children applying for Medicaid are determined income-eligible based on the countable income of the child's family, where family is defined by financial and blood relationships among persons living together. For the NSLP, income eligibility is based on the countable income of the household, with household defined as all persons who reside in the economic unit. Nevertheless, FNS guidance (SP-32-2006, August 31, 2006) specifies that direct verification should use the family size and income information upon which the NSLP applicant's Medicaid eligibility is based.

In all States, the combined income eligibility limit for Medicaid and SCHIP exceeds the SNAP income eligibility limit (130 percent of the FPG). Thus, many children who are ineligible for SNAP, and cannot be directly certified, may be directly verified with Medicaid/SCHIP data. In all but three States, the combined Medicaid/SCHIP eligibility limit is at or above 185 percent of the FPG, and children eligible for reduced-price meals are eligible for Medicaid/SCHIP and may be directly verified.

1.3 Pilot Study Findings

The pilot study used interviews with State officials, surveys of school district officials, and administrative data to evaluate the feasibility and effectiveness of direct verification with Medicaid in six States. This section summarizes the principal findings from data for School Year (SY) 2007-08.

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.

Direct verification saves time for school districts. DV-M required, on average, 6 minutes per sampled application. DV-M saves time if the district verifies one application in 13, or 8 percent of the sample. The average district using DV-M reached this break-even point in Indiana, South Carolina, and Washington.

DV-M can reduce nonresponse to verification. Nationwide, 32 percent of applications sampled for verification lose benefits due to nonresponse. In Indiana and South Carolina, 24 percent of nonresponder applications were matched with Medicaid data. The nonresponder match rate was 5 percent in Georgia and 9 percent in Oregon.

Several different types of systems can work. In SY 2007-08, 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 pilot 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 and TANF data (DV-S). Indiana adapted its web-based direct certification system to combine DV-S and DV-M. Among the pilot States, most school districts found DV-M easy and planned to use it again. Indiana, Tennessee, and Washington districts found it very easy.

A majority of districts found DV-M useful. 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.

The pilot study identified several important challenges of implementation. These 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.

1.4 Organization of the Report

Chapter 2 describes the regional meetings and site visits conducted for this report, and additional data collection activities. Chapter 3 discusses the level of interest in and readiness for DV-M among State agencies. Chapter 4 discusses the barriers to implementing DV-M and the potential solutions. The conclusions of this report are provided in the Executive Summary. Appendix A provides informational brochures used in recruiting States to participate in the regional meetings and site visits. Appendix B provides case study reports for the site visits to individual States.

CHAPTER 2:

METHODS AND DATA COLLECTION

For this report, the researchers conducted six regional meetings with State Child Nutrition officials and nine State site visits. In the regional meetings, researchers shared information on DV-M experiences, discussed feasibility issues, and sought to identify States for site visits. All States were offered the opportunity to participate in a regional meeting, and 34 States attended at least one. In the State site visits, researchers assisted State officials in planning for DV-M and gathered information on the feasibility of DV-M to benefit FNS and other States. State selection for site visits was a multi-stage process, as described below. Three types of regional meetings were held with State Child Nutrition officials: in-person, in-person in conjunction with FNS regional conferences, and web meetings. Site visits followed the same basic format of meetings and discussions with State officials from the relevant State agencies, including Education, Child Nutrition, and Medicaid/SCHIP. The researchers contacted State officials before and after our site visits to ensure collection of thorough, up-to-date information. The qualitative data obtained as a result of these activities is discussed in detail in Chapters 3 and 4.

2.1 Regional Meetings

In consultation with FNS, six regional meetings were held with State Child Nutrition directors: one in-person meeting open to all States, two in-person meetings held in conjunction with FNS regional conferences, and three web meetings open to all States. The combination of in-person and web meetings was intended to maximize both face-to-face contacts and participation by States that did not have the opportunity to attend a face-to-face meeting. This approach was adopted due to feedback indicating that many States preferred this option. Each of the three types of meetings is described below in further detail.

The objectives of these meetings were:

- a) Share information on successful establishment of direct verification with Medicaid (DV-M) and the lessons learned;
- b) Determine the level of awareness of, and interest in, DV-M;
- c) Identify the barriers to the establishment of effective systems of DV-M;
- d) Identify challenges that limit State use of available FNS technical assistance funds for direct verification;
- e) Formulate potential strategies to make DV-M feasible; and
- f) Identify States likely to participate in and benefit from on-site meetings about the feasibility of DV-M.

Appendix A provides copies of the agenda for the in-person meeting for all States and the brochure distributed to State Child Nutrition (CN) officials inviting them to participate in the web meetings. The agendas for the two sessions at regional meetings were modified to fit the available time.

In-Person Meeting Open to All States

The researchers conducted one in-person meeting open to all States on March 4, 2009 in Washington, D.C. It was scheduled to follow the School Nutrition Association Legislative Action Conference. This conference brings State representatives from all regions together, and it provided an opportunity to gather a group of interested State CN Directors for a meeting on DV-M. The meeting lasted four hours and included presentations from FNS, Abt Associates, and one of the pilot States, the Indiana Department of Education (DOE). Ten States (other than Indiana) were represented: Arkansas, California, District of Columbia, Florida, Iowa, Massachusetts, Mississippi, New Mexico, North Carolina, and Texas. State representatives discussed their perspectives on the feasibility of DV-M, and two States (California and North Carolina) discussed their efforts to implement DV-M.

In-Person Meetings at FNS Regional Conferences

The researchers also conducted in-person meetings at two FNS regional conferences of State officials involved with the Special Nutrition Programs:

- Southwest Region Conference, Dallas, Texas, April 16, 2009; and
- Mid-Atlantic Region Conference, Shepherdstown, West Virginia, May 14, 2009.

At each of these meetings, FNS introduced presentations by Abt and John Todd of Indiana DOE. The presentations were part of multi-day conferences attended by State CN Directors and other State CN officials. At each meeting, the presentations and question-and-answer time spanned between 2 and 3 hours. The Southwest conference meeting was a 2¼ hour plenary session intended for all States. The Mid-Atlantic conference meeting was one of three concurrent 2-hour sessions followed by two “speed-sharing” sessions open to all attending States with opportunities for questions and discussion.

Web Meetings for All States

Finally, the researchers conducted three web meetings open to all States:

- April 22, 2009 presentation and question-and-answer (Q&A) session,
- April 30, 2009 presentation and Q&A session, and
- May 19, 2009 Q&A session.

Each presentation session lasted 2 hours, including an introduction by FNS and presentations by Abt and Indiana DOE. Each Q&A session was scheduled to last 2 hours, although the April 22 and April 30 sessions each lasted about 1 hour, and the May 19 meeting lasted 1½ hours. During the Q&A sessions, participants had the opportunity to ask follow-up questions, and the presenters expanded on some details not covered in the presentations. Participants provided feedback on the feasibility of DV-M in their States.

State Participation

A total of 34 States attended at least one of the regional meetings described above. Exhibit 2.1 summarizes State participation in these meetings.

2.2 State Site Visits

Abt conducted site visits in nine purposively selected States. The purpose of these visits was to discuss how States could approach development of a DV-M system, and to gather information on the feasibility of DV-M. The site visits also facilitated communication and planning among State agencies. State site visits were conducted in a similar fashion across all nine States. Prior to each site visit, researchers conducted an initial conference call with the State CN Director to obtain background information on the State's direct certification (DC) process and the status of their DV-M implementation process. Researchers then traveled to each State to conduct in-person meetings with State officials from all agencies with potential involvement in the DV-M process, including State Education, Child Nutrition, and Human Service agencies. (In one State, Iowa, a web meeting was conducted instead of an in-person meeting.) Finally, researchers conducted follow up calls with State CN Directors and supporting staff members to obtain updated information on State actions related to DV-M and DC. Researchers also exchanged e-mail correspondence with the States after the site visit as needed to provide additional help or gather additional information.

Officials from all agencies potentially involved in the DV-M process were asked to participate in the site visits in order to facilitate inter-agency communication and to obtain information on challenges and barriers to implementing DV-M across agencies. In all States, participants included the CN, Education (SEA), SNAP, and Medicaid Agencies. Only one State meeting included the separate SCHIP Agency (Alabama). However, three States did not have a separate SCHIP agency (Massachusetts, Nebraska, and Wisconsin) and one State (California) had already decided that including SCHIP was not feasible in the near term. Therefore, the SCHIP Agency perspective is only truly missing in four of the States (Florida, Iowa, Pennsylvania, and Texas). In these States, the SCHIP Agency declined the invitation to participate or did not respond.

Selection of States

Selection of States for site visits was a multi-stage process. The focus was on States that had not implemented DV-M but appeared to have significant potential to do so. Initially, seven States were identified for possible participation:

- Four States that requested site visits during a regional meeting (Alabama, California, Florida, and Texas);
- Two States that expressed strong interest in DV-M and made steps to involve potential partners (Michigan and Pennsylvania); and
- One State that expressed interest in investigating the feasibility of DV-M (Iowa).

Exhibit 2.1**State Participation in Regional Meetings on DV-M**

State	Meeting(s)	State	Meeting(s)
Alabama	4/30	Nebraska	4/30, 5/19
Alaska	—	Nevada	4/30
American Samoa	—	New Hampshire	—
Arizona	4/30, 5/19	New Jersey	—
Arkansas	3/4, 4/16*	New Mexico	3/4, 4/16*
California	3/4, 4/30	New York	—
Colorado	4/22	North Carolina	3/4
Connecticut	—	North Dakota	—
Delaware	—	Ohio	4/22
District of Columbia	3/4, 5/14*	Oklahoma	4/16*
Florida	3/4	Oregon	—
Georgia	4/22	Pennsylvania	4/30
Guam	—	Puerto Rico	5/14*
Hawaii	—	Rhode Island	—
Idaho	4/22	South Carolina	5/19
Illinois	4/30	South Dakota	4/22, 5/19
Indiana	(All) [†]	Tennessee	—
Iowa	3/4, 4/30	Texas	3/4, 4/16*, 5/19
Kansas	—	Utah	4/30
Kentucky	—	Vermont	—
Louisiana	4/16*	Virgin Islands	—
Maine	—	Virginia	5/14*
Maryland	4/30	Washington	4/30
Massachusetts	3/4	West Virginia	5/14*
Michigan	4/22, 4/30	Wisconsin	—
Minnesota	4/30	Wyoming	—
Mississippi	3/4		
Missouri	4/30		
Montana	4/30		

Key:

3/4 – In-person meeting open to all States, Washington, D.C. (10 States)

4/16 – In-person meeting for Southwest Region, Dallas, Texas (5 States*)

4/22 – Web meeting open to all States (presentation and Q&A) (6 States)

4/30 – Web meeting open to all States (presentation and Q&A) (14 States)

5/14 – In-person meeting for Mid-Atlantic Region, Shepherdstown, West Virginia (4 States*)

5/19 – Web meeting open to all States (Q&A only) (6 States)

Notes:

*All States known to be attending the Southwest and Mid-Atlantic conferences are listed. Logistics of these meetings did not permit identification of the States that attended the DV-M presentation and discussion.

[†]Indiana was represented at all meetings by John Todd from the Indiana DOE, the co-presenter. Indiana is not included in counts of States attending meetings.)

— Did not attend any regional meetings

All of these States participated except Michigan, where the CN Agency was interested in learning about DV-M but was unable to host a site visit due to staff furloughs and workload. Wisconsin (another Midwestern State) was chosen to replace Michigan; Wisconsin had sought to implement DV-M in 2007 but encountered delays due to constraints on the State Medicaid Agency. Two additional States were selected based on their perceived interest in and readiness for DV-M: Massachusetts and Nebraska.⁷ All seven FNS regions were represented.

In total, researchers visited the following nine States between July 2009 and March 2010: Alabama, California, Florida, Iowa (web meeting), Nebraska, Pennsylvania, Massachusetts, Texas, and Wisconsin.

Meeting Agenda

Exhibit 2.2 presents a condensed version of the agenda for the State site visits. Meetings took place over the course of one or two days. The length of the meetings varied slightly depending on the issues needing discussion in each State, but in general researchers met with officials for between three and six hours during each site visit. State CN Directors were contacted prior to site visits for a brief discussion in order to obtain background information and prepare for the site visit.

Follow Up Meetings

During April-June 2010, researchers held follow up conference calls with the State CN Directors from eight of the nine States visited, to clarify and/or provide additional information.⁸ The researchers obtained updated information from these States on their plans and progress toward implementing DV-M. In addition, States were invited to comment on the drafts of the site visit reports in Appendix B. Information in this report is current as of June 2010, with some corrections or revisions to schedules provided in August 2010. DV-M plans in all nine States are subject to change.

The main issues for discussion during the follow up calls were:

- Progress toward the implementation of DV-M since the site visit;
- Changes in plans to implement DV-M;
- Challenges encountered; and
- Lessons learned.

In addition, some State CN Directors identified other staff members or agencies as contacts to provide further updates on their progress. The researchers contacted these staff members, who provided responses via e-mail.

⁷ Before Massachusetts and Nebraska were selected, two other States were asked to participate in site visits but declined—New York (Northeast Region) and Arkansas (Southwest Region).

⁸ No follow-up call was conducted with Massachusetts.

Exhibit 2.2

Meeting Agenda for State Site Visits

1. Welcome and Orientation
Objectives of the site visit. Informed consent statement.
 2. Abt Presentation on the Business Case for DV-M
What is DV-M? How are DV-M and direct certification similar, and how are they different? Why use DV-M? What are the feasible models from the DV-M pilot study?
 3. Status of State Preparations for DV-M
What has happened? What milestones have been defined? What approaches are being considered? Has one been chosen? What are the biggest challenges and issues at this stage?
 4. State Experience with Direct Certification
What has the State done? How has it worked? Access for school districts: file distribution and/or on-line queries. Matching methods (identifiers, rules). Frequency of matches/file distribution.
 5. State Experience with/Plans for Direct Verification with SNAP/TANF (DV-S)
If DV-S is operational, discuss experience to date. If DV-S is planned, discuss status, issues encountered so far, next steps. If not operational and no plans, what would it take to add DV-S to the existing direct certification system? Is this feasible (resources, priority, cooperation)?
 6. Platforms for DV-M
Available systems that can be adapted for searching or matching and sharing data with school districts. Feasibility of using direct certification or DV-S system. Experience with data exchanges between State/local education agencies and Medicaid/SCHIP. Other available infrastructure (e.g., website for SNAP/Medicaid partner access, SEA website not used for direct certification). Controls to assure security and confidentiality of data (policies, effectiveness in practice).
 7. Access to Medicaid data
Authorization to share Medicaid data for DV-M. Data needs for DV-M. Relationship of data systems for SNAP and Medicaid. Medicaid confidentiality requirements. Process and criteria for data-sharing agreements.
 8. Potential Approach to DV-M
State's options and plans: How do they want it to work? Anticipated roles of SNAP, Medicaid/SCHIP, and SEA-IT agencies. Similar models from the DV-M pilot. Technical challenges, solutions. Security and confidentiality issues, solutions. Staff and contractor availability and funding. Other issues.
 9. Plan for follow-up with SNAP, Medicaid/SCHIP, SEA-IT, NSLP agencies
-

CHAPTER 3

INTEREST IN AND READINESS FOR DIRECT VERIFICATION WITH MEDICAID

This chapter addresses the question of whether State Child Nutrition (CN) Agencies and other agencies are interested in and ready to undertake DV-M. This is the first and perhaps most important question about the feasibility of implementing DV-M beyond the pilot States. Without the leadership of State CN Agencies, DV-M will not happen. Further, there needs to be interest and readiness on the part of local education agencies (LEAs). Finally, State Medicaid Agencies and other State Agencies must be willing and able to perform their roles.

The chapter begins by outlining the potential roles of State agencies in DV-M. Next, the chapter considers the available information on the level of interest in and readiness for DV-M among each type of State agency that may be a partner in DV-M. The chapter concludes with a discussion of interest in and readiness for DV-M among LEAs.

As discussed in Chapter 2, the discussion is based on the meetings with State CN Directors, the site visits to nine States, and the lessons learned in the six pilot States that implemented DV-M. These data identify States that are currently working to implement DV-M and provide limited, mostly suggestive, information about the level of interest among other State CN Directors. Our information about other agencies is based on the pilot study, the site visits, and second-hand information from CN directors. This information identifies the types of factors that may help or hinder their involvement in DV-M but does not indicate which States have more or less likelihood of cooperation by potential partners to the State CN Agency.

3.1 Roles and Requirements for State Agencies in Implementing Direct Verification with Medicaid

The roles and requirements for State agencies in implementing DV-M depend on the design that the State adopts. The key design choices that affect the roles of State agencies are:

1. How do LEAs conduct DV-M? The three feasible methods are: (a) downloading data for local matching or look-ups; (b) on-line queries using a state-level database; or (c) uploading verification data for state-level matching and downloading results. The choice of method determines the kinds of data and capabilities needed at the State and local levels.
2. What agency prepares the Medicaid/SCHIP data for use by LEAs? Data preparation steps may include (a) selecting records and data elements from the Medicaid/SCHIP database; (b) determining the percentage of the FPG for Medicaid/SCHIP children or whether they fall into the free or reduced-price (RP) income range; (c) matching Medicaid/SCHIP data with a statewide student information system (SSIS); or (d) matching Medicaid/SCHIP data with data from NSLP applications.

3. What agency shares the data for DV-M with LEAs? This may be the agency that prepares the data or another agency that has the capability to support the DV-M process for LEAs.
4. Is DV-M integrated with direct verification with SNAP/TANF (DV-S)? This choice determines whether the SNAP/TANF agency must be involved and whether there are additional steps to integrate the SNAP/TANF data with Medicaid/SCHIP data.

Exhibit 3.1 provides an illustration of the flow of information for DV-M. This is the most typical pattern in the pilot States (including Indiana, Oregon, Tennessee, and Washington). The roles of the State agencies in this illustration are as follows:

- The **State Medicaid Agency** maintains the database of Medicaid and SCHIP enrollees. This agency extracts a file of Medicaid/SCHIP children and sends it to the State Child Nutrition Agency.
- The **State Child Nutrition Agency** prepares the data as needed for use by **local education agencies** (LEAs, including public school districts and independent schools).
- **The State Education Agency** (SEA) posts the data on its web portal.
- LEAs access the data through the SEA web portal and conduct DV-M.

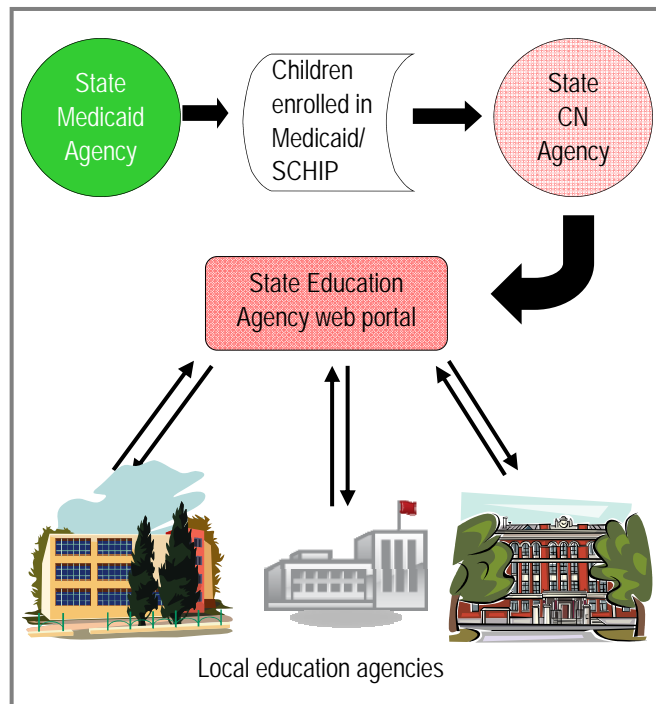
In a variant of this model, the State CN Agency maintains its own web portal and uses it for data exchanges with LEAs.

Other models for State agency roles involve larger roles for the State Medicaid/SCHIP Agency or the State SNAP/TANF Agency:

- The State Medicaid/SCHIP or SNAP/TANF Agency hosts a lookup system for LEAs to verify individual applications. The host agency does the data extraction and preparation, and the lookup system does the data matching through queries. Georgia implemented this model.
- The State Medicaid/SCHIP Agency (or its contractor) extracts its data and matches to student records or NSLP applications. The State CN agency or SEA hosts a system for LEAs to access the match results. South Carolina implemented this model. Under a variant, the State Medicaid/SCHIP Agency could also host the system for LEAs to access match results.

Exhibit 3.1

Flow of information for DV-M



The level of cooperation and resources needed from agencies is commensurate with their role in DV-M. The following sections discuss the feasibility of involving each type of agency in DV-M, taking into account the range of their potential roles.

3.2 State Child Nutrition Agencies

The State CN Agency will necessarily be involved with DV-M as the agency responsible for overseeing the process at State and local levels. Other possible roles include: providing funding, data preparation, providing the interface for LEAs, and training LEAs.

In considering the readiness of State CN Agencies for DV-M, the important factors are the level of interest in DV-M, understanding of the rules and requirements for DV-M, and the method and strength of direct certification (DC).

Interest in DV-M

State CN Agency interest is the most basic precondition for DV-M. There is clear evidence of substantial interest in DV-M among State CN Agencies.

- Seven States currently use DV-M (implementation dates in parentheses): Georgia (2005), Indiana (2006), North Carolina (2009), Oregon (2005; current system 2008), South Carolina (2007; current system 2009), Tennessee (2006), Washington (2006).
- Six States are developing DV-M: Arizona, California, Massachusetts, Nebraska, Pennsylvania, and Texas.
- Two States where site visits were conducted are considering whether to implement DV-M: Alabama and Florida. Wisconsin is interested in DV-M but did not have the resources to implement it at the time of the contacts for this report. Only one site visit State (Iowa) has decided not to implement DV-M.
- One other State has taken some steps to plan for DV-M: Virginia.⁹
- Finally, 20 additional States expressed some interest by attending one or more of the regional meetings conducted for this project.

Thus, of the 51 State CN Agencies contacted for this phase of the evaluation, 37 have expressed some interest, ranging from attending a regional meeting to implementing DV-M.

State CN directors cite several reasons for considering and undertaking DV-M, including high rates of non-response to household verification, concerns about the integrity of school meals applications, publicity about perceived fraud in school meals programs, ensuring that eligible students keep receiving benefits, and the burden of verification on families and LEAs.

For States that have chosen not to implement DV-M, three reasons stand out. First, some do not believe that there is sufficient demand among their LEAs to justify the effort. In smaller States, CN

⁹ The Virginia Medicaid Agency contacted Abt Associates in December 2009 and again in May 2010 for information to plan for DV-M.

directors point to the small verification samples as being a minimal burden. Second, some CN directors believe that direct certification is working well enough that few children in households sampled for verification would be matched with Medicaid data. Finally, lack of resources for new initiatives is an important constraint. Staffing freezes and furloughs were reported in several States. Competing demands for State CN staff include: new or expanded programs (Fresh Fruit and Vegetables, equipment grants, etc.), improving direct certification and application processing, and improving meal quality and food safety. DV-M implementation often will require funding for technical personnel to modify existing information systems or create new ones, and for training of LEAs, as discussed in more depth in Chapter 4. Need for external funding, such as FNS grants, is an important constraint.

Understanding of Rules and Requirements for DV-M

Communications provided and supported by FNS have played an important role in increasing awareness by State CN Directors of the rules and requirements for DV-M. As part of the Direct Verification Evaluation, Abt Associates has made two presentations at the School Nutrition Association (SNA) Annual National Conference and two presentations to the SNA/FNS State Agency Conference, as well as the six presentations to regional meetings conducted in this phase of the evaluation.

Despite these efforts, State CN Directors and other CN officials appear to find some aspects of the rules for DV-M confusing. In particular, the relationship of Medicaid/SCHIP eligibility to free/reduced-price (F/RP) meals eligibility is a source of confusion. Experience with DC may lead CN Directors to expect a simple, one-to-one mapping between medical assistance programs and F/RP meals eligibility categories, but this is rarely the case. As a result, some CN directors conclude that it is too difficult to determine whether Medicaid/SCHIP data confirm eligibility for F/RP meals. CN directors also express concern that differences in the definition of a household and measures of income between Medicaid/SCHIP and school meals programs make it inappropriate to use DV-M, even though FNS policy accepts the Medicaid/SCHIP definitions.

Until August 2009, the difference between direct certification policy (which required each child to be matched) and direct verification policy (requiring only one child per application to be matched) was another source of confusion. Direct certification policy changed with FNS Memorandum SP 38-2009, which states that all school-age children in a household should be directly certified if any child is directly certified with SNAP/TANF data.

More generally, it appears that an implementation guide for DV-M would be useful, as suggested by one State CN Director. Such a guide might include applicable sections of laws and regulations, as well as practical guidance or recommended practices.

Strength of Direct Certification

A robust, effective DC process is not absolutely necessary for DV-M, but it is highly desirable for two reasons. First, more families will benefit from improvements in DC than will benefit from DV-M, because DC serves all students while DV-M only serves those in the verification sample. Second, technology developed and lessons learned in DC can be used for DV-M, as demonstrated by the pilot States. This is especially true when the State CN Agency or SEA takes responsibility for both DC and DV-M.

While a comprehensive inventory of improvements to DC was not part of this study, State CN Directors reported a variety of steps that will help set the stage for DV-M:

- Implementing DC in all LEAs, including charter and private schools—this will help prepare these LEAs to use DV-M;
- Switching from district-level to state-level matching—this facilitates use of state-level matching for DV-M;
- Adding capability for LEA upload of student records for matching—this facilitates the batch method of DV-M using a file of students sampled for verification;
- Improving the interface for LEAs—this makes any form of DV-M easier to implement; and
- Making the data exchange and matching more automated—this is done to facilitate more frequent DC, but it also reduces the effort needed to conduct DV-M.

The Direct Certification and Verification grants awarded by FNS in Fiscal Years 2006, 2007, 2008, and 2010 have facilitated these improvements to DC and also provided grant funding for DV-M in seven States (California, Massachusetts, Nebraska, North Carolina, Pennsylvania, Tennessee, and Texas).

Thus, there appears to be considerable awareness of and interest in DV-M among State CN Directors, and there is increasing priority for the kinds of DC capabilities that help make States operationally ready for DV-M. There is an opportunity for FNS to increase the readiness of State CN Agencies by clarifying policy, providing how-to guidance, and making additional funds available for DV-M implementation.

3.3 State Education Agencies

State Education Agencies (SEAs) have three potential roles in DV-M:

1. Providing student records;
2. Matching student records or NSLP application data with Medicaid/SCHIP data; and
3. Maintaining the interface for LEAs to access Medicaid/SCHIP data for DV-M.

In all but two States, the SEA is part of the same department as the State CN Agency¹⁰. (The exceptions are New Jersey and Texas.) The SEA is often involved with DC, particularly where state-level matching uses the statewide student database maintained by the SEA. SEAs often maintain the data processing environment where CN applications operate. Therefore, the SEA typically has a well-established working relationship with the State CN Agency that can serve as a foundation for collaboration on DV-M. Furthermore, LEAs and students are among the SEA's primary customers, so DV-M represents an opportunity for the SEA to improve customer service.

Nearly all SEAs have or are expected to have statewide student databases. In 2005, 40 States had such databases, and 9 others had plans to implement them (Cole and Logan, 2007). Thus, nearly all

¹⁰ Source: List of State CN Agency contacts provided by FNS, February 2009.

SEAs have the capability to provide student records for DV-M. Furthermore, these databases require the SEA to exchange data with LEAs, so they have this capability as well (typically using a web interface, although other types of file transfer are used as well).

SEAs that perform state-level matching for DC can use their existing capability (with modifications) to conduct matching for DV-M. Other SEAs may have developed similar capabilities for other purposes; if not, they will need to do so if they intend to use a method that requires matching.

3.4 State Medicaid and SCHIP Agencies

As discussed in Section 3.1, the most basic role of the State Medicaid and SCHIP Agencies in DV-M is providing identifiers and eligibility data for enrolled children. Potential roles with greater levels of involvement include:

1. Matching Medicaid/SCHIP data with student records or NSLP application data;
2. Providing the interface for LEAs to access Medicaid/SCHIP data for DV-M; and
3. Training LEAs to use DV-M.

Higher levels of involvement by State Medicaid and SCHIP agencies will likely require higher levels of commitment to DV-M by these agencies and higher levels of funding for them. On the other hand, a higher level of involvement may be a condition of access to the Medicaid/SCHIP data, if Federal or State requirements restrict the data that are shared with other agencies for DV-M. (There is some uncertainty about what is the minimum level of involvement for State Medicaid and SCHIP agencies that is consistent with Federal requirements. This issue is discussed in Chapter 4.)

To provide insight on the readiness of State Medicaid and SCHIP Agencies for DV-M, the available information provided below addresses the following factors: organizational structure, integration of data systems, income limits for Medicaid and SCHIP, and potential for cooperation.

Organizational Structure

There are several organizational models among the States with different implications for DV-M:

- A single agency for Medicaid, SCHIP, SNAP, and TANF
- A single agency for Medicaid, SNAP, and TANF, and a separate SCHIP agency
- A Medicaid/SCHIP agency and separate SNAP/TANF agency
- Separate agencies for Medicaid, SCHIP, and SNAP/TANF

These programs are never housed in the State CN or Education Agency.

In general, integration of these programs may be helpful to implementing DV-M, as fewer interagency relationships and agreements are needed. Where Medicaid and/or SCHIP is housed in the same agency as SNAP, the agency has an existing interagency agreement with the State CN Agency for direct certification. State CN Directors indicate that this relationship is helpful when seeking to involve Medicaid and SCHIP officials in planning for DV-M. Integration of Medicaid/SCHIP with SNAP/TANF in a single agency may facilitate DV-M, but even within the same agency there can be a strong separation between these two program areas. In this situation, the State CN Agency faces

much the same task as when involving a separate Medicaid/SCHIP Agency: educating the new partner about school meal programs, establishing a working relationship, and working out the terms of data-sharing between programs.

Integration of Data Systems

Whether Medicaid and SCHIP are operationally integrated depends on two factors: first, how the State implements SCHIP, and second, how the data systems are integrated. Currently, there are six States operating SCHIP as a Medicaid expansion (i.e., part of the Medicaid program), 19 States with separate SCHIP programs, and 26 States with a combination of Medicaid expansions and separate SCHIP programs (e.g., Medicaid expansions for some categories of children and separate SCHIP for others).¹¹ Thus, 45 States have some form of separate SCHIP program. However, this program may be operated by the same agency as the Medicaid program.

Having an integrated database of SNAP/TANF, Medicaid, and SCHIP participants is also advantageous though not necessary for DV-M. Under this structure, a single program can extract data for DC and DV-M, and there is no need to compare files and eliminate duplicates between the SNAP/TANF data and the Medicaid/SCHIP data. In 2005, 36 States had integrated eligibility systems for SNAP, TANF, and Medicaid (Cole and Logan, 2007). Of these, 14 also integrated the data for their separate SCHIP programs in the same system, and 7 integrated their SCHIP Medicaid expansion. Thus, 21 States had the fullest integration of data needed for DC and DV-M. The researchers have no more recent information but would expect the number to stay the same or increase, as the integration of data systems is a common priority among States. Moreover, even where Medicaid and SCHIP databases are separate, they may share data to assure that eligible children are enrolled in the correct program. Such data-sharing may facilitate the construction of a combined Medicaid/SCHIP data file for DV-M.

Income Limits for Medicaid and SCHIP

The income limits for Medicaid and SCHIP determine the extent to which these programs cover children who are not eligible for SNAP or TANF (and thus not directly certified), and whether DV-M can be effective for children approved for both free and RP school meals. Nearly all States (48) provide medical assistance for school-age children up to at least 185 percent of the FPG. However, only 16 States cover this full range with Medicaid alone, while 14 have Medicaid limits between 133 percent and 185 percent of the FPG, and 21 have Medicaid limits at 100 percent of the FPG. Thus, realizing the full potential of DV-M will require both Medicaid and SCHIP data in 32 States.¹² In 3 States, the combined Medicaid/SCHIP income limit is less than 185 percent of the FPG, so DV-M can be used to verify eligibility for free meals but likely will not be effective for RP meals.

¹¹ Source: Kaiser Foundation (2010), CHIP Program Name and Type, 2009 <http://www.statehealthfacts.org/comparetable.jsp?ind=238&cat=4>, downloaded 5/26/10). The District of Columbia is counted as a State in these statistics.

¹² Source: statehealthfacts.org, downloaded 2/11/2009.

Potential Cooperation

Experience from the pilot States and those that are currently implementing DV-M suggests that the level of cooperation by Medicaid/SCHIP agencies is likely to vary. Factors affecting level of cooperation by Medicaid/SCHIP agencies include:

- Agencies are more likely to cooperate if their leaders have a shared interest in improving the service to low-income families or the efficiency and integrity of school meals.
- Cooperation may be easier to get in a small State and others where relationships among agencies are less formal.
- Agencies other than CN may be able to “broker” the relationship by identifying contacts and facilitating dialogue with Medicaid/SCHIP. Possible brokers include: State SNAP/TANF agency, SEA liaison to Medicaid for school-based services, and advocates for health care and low-income communities.
- Competing priorities may pose a significant challenge. SCHIP was reauthorized and changed in 2009, and implementation of these changes is a priority. Changes to Medicaid and broader health insurance reforms enacted in 2010 also demand attention from Medicaid/SCHIP agencies.
- State budget conditions are potentially the most important constraint. Several States contacted recently have staff furloughs for one or more days per month. Even if funding is available for Medicaid/SCHIP staff or contractors to help implement DV-M, short-staffed agencies may be unwilling or unable to do the planning and negotiate interagency agreements.

An important gap in the readiness of State Medicaid/SCHIP Agencies for DV-M is the lack of guidance from the Federal level. States consistently reported that they had no guidance on DV-M from the headquarters of the Centers for Medicare and Medicaid Services (CMS). Two States (Texas and Virginia) reported receiving guidance from regional offices of CMS. For the States that have established data-sharing agreements for DV-M, this lack of guidance has been a challenge but not a barrier. However, it does create uncertainty and may impede efforts to implement DV-M. More specific issues regarding authorization to share data are discussed in Chapter 4.

3.5 State SNAP/TANF Agencies

For States where a single agency administers SNAP/TANF and Medicaid, agency roles are addressed in the previous section. For State SNAP/TANF Agencies that are separate from the Medicaid/SCHIP Agency, there are several potential roles in DV-M:

1. In some States (e.g., South Carolina), the SNAP/TANF Agency maintains the Medicaid eligibility database on behalf of a separate Medicaid Agency. In such situations, the SNAP/TANF Agency would provide the Medicaid data for DV-M, with authorization from the State Medicaid Agency.
2. If the State SNAP/TANF Agency conducts matching for DC, it may use this capability for DV-M as well.

3. The State SNAP/TANF Agency may provide data for direct verification with SNAP/TANF (DV-S).

As discussed above, State SNAP/TANF agencies have existing relationships and agreements with State CN Agencies to conduct DC. These relationships and agreements can serve as the basis for partnering for DV-M and DV-S. States that have implemented or initiated planning for DV-M have consistently found their SNAP/TANF Agencies to be cooperative.

3.6 Local Education Agencies

LEAs are responsible for sampling F/RP school meals applications and conducting verification. Local education agency (LEA) staff involved in DV-M may include the School Food Authority (SFA) director and staff, the information technology (IT) director and staff, other officials responsible for student records, and information systems contractors. Depending on the design for DV-M, the LEA role may include:

1. Preparing and uploading F/RP school meals applications data to be matched;
2. Downloading Medicaid/SCHIP data or DV-M match results;
3. Conducting queries to verify individual applications; and
4. Matching Medicaid/SCHIP data to verification sample data.

State CN Directors expect a range of responses to DV-M from LEAs, with some having strong interest and others being disinterested. The reasons given are similar to those found in the pilot studies: motivators for LEAs include high nonresponse rates, concerns about accuracy of F/RP meals applications, and assuring that eligible children get benefits. Some State CN Directors note that the recession has led to more children owing money on their school meal accounts, adding another reason to maximize the number of eligible children receiving benefits. Large school districts tend to have higher rates of nonresponse to verification and better IT capabilities, but some may be reluctant to change processes. Small school districts and charter schools have very small verification samples and are less likely to see DV-M as worthwhile. Several CN Directors in small States indicated they would not expect much LEA interest in DV-M and questioned whether it would be worthwhile to invest in this capability. For all sizes and types of LEAs, practical barriers to implementing DV-M include budget cuts, staff turnover, and competing priorities. Nevertheless, State CN Directors expect substantial numbers of LEAs to use DV-M. At the first and most in-depth meeting, nearly all States indicated that at least half of their LEAs would use DV-M. This group included several States already planning for DV-M. It was not feasible to obtain similar information at the other meetings, so one cannot assume that this finding would hold for all States interested in DV-M.

Readiness of LEAs for DV-M does not appear to be an issue where DV-M uses a simple web-based query or where DV-M uses existing capabilities developed through DC, such as district-level matching. There are, however, three potential readiness issues. First, creating a verification sample file to upload for matching is likely to be challenging for some LEAs, particularly those with limited IT capabilities and those with particularly tight staffing constraints. DV-M systems that require all participating LEAs to submit data for matching are likely to be less widely used than those that have both batch and query options. Second, medium to large LEAs often have software in their payment systems for school meals to load direct certification data, and they use these systems to select verification samples and record results. To fully automate DV-M at the LEA level, particularly where

LEAs download data files, the vendors of these payment systems will need to modify them. Otherwise, LEAs may find DV-M too time-consuming and cumbersome. Finally, private schools and residential child care institutions that participate in the NSLP are often excluded from State student information systems (SSIS). (Technically speaking, these are SFAs but not LEAs.) If DV-M uses data from the State student database, or if access to the SSIS is necessary to use DV-M, then these SFAs will be excluded, unless the State devises an alternative solution.

Chapter 4: Barriers to DV-M and Potential Solutions

This chapter presents an updated perspective on the barriers and challenges to implementation of DV-M. This discussion draws on the experiences and views of State Agencies expressed in the regional meetings and site visits, and also on the lessons of the DV-M pilot. The focus is on four key requirements for DV-M: access to Medicaid and SCHIP data, identifiers and algorithms for matching, information technology infrastructure, and funding for implementation.

4.1 Access to Medicaid and SCHIP Data

One of the most significant challenges of implementing DV-M is obtaining access to Medicaid/SCHIP data. DV-M requires two kinds of data on children enrolled in Medicaid/SCHIP:

1. Identifying information to allow queries or data matching, such as name, date of birth, gender, Social Security Number (SSN), address, and parent/guardian name or SSN; and
2. Income eligibility for F/RP meals, as determined by Medicaid/SCHIP.

Income eligibility for F/RP meals can be verified using household size and income, percentage of the FPG, or an indicator of income range (free-eligible, up to 133 percent of the FPG; reduced-price eligible, between 133 percent and 185 percent of the FPG; or over-income, above 185 percent of the FPG). If the Medicaid income limit is 133 percent FPG or less, then identifying a child as enrolled in Medicaid is equivalent to identifying the income range as free-eligible, and no further income information is needed. As noted in Chapter Three, 21 States have Medicaid income limits of 100 percent of the FPG for children ages 6 to 19; also, 6 States have limits of 133 percent of the FPG for this age group. Thus, in 27 States, DV-M requires income eligibility data only for children enrolled in the separate SCHIP program.

Income data are always needed for SCHIP children, because income limits range from 160 percent to 400 percent of the FPG. In the two States where the SCHIP limit is 185 percent of the FPG or less, all SCHIP children can be verified as eligible for RP meals, but income data are needed to verify free meals eligibility.

This section discusses the rules and issues concerning the identifiers and income data available from Medicaid/SCHIP databases for DV-M. The methods of matching and dealing with errors in identifiers are discussed in Section 4.2.

Child Nutrition Program Laws and Regulations Concerning Exchange of Medicaid and SCHIP Eligibility Data

The legal framework authorizing access to Medicaid/SCHIP data for DV-M is the 2004 Child Nutrition Reauthorization Act (P.L. 108-265). As amended in 2004, the Social Security Act (42 USC 1396) prohibits disclosure of information concerning applicants and participants in Medicaid/SCHIP without their explicit consent except for two purposes:

“(A) the administration of the [State Medicaid] plan, and

(B) at State option, the exchange of information necessary to verify the certification of eligibility of children for free or reduced price breakfasts under the Child Nutrition Act of 1966 and free or reduced price lunches under the Richard B. Russell National School Lunch Act, in accordance with section 9(b) of that Act [42 U.S.C. 1758 (b)], using data standards and formats established by the State agency.”

Thus, State Medicaid/SCHIP Agencies are authorized to provide information **necessary** for DV-M to State and local agencies administering the NSLP and SBP, without explicit consent from participants.

FNS policy memoranda and regulations govern the implementation of DV-M, including Policy Memo SP-32-2006 and the Interim Rule on verification of F/RP eligibility (Federal Register Vol. 73 No. 244, pp. 76847-76863, December 18, 2008). State CN Agencies are required to assist LEAs in conducting DV-M if LEAs choose to do so; this requirement includes establishing agreements with State Medicaid/SCHIP Agencies for DV-M. The FNS memoranda and regulations do not specify what identifying information may or must be used for DV-M. However, when submitting information to the State Medicaid/SCHIP Agency for DV-M, States and LEAs may not submit names of household members other than children approved for F/RP meals on applications selected for verification. This means that DV-M can only be based on determining that children approved for F/RP meals are enrolled in Medicaid or SCHIP, and that the poverty level for these children is consistent with the approval for F/RP meals.

This provision has raised uncertainty among States about whether they can use parent or guardian information as an identifier for verifying eligibility of children approved for F/RP meals. In at least one State (Texas), the FNS policy had been misunderstood by the Medicaid Agency as prohibiting any sharing of the names or other identifiers of parents or guardians in DV-M. The FNS rule does not restrict what the Medicaid/SCHIP Agency may provide to the State CN Agency or to LEAs. Furthermore, FNS has clarified that parent/guardian name or SSN can be used as an identifier for a child whose eligibility is being verified.¹³ During conversations for this project, other States have expressed uncertainty about the use of parent/guardian information, so a more formal clarification for all States may be needed.

Concerns and Decisions About Providing Access to Medicaid and SCHIP Data

State Medicaid/SCHIP Agencies have raised a number of concerns when approached by State CN Agencies to establish data-sharing agreements for DV-M. The concerns include:

- Uncertainty about what data may be shared under Federal laws and regulations;
- State laws that restrict data-sharing;
- Need to obtain consent from participants;
- Protecting against misuse of data;
- Using existing methods for verifying Medicaid/SCHIP eligibility; and
- Resources needed to implement and conduct DV-M.

¹³ This clarification was provided in e-mail communications between FNS and the Texas Department of Agriculture (March 25, 2010).

State Medicaid/SCHIP Agencies operate under a framework of strict protections of personal information. The Federal framework includes the Social Security Act, Medicaid/SCHIP rules, and also the Health Insurance Portability and Accountability Act (HIPAA) and its implementing regulations. Therefore, Medicaid/SCHIP Agencies need assurance that they may share personal information belonging to Medicaid/SCHIP participants for DV-M, and they need guidance on how this information may be shared, used, and maintained.

While P.L. 108-265 clearly amended the Medicaid provisions of the Social Security Act, there are two gaps in the framework for DV-M. First, the Centers for Medicare and Medicaid Services (CMS) has not issued a rule implementing changes to Medicaid regulations. Such a rule would specify what information State Medicaid/SCHIP Agencies may share for DV-M. Second, neither the legislation nor CMS rules address whether and how HIPAA applies to DV-M. If Medicaid/SCHIP eligibility data are considered “personal health information” (PHI) as defined by HIPAA, the information can only be shared for purposes authorized by HIPAA, which was not amended by P.L. 108-265. Thus, one issue is whether the eligibility data are PHI, and another issue is whether DV-M is an allowable use of PHI. Further, if PHI can be shared with the State CN or Education Agency for DV-M, the agency would have to sign a “business associate” agreement with the State Medicaid/SCHIP Agency and comply with the HIPAA regulations concerning notification of persons whose PHI is used, data security, and notification of data disclosures.

As in the Direct Verification Pilot, States implementing DV-M have had to reach their own interpretations of what information may be shared under these laws and regulations, and the interpretations have varied. Among the States visited for this report, only two have firm specifications of what information will be shared for DV-M: California and Texas. The next part of this section describes the data-sharing plans and issues in these States and the initial discussions of data-sharing in Alabama, Florida, Iowa, Massachusetts, Nebraska, Pennsylvania, and Wisconsin. Both California and Texas have adopted approaches that are more restrictive than in any of the six Direct Verification Pilot States except South Carolina¹⁴, and most of the other States appear likely to adopt strict controls on Medicaid/SCHIP data.

California

In California, legal and practical restrictions on access to Medicaid and SCHIP data have shaped the approach to DV-M in several ways. First, the State Medicaid Agency determined that State law barred use of Medicaid data for DV-M, so the State CN Agency had to obtain an amendment to the law, with help from client advocates. Second, the amended law only allows the State Medicaid Agency to provide DV-M results; no data from the Medicaid database may be shared with the State CN Agency or LEAs. Third, State law does not allow sharing of SCHIP eligibility data for DV-M, so initial implementation of DV-M will be limited to Medicaid. The State CN Agency hopes to add SCHIP to DV-M in the future. Finally, the available database does not include income, so DV-M will only use data for the Medicaid assistance category in which all children fall into the free-price income

¹⁴ The South Carolina Medicaid Agency would not share any Medicaid data with the State CN Agency or LEAs. A State agency operating on behalf of the Medicaid Agency conducted a state-level match of Medicaid data with verification sample data. LEAs received only an indicator of successful matches. In all other pilot States, the State Medicaid Agency provided a data file including child identifiers, household size, and income to the State CN Agency, although the information provided to LEAs was more limited in Indiana and Washington.

range; this limits DV-M to children with an income level of 133 percent of the FPG or less. Other Medicaid categories include children who could be verified for free or reduced-price meals, but these categories have income limits above 133 percent of the FPG.

To accommodate these restrictions, California’s approach to DV-M will be a State-level match conducted by the State Medicaid Agency, using an integrated database of SNAP, TANF, and Medicaid records. To assure compliance with restrictions on access to student records, the state student identifier in the student database will be replaced with a temporary ID before the file is sent to be matched. The State Medicaid Agency will first match the records of children receiving SNAP or TANF with the statewide student database for DC. Then the remaining unmatched student records will be matched against the records of children enrolled in Medicaid. The State CN Agency will receive a single student file with an indicator of the match result: “C” for directly certified with SNAP/TANF and “V” for directly verified with Medicaid. The state student identifiers will be re-attached to the data. LEAs will download the portion of this file with their students and use it for DC (records with code “C”) and DV-M (records with code “M”). To ensure that no student records remain on the State Medicaid Agency computer system, the input and output files are deleted after the results are sent to the State CN Agency.

Under this arrangement, the State Medicaid Agency will not receive protected student records, and the State CN Agency will not receive protected Medicaid data. As one official described it, the agreement stipulates that “nobody leaves with the other agency’s data”. In particular, there will not be a database with both the state student ID and the Medicaid case or participant ID, and there will be no way for LEAs to search the Medicaid data for children who have not been matched. Also, LEAs will not receive any indication of possible duplicate matches, although these will be very rare because the match uses exact name, date of birth (DOB), and address (using an encoding system described in section 4.2). A provision in the data-sharing agreement allows for the two agencies to view test data from each other.

Texas

Texas has also shaped its planned approach to DV-M to accommodate Medicaid and SCHIP data restrictions, but these are less stringent than in California. In Texas, the Health and Human Services Commission (HHSC) administers SNAP, TANF, Medicaid, and SCHIP, and the SEA conducts DC.¹⁵ HHSC will provide Medicaid and SCHIP data for DV-M to the SEA, which will make the data available for LEAs to query and to match with uploaded LEA data.

HHSC will share selected information from Medicaid/SCHIP records with the SEA, including name, date of birth, gender, F/RP eligibility indicator, case number, client number, county, and address. After consulting with CMS, HHSC determined that it could not share SSN, income, household size, or parent/guardian information.¹⁶ Therefore, HHSC will use income and household size to assign a F/RP eligibility indicator to Medicaid and SCHIP children. To implement this part of the process, the State CN Agency has to shift funding to HHSC that had previously been intended for the SEA to create the F/RP indicator. The SEA will not be able to use child SSN or parent/guardian information for DV-M, thus reducing the potential for matches. Child SSNs are used in DC; the State finds them

¹⁵ In Texas, the State CN Agency is not the SEA and does not have access to student records.

¹⁶ Further information was requested on the form and specifics of the communication with CMS, but this information was not available.

useful although they are subject to problems, including errors and duplicates in both SNAP/TANF data and student records. HHSC will require that the F/RP school meals application include consent to use Medicaid/SCHIP data for verification, and the SEA will be subject to the requirements of HIPAA regarding data protection and notification of breaches in data security. These requirements may increase the cost of DV-M but are not barriers to implementation.

Other States

The other seven States where site visits were conducted have not specified data-sharing for DV-M in as much detail as California and Texas, though some of the States have made key decisions on this issue. This section describes the status of their discussions on sharing Medicaid/SCHIP data for DV-M.

In **Alabama**, the State Medicaid Agency stated that it does not want DV-M to follow the current approach to DC, in which files of SNAP/TANF data for specified zip codes are provided to LEAs for district-level matching. The options discussed would have tighter limits on LEA access to Medicaid/SCHIP data. State-level matching of student records or verification sample data to Medicaid/SCHIP data was considered; the State is implementing a new DC system with state-level matching. Verification sample data might be collected from LEAs using a modified version of the existing Verification Summary Report (VSR) system. LEAs now provide information on each application selected for verification in a spreadsheet template, which might be modified for DV-M. While the State has not made a firm decision, the preferred option is a web-based system allowing LEAs to verify individual students or batches of students. The system would use standard HIPAA-compliant transaction formats (the “270/271” format) for submitting information to the State Medicaid Agency and receiving responses. The agencies needed to research what data could be exchanged using this format and whether it would be sufficient for DV-M, particularly whether and how the percentage of FPG or F/RP indicator would be transmitted. Other issues under consideration were (a) limiting access to DV-M to one or two staff per LEA, (b) adding consent for DV-M to the F/RP school meals application, (c) using parent/guardian information for DV-M, and (d) minimizing the burden of security requirements. Identifiers for DV-M have not been specified, but child SSNs are not expected to be used, because LEAs are moving away from using this identifier.

Initial discussions about DV-M in **Florida** focused on adapting the existing DC system. The State CN Agency provides county-wide files of SNAP data to LEAs for district-level matching, which is 80 percent effective. The Medicaid officials participating in the site visit meeting did not raise any specific issues regarding what data can be shared, only that the data-sharing agreement for DC would have to be modified. DV-M has not yet been discussed with the legal staff of the State Medicaid Agency, so their views are not known. The State SCHIP Agency is separate and has not participated in discussions about DV-M, so the availability of SCHIP data is unknown. Including SCHIP will be important because the Medicaid limit for school-age children is 100 percent of the FPG and most Medicaid children receive SNAP benefits. SCHIP eligibility extends to 200 percent of the FPG.

In **Iowa**, there has been no discussion of what information the State Medicaid and SCHIP Agencies would share for DV-M. The State Medicaid Agency participated in the web meeting; it also administers SNAP and TANF, and provides data to the State CN Agency for DC. The State SCHIP Agency is separate and did not participate in the meeting. The SCHIP data system is separate from the SNAP/TANF/Medicaid system and would be more costly to include in DV-M, but there would

likely be more matches to SCHIP. The Medicaid income limit is 133 percent of the FPG and few Medicaid children do not receive SNAP.

Massachusetts has worked out broad outlines of data-sharing for DV-M. The planned approach would use the existing web-based “virtual gateway”, which enables authorized partners to query SNAP, TANF, Medicaid, and SCHIP data. The agency that operates the gateway is the Executive Office of Health and Human Services (EOHHS) overseeing the State SNAP/TANF and Medicaid/SCHIP Agencies. There is consensus among the agencies that DV-M should just allow lookups by LEAs and provide a confirmation if an application is verified. EOHHS suggested that the Medicaid/SCHIP application might have to disclose the use of data for DV-M.

In **Nebraska**, the State CN Agency has detailed specifications for the identifiers needed to conduct a state-level match of student and Medicaid/SCHIP data similar to the system for DC. (The DC system is being enhanced as part of the same project.) The planned primary identifiers include name, date of birth, and gender; secondary identifiers include address and parent/guardian names. The State Medicaid/SCHIP Agency has confirmed that it has the identifiers, income, and household size. The State CN Agency would provide LEAs only the information needed for DV-M: this may be limited to name, state student ID number, and F/RP status as verified by Medicaid/SCHIP. (Other identifiers might be shared to facilitate resolution of partial or “soft” matches.) The legal department of the State Medicaid/SCHIP Agency has not yet participated in discussions about data-sharing, so their views are unknown.

Pennsylvania, like Massachusetts, plans to use a web-based multi-program gateway for health and human services programs – the COMPASS system – for LEAs to conduct DV-M by query. LEAs use this system now for DC: public school districts download SNAP/TANF data for district-level matching, and other LEAs upload enrollment data for state-level matching. The COMPASS system also supports DV with SNAP/TANF via query; this process would be adapted for DV-M. To improve DC and support DV-M, the SEA will provide student records to the COMPASS contractor, who will match the data with SNAP, TANF, and Medicaid data and create a crosswalk of state student IDs and SNAP/TANF/Medicaid IDs. LEAs will submit student name and DOB or student ID. The State has not determined yet how F/RP status will be verified. The preliminary plan is to provide the income as a percentage of the FPG, but an indicator of F/RP eligibility might be used instead. An option for LEAs to upload verification sample files to be matched is under consideration. Under these plans, the State CN Agency and LEAs will not receive any Medicaid data for DV-M. The specifications for file sharing and other terms of the data-sharing agreement between the CN and SNAP/TANF/Medicaid Agencies are under discussion. SCHIP is administered by a different agency that already shares data with COMPASS. The State CN Agency expects to include SCHIP in DV-M, but discussions have not yet begun.

Wisconsin plans to implement DV-M (if resources become available) using the same process as DC and DV-S, with LEAs conducting queries or uploading data to be matched and downloading results. Efforts to implement DV-M in 2007 were delayed because of major changes to the Medicaid program and systems. DV-M requires a three-way agreement between the State CN Agency, the State SNAP/Medicaid Agency, and the State TANF Agency, which maintains the SNAP/TANF/Medicaid eligibility data and the current DC process. (There is no separate SCHIP program in Wisconsin.) The three agencies have an agreement now for DC and DV-S. The DV-M system would match on name and date of birth. Medicaid income and household size would not be provided to LEAs; instead, the system would either verify the F/RP status or return a F/RP eligibility indicator. After the site visit,

the State CN Agency explored the feasibility of matching Medicaid data with state-level student data and providing each LEA a file of its Medicaid children. State Medicaid officials were willing to provide a Medicaid file to the State CN Agency, but they stated that only verification results (not a complete Medicaid list) could be shared with LEAs.

Summary of Plans for Sharing Medicaid/SCHIP Data

Exhibit 4.1 summarizes the plans for sharing Medicaid/SCHIP data in seven of the nine States visited for this report. Florida and Iowa are not included because none of the elements has been decided. As shown in the table, most of these seven States have chosen approaches that minimize the information shared by Medicaid and SCHIP. These approaches avoid or minimize potential issues of compliance with Medicaid and HIPAA regulations. On the other hand, these approaches place the primary workload for DV-M within the State Medicaid Agency or the SNAP/TANF agency, thus requiring the State CN Agency to provide funding to another agency.

4.2 Methods of Matching for DV-M

In conducting matches (including queries and batch file matches) for DV-M, States face three basic problems:

1. There is no single, unique, verified identifier available in both student records and Medicaid/SCHIP records. SSNs are present and verified in all Medicaid records and present in most SCHIP records, but less often available in student records and not verified with the Social Security Administration. Therefore, matches are subject to error.
2. Errors in names, dates of birth, and other identifiers result in missed matches when simple, exact matching criteria are used.
3. Errors in identifiers and non-unique identifiers result in one student being matched to multiple Medicaid/SCHIP records or one Medicaid/SCHIP record being matched to multiple students.

The States interviewed for this report plan to use a variety of approaches to deal with these problems, as discussed below. Some States put their emphasis on reducing the number of missed matches, while others focus on minimizing duplicate and false matches.

Reducing the Number of Missed Matches

The most common automated approach to reducing the number of missed matches is the use of the SOUNDEX algorithm or similar methods that compensate for spelling errors or inconsistencies between sources. These methods treat common variants in the spelling of names as the same name, based on rules of phonetic equivalence and nicknames. Nebraska, Pennsylvania, and Texas plan to use SOUNDEX matches to supplement exact matches on name and date of birth. Nebraska's plan includes a scoring system assigning points for each type of match, with thresholds for "soft" and hard matches. Soft matches require review by the LEA. Iowa uses a similar "fuzzy match" on names in direct certification. Both Iowa and Wisconsin allow variants on date of birth in their DC matches, such as treating transposed numbers in dates of birth as equivalent (e.g., 5/12 and 5/21). These States expected that DV-M would use rules similar to their rules for DC.

Exhibit 4.1**Plans for Sharing Medicaid/SCHIP Data in Site Visit States (Excludes Florida and Iowa)**

State	Data Exchange Process	SCHIP Included?	Data Available to LEAs for Students Matched to Medicaid/SCHIP					
			Name and Date of Birth	State Student ID	Other Child Identifiers	Parent/Guardian Name	Income Data	State CN Has Access to DV-M Data
Alabama	SEA/LEA sends data to SMA (individual or batch) and receives response	Likely, not firm	Yes	TBD	TBD	TBD	TBD	TBD
California	SEA sends file to SMA, gets match results; LEAs download match results from SEA	No	Yes	Yes	No	No	None	Yes
Massachusetts	LEAs do queries using SMA/SNAP system	Yes	Yes	No	TBD	No	TBD	No
Nebraska	SMA sends file to SEA for match, LEAs download results or do queries	Yes	Yes	Yes	TBD (2)	Yes	F/RP eligibility indicator	Yes
Pennsylvania	LEAs do queries using SMA/SNAP system	TBD	Yes	Yes	TBD	No	F/RP eligibility indicator or percent of FPG	No
Texas	SMA sends file to SEA, LEAs do queries or send files for match and download results	Yes	Yes	Yes	Case number, client number, county, address	No	F/RP eligibility indicator	No
Wisconsin	LEAs query SMA/SNAP system or submit files to SNAP for match and download results (3)	NA	Yes	If sent by LEA	District student ID (if sent by LEA)	No	F/RP eligibility indicator	No

Notes: (1) Florida has not determined any of the choices in this table. Iowa does not plan to implement DV-M.

(2) Nebraska will use alternate names, nicknames, SOUNDEx names, gender, and address in matching. The data elements to be shared with LEAs were not fully specified at the time of the site visit.

(3) Wisconsin is also considering a state-level match of student and Medicaid data, with the SEA sending matched records to LEAs.

Key:

FPG=Federal Poverty Guidelines SEA = State Education Agency (same as State CN Agency except in Texas)

F/RP=Free or reduced-price SMA = State Medicaid/SCHIP Agency

NA=not applicable SNAP=State SNAP/TANF Agency

TBD=to be determined by State

The other solution for reducing missed matches is enabling LEAs to query Medicaid/SCHIP data interactively. This allows them to try alternate spellings, partial names, and alternate dates of birth. As indicated in Exhibit 4.1, five States plan query systems that would have this flexibility: Massachusetts, Nebraska, Pennsylvania, Texas, and Wisconsin. Alabama plans a similar system, but it would use a transaction format with less flexibility, in order to provide more protection against “fishing” in the data. Wisconsin’s plans are not firm but the main option would have a query capability as well as a batch file matching system; also, the batch file process could be used iteratively (i.e., by repeated submission of children’s data using variants of names and/or birth dates).

Minimizing and Resolving Duplicate and False Matches

Among the States visited for this report, California plans to use the strictest matching criteria, requiring an exact match on name, date of birth, and address. These are the criteria currently used for DC. For the match, student addresses are validated against a US Postal Service database, and each valid address is assigned the unique numeric code in the database. (These codes are used in imprinting barcodes on mail for automated handling, so they are referred to as barcodes.) The SNAP/TANF data also have addresses converted to barcodes, so the barcodes can be exactly matched. If a student address is not validated, the DC match result indicates this, so that the LEA can correct the address for the next DC data submission. California plans to use the same process for DV-M, noting that the SNAP/TANF/Medicaid database has a substantial number of records with the same name and date of birth. This database has 3.5 million records, so the problem may be much more significant in California than in most States.

Both the California CN Agency and client advocates are aware that these matching criteria are strict and result in missed matches. Several States noted that addresses in SNAP/TANF data tend to be updated later than addresses in student data, because of the more immediate need for current address data in schools. California has formulated plans to test alternate matching criteria for DC, but these plans are on hold until the State’s new process for DC is implemented. Currently, LEAs must submit student data for DC, so only a fraction of LEAs use this process; other LEAs obtain SNAP/TANF data from their county agencies for DC. With the new DC process scheduled to be implemented in late July 2010, the statewide student database will be matched against the statewide SNAP/TANF file, and the results will be available to all LEAs.

Several States use student SSNs for DC matching, either at the state or LEA level, in an effort to minimize both missed matches (due to spelling errors in names) and false or duplicate matches. These include Alabama, Florida, and Texas. Use of SSNs for DV-M appears unlikely because of Medicaid restrictions. One participant in the Pennsylvania meeting pointed out that when an agency (such as SNAP) verifies a SSN with the Social Security Administration, the agency may not share that SSN with another agency.¹⁷ Further, States note that matching student data by SSNs is subject to error because LEAs sometimes enter SSNs incorrectly, and because some duplicate SSNs appear in student databases. The same issues apply to the use of parent SSNs as reported on the F/RP school meals application.

The other approach to resolving duplicate matches is the use of secondary identifiers. These identifiers are not matched, but they are provided to users so that they can select the best match when

¹⁷ This would appear to be a problem for States that provide SSNs in SNAP/TANF data distributed to LEAs for DC, but it has not been an issue in the States interviewed for this report or in the DV-M Pilot States.

there are multiple matches. Indiana’s query system for DV-M uses this approach, providing address and parent/guardian name as secondary identifiers for queries based on name, date of birth, and county. Nebraska plans to provide a number of secondary identifiers for DV-M, including nickname, parent/guardian name, and address. These will be used by LEAs to examine “soft matches” that meet some but not all of the criteria for a “hard” match. As noted in Section 4.1, no other State plans to provide parent/guardian information from Medicaid/SCHIP to LEAs, but DV-M designs for Massachusetts and Pennsylvania might include other secondary identifiers. California and Texas do not plan to provide secondary identifiers.

In closing this discussion, it is notable that some States expressed uncertainty about how they should balance the risks of missed and false matches. They would like guidance from FNS on this issue, with respect to both DC and DV-M.

4.3 Infrastructure for DV-M

DV-M requires infrastructure for LEA interfaces, database management and processing, and data matching (in batch mode, queries, or both). The available state-level infrastructure to support DV-M includes systems used by CN programs, the SEA, the SNAP/TANF Agency, and the Medicaid/SCHIP agency. The infrastructure includes hardware, software, telecommunications, staff, and contractors. This section discusses the strengths and challenges of the infrastructure for DV-M, drawing on discussions in the meetings and site visits for this report.

CN Systems

All five States that are currently implementing DV-M plan to use some portion of their systems for DC as a platform for DV-M; this group includes California, Massachusetts, Nebraska, Pennsylvania, and Texas. California is implementing DV-M as part of a project to integrate DC with its new state student information system. In Massachusetts, DV-M and DC query capabilities will be part of a system that has not previously been used for DC, the Virtual Gateway. The other three States (Nebraska, Pennsylvania, and Texas) will implement DV-M as part of upgrades to existing DC systems. Wisconsin would use its newly upgraded DC system as the platform if it implemented DV-M.

These States are using DC systems for DV-M for a number of reasons. First, it is more efficient than building and maintaining a separate system. Second, it will be more efficient and easier for LEAs to learn and use a single interface for DC and DV-M; the State’s task of providing support to LEAs will be easier too. More generally, the most user-friendly approach to providing computer applications for LEAs is to make them available through a single portal or interface. This is an important consideration, because DV-M users often have numerous responsibilities, so they will be more efficient and effective if they can use a familiar interface and minimize the number of different systems they need to use. Last but not least, all of these States are using DC/DV grants from FNS to fund their projects, so DC improvements and DV-M implementation are linked. In fact, Nebraska added DV-M to its plans after the State received the FNS grant and learned that the funds could be used for this purpose as well as for upgrading DC.

Among the States implementing DV-M, the ownership of systems supporting DC and DV-M varies (i.e., different types of agencies control the system and the people who support it).

- California’s system will use the SEA’s state student information system (CALPADS) and the master client index system for SNAP, TANF, and Medicaid (MEDS) operated by the State Medicaid Agency.
- Massachusetts will use the Virtual Gateway for web-based enrollment and customer service belonging to the agency overseeing SNAP, TANF, Medicaid, SCHIP, and other health/human service programs.
- Nebraska will use its Child Nutrition Programs (CNP) system, which also supports other CN program functions.
- Pennsylvania will use the web-based system for on-line applications and customer service belonging to the SNAP/TANF/Medicaid Agency.
- Texas will use the SEA’s system for data exchange with LEAs. The SEA is a separate agency from the State CN Agency.

Except in Nebraska, the systems for DC and DV-M will be separate from the systems used for other CN functions, such as SFAs’ annual applications and reimbursement claims. Nebraska’s approach gives the State CN Agency the most control over the DC and DV-M systems, and also provides a “one-stop” point of access for LEAs. In California, the CN Agency is part of the SEA, so the ownership of part of the DC/DV-M system is within the same agency, while part is external (the data matching by Medicaid). CN Agencies in Massachusetts, Pennsylvania, and Texas must rely on other agencies to implement and operate DV-M. Discussions with these States suggest that interagency coordination can be more challenging and time-consuming, but the degree of difficulty depends on the working relationships among the agencies. Even within the same agency, however, implementing DV-M as a function of the state student information system can pose challenges, as discussed in the next section.

CN Agencies in States that lack a state-level matching or querying system for DC, such as Alabama and Florida, face an important challenge for implementing DV-M. As discussed in Section 4.1, State Medicaid/SCHIP agencies are generally reluctant to provide files for district-level matching, so it appears that few States will be able to use this approach for DV-M. Therefore, these State CN Agencies have two options for DV-M: building a new system for DV-M or building on an existing system with the necessary capabilities (such as the SEA’s system for LEA data exchanges or a query system built by the SNAP/TANF or Medicaid/SCHIP Agency). Both of these options are likely to be more challenging and costly than using the DC platform. However, a state-level system of queries or file upload and matching for DV-M can also supplement a district-level matching system for DC. As States work to include all NSLP schools in DC, including private schools, they are likely to need an alternative method to district-level matching. Therefore, the cost of DV-M can be shared with the needed changes to DC.

State Education Agency Systems

Four of the five States implementing DV-M plan to rely on their SEA student information systems as part of the DV-M process. California and Texas will use the SEA system as the LEA interface for DV-M. California, Nebraska, and Pennsylvania will match data from the state student database with Medicaid data for DV-M. Only Massachusetts does not plan to use its SEA information systems for DV-M.

Using the state student database for DV-M poses the same trade-off as using these data for DC. (See Cole and Logan, 2007 for discussion of the issues for DC.) On the one hand, using a single existing database is simpler and more efficient than collecting data from individual LEAs, while assuring consistency in the data and statewide coverage for the process. On the other hand, LEAs must submit data to update the state student database, and the effectiveness of the process depends critically on how frequently they do so. Using old data results in both missed matches (for new students) and misplaced matches (where data for a matched student is sent to the student's former LEA, not the current one). Iowa representatives cited the timing of these updates as a significant problem: a state match could use August data for Medicaid/SCHIP but would have to use January student data. Nebraska has a similar annual cycle for updating its state student database; the new DC/DV-M system will allow LEAs to upload more recent data to improve their matches. California, on the other hand, expects that most LEAs will update their data in its new state student database every two weeks or more often, so monthly DC/DV-M matches will use current data.

California's experience points to another tradeoff that can arise when DV-M is part of the SEA student information system. As part of the larger CALPADS system, California's DV-M design had to be "frozen" well in advance of the planned implementation date, and the lead time from design to implementation is dictated in part by the overall CALPADS schedule. Nebraska in contrast has a shorter schedule from design to implementation for its DC/DV-M project as part of its CN data system. Furthermore, DC upgrades in California were delayed from the planned October 2009 date to the actual July 2010 date (nine months) by delays and performance problems in the CALPADS project. In discussing barriers to DV-M, Iowa noted that any new report or function in the state student information system must be approved by the officials in charge of the system and placed in a queue to be implemented, sometimes leading to a long wait. In the long run, these difficulties may be offset by the advantages of using the SEA system, which include the sharing of resources for operations and support, and the data quality controls that are part of the SEA system.

SNAP, TANF, Medicaid, and SCHIP Systems

DV-M requires data from Medicaid and SCHIP information systems. In addition, several States (California, Massachusetts, and Pennsylvania) plan more active roles for information systems maintained by SNAP, TANF, or Medicaid Agencies, as discussed previously in this chapter. Discussions with these and other States identified several challenges posed by the need to use systems controlled by these agencies.

- A common problem is that data systems for Medicaid and SCHIP are not integrated; this is an important issue for California and Iowa. Even where the same agency administers both programs, having separate data systems can be a barrier to including SCHIP in DV-M, despite the value this would add. Medicaid agencies often receive data on SCHIP enrollees, but these data do not include the income/poverty level variables needed for DV-M. Some States do, however, have a single integrated data system for Medicaid and SCHIP, including Alabama, Massachusetts, and Nebraska. Pennsylvania's COMPASS system and Florida's ACCESS system function as bridges between the Medicaid and SCHIP data systems.
- While CN and SEA information systems in the States interviewed for this report are relatively new and use current technology, the age of information systems for Medicaid or other programs can be a significant impediment. In California, the Medicaid eligibility data

system is 35 years old and written in a language (COBOL) that few programmers know. As a result, the State has had great difficulty hiring a programmer to create the DV-M match, and this problem has contributed to a lengthy delay in the DV-M project. The delay has in turn forced the State to drop plans to move the matching process to newer technology that would be easier to maintain and modify.

- Recent changes in Medicaid and SCHIP programs, resulting from health care reform and state budget cuts, have made DV-M a low priority for information systems staff in some State Medicaid/SCHIP Agencies.
- As the locus of control for the information systems becomes farther from the State CN Agency, the time to plan and implement systems changes for DV-M is likely to increase. This is a potential issue not only for work done by or for the State Medicaid/SCHIP Agency (as in California) but also for work done or directed by a central State information technology department. (In one of the State meetings, North Carolina reported that having to use its State information technology department for its DC/DV-M project led to a much longer project time than would have been the case for a project within the SEA.) However, if the work can be done by contractors and funding is available, the need for modifications to Medicaid/SCHIP systems does not have to be a barrier to DV-M, as evidenced by the engagement and cooperation of the COMPASS contractor in Pennsylvania.
- One unknown for the future is how the DV-M systems in Massachusetts and Pennsylvania will provide support for LEA users. These systems use an interface that is outside the control of the State CN and Education Agencies. While the State CN Agency can provide some support, the expertise to resolve problems lies elsewhere.

4.4 Resources for Implementation

Implementing DV-M requires staff and other resources from the State CN Agency and its partners. Particularly in the current state budget crunch, these resources are scarce. State CN Agencies may be able to use existing staff for their part of DV-M implementation, but they are especially likely to need additional funds for work by other agencies and contractors. Congress and FNS have responded to this need by making available the DC/DV grants. Among the States visited for this report, all five that are currently implementing DV-M are using these grants. Lack of resources for DV-M was seen as a significant barrier by Alabama, Iowa, and Wisconsin. California scaled back its plans for DV-M when it learned that it would receive less funding than requested.

During the regional meetings, several State CN representatives said that they needed to focus on upgrading their DC systems before they could devote attention to DV-M. For example, Missouri wants to implement a new DC system that will handle processing DC more than once a year. In the site visit, Alabama expressed the need to focus on upgrading DC before tackling DV-M, in part because the State CN Agency had not been able to obtain additional funding for either project. States tend to see improvements to DC as a high priority for the CN programs and as having more impact on low-income children than DV-M.

Another important resource is expertise to plan and oversee the development, testing, and implementation of DV-M. Some State CN Agencies have information technology (IT) professionals or have access to this resource through their SEA. Others (such as Pennsylvania) need to hire project managers with suitable experience.

The need for expertise on DV-M can be partly met by the sharing of information among States. The meetings of States and the site visits for this report provided one channel for such information-sharing. States often consult with each other: for example, both California and Texas used the Indiana DV-M project manager as a resource. These kinds of communications could be supplemented with a website or resource package that States could use as needed. There is an important limitation to the gains from information-sharing, however: systems for DC and DV-M have been built as part of larger systems. As a result, States generally indicate that their systems are not transferrable.

4.5 Other Implementation Issues

Information gathered for this report underscored some issues that arose in the DV-M pilot and identified some additional issues affecting how DV-M is implemented.

There are several issues that need to be addressed when LEAs are trained to use DV-M. Such training is a necessary part of DV-M implementation and ongoing support to LEAs. Most States have a regular annual cycle of training for verification, providing a platform for training on DV-M. While the main concern for training is making sure that LEAs know the rules for DV-M and the procedures for the State's system, there are some less obvious but important points:

- It is critical to make sure that LEAs understand the difference between DC and DV-M. The similarity of the terms and processes can cause confusion and lead to errors. Limiting the period when DV-M is available is a way to reduce the risk that Medicaid/SCHIP data might be used (accidentally or on purpose) for direct certification.
- Some States saw a risk that LEAs would misuse DV-M by selecting a sample, attempting DV-M, and replacing the applications not verified until the required sample size was met with DV-M. Training and monitoring were seen as ways to reduce this risk. In particular, the Verification Summary Report (VSR) would raise suspicion if an LEA reported that 100 percent of its sample was verified with no changes in status.
- Training should be repeated every year, because there is considerable turnover among LEA staff responsible for verification (at least in some States, such as Massachusetts). Also, LEA staff with many duties are likely to forget the rules and procedures for a process such as DV-M that they do once a year.

In addition, DV-M can be confusing for both State and LEA officials. Areas of confusion at the State level noted during the meetings and site visits include:

- Concern that changes in income between the time of the Medicaid/SCHIP application and the F/RP school meals application would make DV-M invalid;
- Confusion about whether parent/guardian information can be used as an identifier for children whose applications are being verified;
- States with Medicaid income limits at or below 133 percent of the FPG expecting to need income data for DV-M and a way to differentiate free versus RP eligibility;
- Confusion about whether to use gross or adjusted income from Medicaid for DV-M;

- Uncertainty about what LEAs can or should do if a child approved for RP meals can be verified for free meals;
- Concern that SCHIP is not valid for verification because income is self-declared.

Training materials developed for the meetings and site visits address many of these issues. Specific sources of confusion might be addressed by issuing supplements to policy statements in a question-and-answer (Q&A) format. It would be helpful for States to have access through multiple channels (e.g., hard copy mailing, email, and web) to a self-contained resource package incorporating these materials and FNS policies.

References

Cole, Nancy, and Logan, Christopher (2007). *Data Matching in the National School Lunch Program: 2005*. Program Report Series, No. CN-06-DM. Project Officer: Jenny Laster Genser. U.S. Department of Agriculture, Food and Nutrition Service, Office of Analysis, Nutrition, and Evaluation. Alexandria, VA: February.

Kaiser Foundation. (2010). CHIP Program Name and Type, 2009.
<http://www.statehealthfacts.org/comparetable.jsp?ind=238&cat=4>, downloaded 5/26/10.

Logan, Christopher, Cole, Nancy, and Hoaglin, David (2009). *Direct Verification Pilot Study Final Report*. Project Officer: Sheku G. Kamara, Ph.D., U.S. Department of Agriculture, Food and Nutrition Service, Office of Research and Analysis, Alexandria, VA.

Appendix A: Recruiting Materials for Regional Meetings and Site Visits



Making Direct Verification Work for Your State

AGENDA

March 4, 2009
12-4:30 PM
JW Marriott
Hotel,
1331
Pennsylvania
Avenue, NW
Washington, DC

Hosted by USDA, Food and Nutrition Service and Abt Associates. Inc.

- Light lunch, 12-12:30 PM
- Welcome and Orientation – FNS
- The Business Case for Direct Verification with Medicaid (DV-M)
 - Saves time
 - Less burden on participants and schools
 - Reduces nonresponse
- State Experiences with DV-M – John Todd, Indiana Department of Education
- Approaches to DV-M: The Big (Systems) Picture
- Making It Happen
 - Getting and using Medicaid data
 - State-level implementation
 - Getting local education agencies on board
- Wrap-up

Can DV-M Work in Your State?

- √ Six pilot states implemented DV-M, and five have continued to use it.
 - » Georgia
 - » Indiana
 - » Oregon
 - » Tennessee
 - » Washington

- √ Results will vary by State:
 - » Three States used Medicaid/SCHIP to directly verify between 19 and 25% of applications sampled for verification.
 - » DV-M was cost-effective if 8% of sampled applications were directly verified.

- √ Keys to successful implementation are:
 - » Include Medicaid/SCHIP children with incomes up to 185% of Federal Poverty Guidelines or more;
 - » Provide timely and easy access to Medicaid/SCHIP data.
 - » Inform and train school districts

For more information

Call 1-866-638-2112
(toll-free)

Or send e-mail to
[DirectVerificationStudy@
abtassoc.com](mailto:DirectVerificationStudy@abtassoc.com)



Abt Associates Inc.

55 Wheeler Street
Cambridge, MA 02138-1168
Phone (617) 349-2821
Fax (617) 386-8511

Invitation to USDA Web Meetings

Direct Verification of
NSLP Applications Using
Medicaid Data
(DV-M)

Meetings conducted by Abt
Associates Inc. for the Food
and Nutrition Service.



What is DV-M?

Direct verification uses information collected by the Supplemental Nutrition Assistance Program (SNAP), Medicaid, and other means-tested programs to verify eligibility for free and reduced-price meals under the National School Lunch Program (NSLP).

NSLP applications may be verified without contacting households! This saves time for both districts and households. Join a web meeting to learn how to implement DV-M.

Web Meeting Agenda

- Welcome and Orientation – FNS
- The Business Case for Direct Verification with Medicaid (DV-M)
 - Saves Time
 - Less burden on participants and schools
 - Reduces nonresponse
- Approaches to DV-M: The Big (Systems) Picture
- State Experiences with DV-M – John Todd, Indiana Department of Education
- Making it Happen
 - Getting and Using Medicaid data
 - State-level implementation
 - Getting local education agencies on board

What will this meeting do for you?

The web meetings are sponsored by USDA Food and Nutrition Service and conducted by Abt Associates Inc. These meetings provide an opportunity for discussions about the opportunities and challenges of DV-M. The meetings will:

1. **Present the results of the Direct Verification Pilot Study.** You will learn about the different feasible methods of implementing DV-M, how you can leverage your direct certification system for DV-M, and what results you can expect.
2. **Hear from a State that implemented DV-M!** John Todd of Indiana, one of the “early adopters,” will explain his State’s approach and share his experiences – both the good and the early missteps!
3. **Discuss the challenges and barriers to DV-M implementation.** For example, what are some potential stumbling blocks when you talk with your State Medicaid Agency? How can you overcome them?
4. **Discuss funding issues.** What are the tasks necessary for DV-M implementation? What FNS assistance is available to help?
5. **Identify action steps.** Each State is at a different level of readiness for DV-M depending on the method used for direct certification and the existing relationship with the State Medicaid Agency. We will offer action steps for every level of preparedness.

Web Meeting Details

- ✓ **What’s the format?** Meetings will be held by web conference, using conference call for audio and GoToMeeting to share presentation slides. Each meeting will have two parts:
 - Presentations by FNS, Abt and John Todd (Indiana Dept. of Education) for 90 minutes, with 30 minutes for questions and answers (Q&A)
 - Additional Q&A time for interested States (up to 2 hours)

If possible, plan to participate in both sessions on the same day.

- ✓ **When are the meetings? (Eastern time)**
 - » April 22 presentation 10 AM–12 PM
 - » April 22 follow-up Q&A 1–3 PM
 - » April 30 presentation 1–3 PM
 - » April 30 follow-up Q&A 4–6 PM
 - » May 19 additional Q&A 1–3 PM

- ✓ **How to sign up?** Registration is free but you must register by **April 17**. Each presentation will be limited to 15 States. Call 866-638-2112 or email DirectVerificationStudy@abtassoc.com .

Need more information?

Results of the Direct Verification Pilot Study are available on the web at: <http://www.fns.usda.gov/research.htm>

WOULD YOU LIKE TECHNICAL ASSISTANCE?

If you are interested in implementing direct verification in your State and would like help, contact us!

Abt Associates is available to visit a limited number of States and take part in meetings of officials from the State Child Nutrition, Medicaid and other Agencies. We will be able to answer your questions, facilitate discussion, and contribute to problem solving.

If interested, give us a call!

Chris Logan
Abt Associates Inc.
55 Wheeler St
Cambridge, MA 02138
1-866-638-2112 (toll free)
DirectVerificationStudy@
abtassoc.com

FOR MORE INFORMATION

See the accompanying pamphlets:

- ***Who Can Be Directly Verified?*** (Pamphlet 1) explains how Medicaid data verifies NSLP-free and RP applications.
- ***Identifiers for matching NSLP applications with Medicaid records*** (Pamphlet 3) discusses the use of name, date of birth, and other information to match data for direct verification.



Abt Associates Inc.

55 Wheeler Street
Cambridge, MA 02138
www.abtassociates.com

Direct Verification with Medicaid (DV-M) Pamphlet 2

State Approaches to
Direct Verification with
Medicaid (DV-M)

State approaches to DV-M

States participating in the DV-M pilot study provided Medicaid data to school districts using their existing system for direct certification.

In most cases, the role of the State Child Nutrition Agency was to:

1. Process data obtained from the State Medicaid Agency; and
2. Provide school districts with a way to access and search the Medicaid data for NSLP applicants sampled for verification.

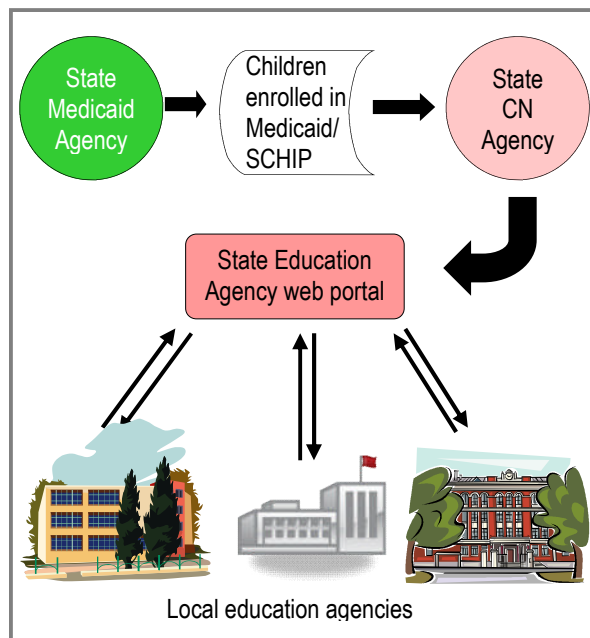
PROCESSING DATA FROM STATE MEDICAID AGENCIES

The data flow for DV-M is depicted in Figure 1. The State Medicaid Agency sends data to the State CN Agency, which processes the Medicaid data and makes it available to school districts on the State Education Agency's (SEA) secure web portal.

Data processing by the CN agency may include:

- Converting Medicaid information on family income and family size to an indicator of free/reduced-price (F/RP) eligibility.

Figure 1. Flow of information for DV-



- Splitting the statewide Medicaid file into separate files defined by geographic area, such as county.
- Matching the Medicaid records with the statewide student information system, adding a student ID to the file, and splitting the file into separate files for each school district.

ALTERNATIVE WAYS FOR SCHOOL DISTRICTS TO SEARCH THE MEDICAID DATA

For the DV-M pilot study, States "posted" Medicaid data on their web portal in different ways. As a result, school districts used different methods to search the data:

- **File access** – Districts download a Medicaid file, generally in spreadsheet format, containing records for children enrolled in Medicaid in their county. Districts then manually search for students on NSLP applications sampled for verification.
- **Query access** – Districts search Medicaid records by filling in a web form with information about individual students listed on NSLP applications sampled for verification. Common search fields are name and date of birth. Search results display detailed information from Medicaid records, such as address and parent/guardian name, so that the match can be confirmed.
- **File matching** – Districts compile information about their verification sample in an MS-Excel file and upload the file to the web portal. The verification sample is matched with Medicaid records, and a results file is available for download.

Need more information?

Results of the Direct Verification Pilot Study are available on the web at: <http://www.fns.usda.gov/research.htm>

WOULD YOU LIKE TECHNICAL ASSISTANCE?

If you are interested in implementing direct verification in your State and would like help, contact us!

Abt Associates is available to visit a limited number of States and take part in meetings of officials from the State Child Nutrition, Medicaid and other Agencies. We will be able to answer your questions, facilitate discussion, and contribute to problem solving.

If interested, give us a call!

Chris Logan
Abt Associates Inc.
55 Wheeler St
Cambridge, MA 02138
1-866-638-2112 (toll free)
DirectVerificationStudy@
abtassoc.com

FOR MORE INFORMATION

See the accompanying pamphlets:

- ***Approaches to Direct Verification*** (Pamphlet 2) provides tips on data queries and file matching.
- ***Identifiers for matching NSLP applications with Medicaid records*** (Pamphlet 3) discusses the use of name, date of birth, and other information to match data for direct verification.



Abt Associates Inc.

55 Wheeler Street
Cambridge, MA 02138
www.abtassociates.com

Direct Verification with Medicaid (DV-M) Pamphlet 1

Who can be directly verified?

Who can be directly verified?

School districts should use direct verification for their entire verification sample. This includes:

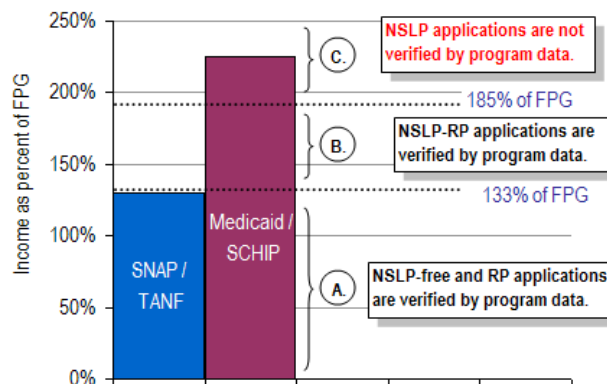
1. Applications approved for free meals on the basis of SNAP, TANF, or FDPIR case number;
2. Applications approved for free or reduced-price (RP) meals on the basis of income.

USING PROGRAM DATA

SNAP and TANF data are easy to use for direct verification. Any child enrolled in these programs is directly verified for the approved category of NSLP benefits. As shown in Figure 1, all children enrolled in SNAP and TANF had household income below 130% of the Federal Poverty Guidelines (FPG) at the time that they enrolled in those programs.

Using Medicaid and SCHIP¹ data for direct verification is more complicated. Children enrolled in Medicaid or SCHIP may have family income above the limit for RP meals (185% FPG), if the State income limit for these programs is higher.

Figure 1. Relationship between program data, NSLP income cutoffs, and direct verification



Note: FPG = Federal Poverty Guidelines.

Medicaid/SCHIP children may fall into one of three groups labeled A, B, and C in the figure.

- A. Medicaid/SCHIP data show family income at or below 133% FPG.
Result: application is directly verified for approved level of NSLP benefits (free or RP).
- B. Medicaid/SCHIP data show family income between 133 and 185% FPG.
Result: application is directly verified if approved for RP benefits.
- C. Medicaid/SCHIP data show family income above 185% FPG.
Result: application cannot be directly verified.

PROVIDING MEDICAID INCOME INFORMATION TO SCHOOL DISTRICTS

There are two ways to provide Medicaid/SCHIP income information so that school districts can complete direct verification:

1. Include Medicaid family income and family size on Medicaid records. Districts can compare this information to the NSLP income guidelines.
2. Compute an indicator of NSLP eligibility category (free, RP, not eligible) based on Medicaid income and family size as a percent of the Federal Poverty Guidelines.

Option 1 is less work for the State, more work for districts, and more prone to error. Option 2 is less work for districts, improves the accuracy of determinations, and protects the confidentiality of Medicaid income information.

PROGRAM DATA CANNOT BE USED TO CHANGE BENEFITS

It is very important to communicate to school districts that program data may be used only to directly verify NSLP applications for their **approved** level of benefits. Direct verification may not be used to change RP children to free or vice versa.

¹ SCHIP is the State Children's Health Insurance Program. SCHIP is an expansion of the Medicaid program and enrolls children who are over-income for Medicaid. SCHIP is a separate program in 39 States, and is integrated with Medicaid in 11 States plus the District of Columbia.

Need more information?

Results of the Direct Verification Pilot Study are available on the web at: <http://www.fns.usda.gov/research.htm>

WOULD YOU LIKE TECHNICAL ASSISTANCE?

If you are interested in implementing direct verification in your State and would like help, contact us!

Abt Associates is available to visit a limited number of States and take part in meetings of officials from the State Child Nutrition, Medicaid and other Agencies. We will be able to answer your questions, facilitate discussion, and contribute to problem solving.

If interested, give us a call!

Chris Logan
Abt Associates Inc.
55 Wheeler St
Cambridge, MA 02138
1-866-638-2112 (toll free)
DirectVerificationStudy@
abtassoc.com

FOR MORE INFORMATION

See the accompanying pamphlets:

- ***Who Can Be Directly Verified?*** (Pamphlet 1) explains how Medicaid data verifies NSLP-free and RP applications.
- ***Approaches to Direct Verification*** (Pamphlet 2) provides tips on data queries and file matching.



Abt Associates Inc.

55 Wheeler Street
Cambridge, MA 02138
www.abtassociates.com

Direct Verification with Medicaid (DV-M) Pamphlet 3

Identifiers for matching
NSLP applications with
Medicaid records

Data identifiers

An application is directly verified if:

1. **Any** student listed on the application is enrolled in Medicaid; and
2. Medicaid family income is consistent with the NSLP approved free/RP category.

The student listed on the NSLP application must **match** a child in Medicaid records.

IDENTIFIERS FOR MATCHING

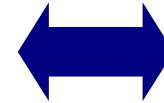
States or school districts should set standard criteria for confirming a match between an NSLP application and a Medicaid record.

Here are some guidelines for matching:

- Matching student name alone is not sufficient to establish that a student is enrolled in Medicaid.
- Date of birth or household address can confirm that a name on the application and in Medicaid are the same person.
- Parent information may not be used **by itself** to directly verify an application but may be used to **confirm** a match on student name.
- Data from the district student information system may be needed to confirm matches.

Information on NSLP applications

- Student name and grade
- Household address
- Household telephone number
- Parent/guardian name
- Parent/guardian SSN
- SNAP or TANF # or income



Information in Medicaid records

- Child name and date of birth
- Household address
- Household telephone number
- Parent/guardian name
- Information about family income

BEST PRACTICE-NAME & DATE OF BIRTH

Matches by name and date of birth (DOB) are highly accurate and are the standard for *direct certification* matching in many States.

One problem for direct verification occurs when DOB is not on the NSLP application. Two solutions are:

- a) "Look up" DOB in the student information system and add it to information from the application prior to looking up a student in the Medicaid data (or running a data match).
- b) Add DOB to the NSLP application so that the application contains all information needed for Medicaid look-ups (some States have done this).

FREE AND REDUCED PRICE SCHOOL MEALS FAMILY APPLICATION

Part 1. Children in School (Use a separate application for each foster child)

Names of all children in school (First, Middle Initial, Last)	School Name	Grade	Food Stamp or TANF case # (if any). Skip to Part 6 if you list a Food Stamp or TANF case #

Part 2. If the child you are applying for is homeless, migrant, or a runaway check the appropriate box and call [your school, homeless liaison, migrant coordinator at phone #] Homeless Migrant Runaway

Part 3. Foster Child

If this application is for a child who is the legal responsibility of a welfare agency or court, check this box and then list the amount of the child's personal use monthly income: \$ _____ Skip to Part 5.

Part 4. Total Household Gross Income—You must tell us how much and how often

1. Name (List everyone in household) (Example) Jane Smith	2. Gross income and how often it was received				3. Check if NO income
	Example: \$100/monthly Earnings from work before deductions	\$100/twice a month Welfare, child support, alimony	\$100/every other week Pensions, retirement, Social Security	\$100/weekly All Other Income	
Jane Smith	\$200/weekly	\$150/weekly	\$100/monthly	\$ /	<input type="checkbox"/>
\$ /	\$ /	\$ /	\$ /	\$ /	<input type="checkbox"/>
\$ /	\$ /	\$ /	\$ /	\$ /	<input type="checkbox"/>
\$ /	\$ /	\$ /	\$ /	\$ /	<input type="checkbox"/>
\$ /	\$ /	\$ /	\$ /	\$ /	<input type="checkbox"/>
\$ /	\$ /	\$ /	\$ /	\$ /	<input type="checkbox"/>
\$ /	\$ /	\$ /	\$ /	\$ /	<input type="checkbox"/>
\$ /	\$ /	\$ /	\$ /	\$ /	<input type="checkbox"/>

Part 5. Signature and Social Security Number (Adult must sign)

An adult household member must sign the application. If Part 4 is completed, the adult must sign and print her Social Security Number or mark the "I" do not have a Social Security Number box. (If you do not have a Social Security Number, mark the "I" do not have a Social Security Number box.)

I certify (promise) that all information on this application is true and that I understand that if I purposely give false information, my children may not get Federal funds based on the information I give. I understand that if I purposely give false information, my children may not get Federal funds based on the information I give. I understand that if I purposely give false information, my children may not get Federal funds based on the information I give.

Sign here: X _____ Print name: _____

Address: _____

Social Security Number: _____

Part 6. Children's racial and ethnic identities (optional)

Mark one or more racial identities:

Asian American Indian or Alaska Native
 White Native Hawaiian or Other Pacific Islander
 Black or African American Other

Don't fill out this part. This is for school use only.

Annual Income Conversion: Weekly x 52, Every 2 Weeks x 26, Every 3 Weeks x 18, Every 4 Weeks x 13

Total Income: _____ Per: Week Every 2 Weeks Twice a Month

Categorical Eligibility: _____ Date Withdrawn: _____ Eligibility: Free _____ Reduced _____ Temporary: Free _____ Reduced _____ Time Period: _____ (exp. _____)

Determining Official's Signature: _____ Date: _____

Confirming Official's Signature: _____ Date: _____

Frequently Asked Questions

What should my agency do if we want to participate?

Your agency will need to agree to participate in the site visit meeting for 2–3 hours and one or more follow-up interviews. Key staff who will be involved in DV–M implementation should be available.

Who will come to meet with me?

The site visit team will include the Abt Project Director or Deputy Project Director, a second Abt team member, and an FNS representative. The Abt team will lead the meeting, in coordination with the State NSLP Director.

What will happen after the site visit?

The Abt team will follow up by telephone to complete any parts of the agenda that have not been completed during the site visit. Then Abt will report to FNS on the results of all of the site visits and what has been learned about when, where, and how DV–M is likely to be implemented. This report will include recommendations to FNS about how to promote use of DV–M.

Is there a cost to participate?

The only cost is your time, and it will be well spent!

For more information

Call 1–866–638–2112
(toll-free)

Or send e-mail to
[DirectVerificationStudy@
abtassoc.com](mailto:DirectVerificationStudy@abtassoc.com)



Abt Associates Inc.

55 Wheeler Street
Cambridge, MA 02138-1168
Phone (617) 349-2821
Fax (617) 386-8511

Invitation to

On-Site Meetings

Direct Verification of
NSLP Applications Using
Medicaid Data
(DV–M)

Meetings conducted by Abt
Associates Inc. for the Food
and Nutrition Service.



What is DV-M?

Direct verification uses information collected by the Supplemental Nutrition Assistance Program (SNAP), Medicaid, and other means-tested programs to verify eligibility for free and reduced-price meals under the National School Lunch Program (NSLP).

With DV-M, school districts can verify NSLP applications without contacting households! This saves time for both districts and households. Many States can implement DV-M using existing systems for direct certification, with some changes.

Plan for the Site Visit

Site visits will be sponsored by USDA Food and Nutrition Service and conducted by Abt Associates Inc. The visit will provide an opportunity for discussions about the opportunities and challenges of DV-M among key stakeholders.

Site Visit Participants*

- NSLP Director
- Medicaid and SCHIP Agency representatives
- State SNAP Agency liaison for direct certification
- SEA Information Technology liaison for Child Nutrition

**Participation is voluntary.*

Meeting Agenda

- Welcome and introductions
- The case for DV-M
- Status of State plans for DV-M
- Experience with direct certification and how you can build on it for DV-M
- Key feasibility issues

The site visit meeting will:

1. **Explain DV-M and share the results of the Direct Verification Pilot Study.** You will learn about the different feasible methods of implementing DV-M, how you can leverage existing systems for DV-M, and what the expected results will be in your State.
2. **Discuss the opportunities, challenges and barriers to DV-M implementation.** For example, what are some potential stumbling blocks for sharing Medicaid data and how can you overcome them?
3. **Discuss resource issues.** What are the tasks necessary for DV-M implementation? What types of FNS assistance are available to help?
4. **Identify action steps.** Each State is at a different level of readiness for DV-M depending on the method used for direct certification and the existing relationship with the State Medicaid Agency. We can help prescribe action steps for every level of preparedness.

Follow-up interviews with individual agencies may be conducted to obtain additional in-depth information.

Can DV-M Work in Your State?

- √ **Six pilot states implemented DV-M, and five have continued to use it.**
 - » Georgia
 - » Indiana
 - » Oregon
 - » Tennessee
 - » Washington
- √ **Results will vary by State:**
 - » Key indicator: percentage of applications sampled for verification that are directly verified with Medicaid/SCHIP
 - » Three States had success rates over 18%
 - » DV-M was cost-effective if 8% of applications were directly verified
- √ **Keys to successful implementation are:**
 - » Include Medicaid/SCHIP children with incomes up to 185% of Federal Poverty Guidelines or more
 - » Provide timely and easy access to Medicaid/SCHIP data
 - » Inform and train school districts

Appendix B: Site Visit Summaries

Contents

DV-M Case Study Report: ALABAMA	B-1
DV-M Case Study Report: CALIFORNIA	B-5
DV-M Case Study Report: FLORIDA	B-9
DV-M Case Study Report: IOWA	B-11
DV-M Case Study Report: MASSACHUSETTS	B-15
DV-M Case Study Report: NEBRASKA	B-19
DV-M Case Study Report: PENNSYLVANIA	B-23
DV-M Case Study Report: TEXAS	B-27
DV-M Case Study Report: WISCONSIN	B-31

DV-M Case Study Report: ALABAMA

Data Collection Initial call, November 11, 2009

Site visit, January 6-7, 2010

Follow up call, May 18, 2010

Participating Agencies

State Department of Education, Child Nutrition School Programs
(*ALSDE-CN, 7 Officials*)

State Department of Education, Information Services (*ALSDE-IS, 4
Officials*)

Department of Human Resources, Food Assistance (*DHR Food
Assistance, 2 Officials*)

Department of Human Resources, Medicaid (*DHR Medicaid, 2
Officials*)

Department of Public Health—SCHIP Agency (*DPH, 2 Officials*)

I. Status of Alabama's Preparations for DV-M

ALSDE is currently focusing on updating its system for direct certification (DC) with SNAP and TANF; they plan to implement a new web-based DC system in fall 2011. They are also working toward a software upgrade to the statewide student database (to be completed in 2012) that will allow Child Nutrition to conduct DC, rather than LEAs. ALSDE is not actively preparing for DV-M at this time, but intends to do so in the future.

Key accomplishments to date:

- preparations to implement new web-based DC system;
- plans to use statewide student database to conduct DC at the state level;
- extensive discussion of options for DV-M between relevant agencies during our site visit; willingness of officials across agencies to coordinate and pursue DV-M.

Key issues/challenges to date:

- funding (applied for, but did not receive, a grant from FNS to support DC upgrades);
- workload;
- uncertainty about how to do DV-M.

II. Experience with Direct Certification and Direct Verification

To conduct DC, Child Nutrition currently creates a file using SNAP and TANF data (provided by DHR under an MOA with the agency), then breaks this data out by zip code and e-mails it to all LEAs to conduct the matching process. Once LEAs download the e-mailed information, they match it to student information files. Currently most districts use POS systems to automate DC, but a few very small districts are not automated and do DC manually.

During our site visit, Child Nutrition officials told us they hoped to move to a more secure, web-based system for distributing files for DC to schools within the next 2 years. However, during our follow up call, a Child Nutrition official told us that their timeline had been accelerated and the web-based system is on target for implementation in fall 2011. Under this new DC process, DHR will continue to provide monthly TANF and SNAP data for DC, but the data will be housed on ALSDE servers. LEAs will log in monthly, and run a query that will match information from their student database to the statewide SNAP/TANF data. Matching indicators will include name, date of birth, SSN, grade level, and parent address; SSN is the primary identifier. Currently, direct certification takes place annually, but the officials told us they would like to move toward quarterly DC.

ALSDE is also working to upgrade its statewide student information database within the next two years. Once complete, Child Nutrition will be able to conduct matching for DC at the state level, and record students' DC status within the database. Schools would then download the DC information to update their POS systems.

LEAs currently use an Excel spreadsheet to record verification information. They enter the verification information on each application locally; they each have their own workbook and send the summary to Child Nutrition. This spreadsheet system might be used to collect data from LEAs for DV-M, as discussed below.

III. Access to Medicaid and SCHIP Data for DV-M

The Child Nutrition officials told us that other agencies in Alabama are ready to coordinate on DV-M. They will work to get MOAs underway so the agencies can share data. The SCHIP officials said they have previously conducted similar activities with other state agencies. However, the officials were concerned with confidentiality rules related to use of Medicaid and SCHIP data.

All children on Medicaid in Alabama are eligible for free lunches; Medicaid is provided up to 133% FPG. SCHIP is provided up to 300% of FPG, depending on the age of the child. However, the SCHIP officials said they do not maintain information on FPG; only on family size and income. Therefore, FPG would have to be calculated; depending on the platform and capabilities of the SCHIP computer system, this could be simple or difficult.

IV. Potential Approach to DV-M

After discussing various options for DV-M during our site visit, the Child Nutrition officials agreed that the best option would be to implement a web-based DV-M system. Schools would be able to look up individual students or submit batches for verification. This would be a transaction rather than a query process, returning a yes/no answer rather than a list of possible matches to the school, in order to protect student confidentiality. It would utilize a standard Medicaid eligibility verification transaction format that is HIPAA-compliant. The Medicaid and SCHIP officials said they would prefer this process to providing schools with data for data security reasons. The Medicaid officials said they would feel comfortable with having one or two people per school district with authorization to access the DV-M system. The officials agreed that they should have users sign an agreement regarding data confidentiality.

The officials told us there is a lot of overlap between SNAP/TANF and Medicaid participants. Therefore, they don't expect many Medicaid participants to be sampled for DV. There are likely to mainly see successful matches for DV using SCHIP. The officials suggested starting with data from SCHIP, then sending information on those children who aren't verified to Medicaid (or vice versa). The agencies will have to consider which identifiers will allow for effective matching. Medicaid has an open field for names, which limits the likelihood of obtaining matches in this field; they will need to find a way to match names or rely on other indicators. The Medicaid officials said their preferred matching indicator is SSN; however, the F/RP meals application no longer requires child SSN. The Child Nutrition officials said some schools are also moving away from using SSN, and once the new student data system is implemented, unique identifiers will be used instead of SSN. The Child Nutrition officials said they could consider building questions into the F/RP meals application to allow for better matching. The SCHIP officials said they would further explore how their names and other data are formatted.

The Child Nutrition officials told us that the upgrade to the statewide student database would make DV easier to conduct because data would be updated on an ongoing basis. In the meantime, Medicaid could provide web-based data updates. One Child Nutrition official suggested they could pilot DV-M in districts with high non-response rates.

One possible interim solution would piggy-back on the existing process for reporting verification results. LEAs would enter information on their verification samples into a modified version of the existing spreadsheet and send the information to SCHIP/Medicaid for verification. The results would be transmitted back to LEAs, who would then request verification information from households whose applications were not directly verified.

V. Project Implementation Plan

In order to proceed with DV-M, Child Nutrition will need to execute an MOA with Medicaid and DHR and secure development and implementation resources from State or Federal sources.

Timeline for Project Activities

- | | |
|-----------|---|
| Fall 2011 | Implementation of web-based DC system complete
Possible DV-M implementation |
| 2012 | Software upgrade to the statewide student information database complete, allowing state-level matching for DC |

DV-M Case Study Report: CALIFORNIA

Data Collection Meeting of State CN Directors, March 4, 2009

Pre-visit telephone call, July 31, 2009

Site visit, August 18 and 19, 2009

Follow up call, May 14, 2010

Participating Agencies

Department of Education, Nutrition Services Division (*CDE-NSD, 5 Officials*)

Department of Education, Data Management Division (*CDE-DMD, 1 Official*)

Department of Health Care Services (*DHCS, 3 Officials*)

I. Status of California's Preparations for DV-M

The California Department of Education (CDE) is rolling out a new student data system that will support a new Direct Certification (DC) process including all public and charter schools in monthly state-level matching. CDE is working toward implementation of a DV process linked to the DC process in fall 2011. The plan is to match student records with Medicaid data for DV, using the records that do not match to SNAP/TANF data during DC.

Key accomplishments to date include:

- receipt of USDA grant;
- passage of a state law allowing use of Medi-Cal (the state Medicaid program) data for DV;
- approval of an interagency agreements between CDE and three agencies: DHCS, California Student Information Systems, and Department of Social Services;
- working toward implementation of a more streamlined DC process;
- establishment of a DV-M project charter and high-level requirements;
- convening an Advisory Committee to make recommendations a on DC/DV matching indicators.

Key issues/challenges to date include:

- resource constraints and state furloughs (in departments other than CDE);
- competing agency priorities;
- interagency agreement approval;
- staff attrition;
- difficulty hiring a programmer to complete IT work needed on the DV-M data system; and
- problems with the new California Longitudinal Pupil Achievement Data System (CALPADS), which will be used for DC, due to IT challenges.

II. Experience with Direct Certification and Direct Verification

The new DC process was scheduled to begin in October 2009. It was delayed due to problems with the implementation of CALPADS, particularly the performance and stability of the system. During our follow up call, the CDE-NSD officials said they expect to issue instructions for the use of CALPADS for DC in June 2010, begin testing of the new DC process in July and begin live processing at the end of August 2010.

Currently, LEAs can choose to upload enrollment data for DC throughout the year to California School Information Services (CSIS), a local educational entity. CSIS sends the data monthly to DHCS to match (directly certify) the enrollment data with Food Stamps and CalWORKs data. LEAs can also exchange data with their county social services office for DC. CDE-NSD officials explained that using CALPADS data would reduce the time spent by LEAs and increase the number directly certified children for more free meals. Since all the data needed for the DC process is already maintained by the LEAs in CALPADS, LEA will no longer need to submit data on a separate site for DC. In addition, if directly certified children leave one school and enroll in another district; their Direct Certification match codes will remain accessible in their CALPADS files for the remainder of the school year.

DC is conducted using the following identifiers: name (phonetic), DOB, gender, and address. They use software to validate addresses against US Postal Service data and assign valid addresses a unique barcode identifier. If a record has an invalid addresses, an "A" indicator is included in the DC output. CDE-NSD convened an Advisory Committee, including (but not limited to) LEAs, California Food Policy Advocates, and former (retired) LEA IT staff to discuss DC/DV. The committee advised them to remove address from their matching algorithm. CDE planned to test variations on the matching criteria. However, these plans were put on hold pending conversion to the new DC system using CALPADS. CDE may consider changes in a future fiscal year, such as incorporating address cleaning software to the system.

During our follow up call, the CDE-NSD officials also told us that the USDA memo extending DC to all children within a household when one child is approved has resolved a problem and made the process easier for LEAs. State law prevented DHCS from indicating which children are on TANF and which are on SNAP. This impeded LEA efforts to identify and certify siblings of matched children. CDE-NSD has received a lot of positive feedback on this change.

III. Access to Medicaid and SCHIP Data for DV-M

During our site visit, the officials told us that state confidentiality statutes for the use of Medi-Cal data are very strict. The state passed legislation allowing the use of Medi-Cal data for DV beginning in January 2009. Medi-Cal eligibility based on poverty level cuts off at 100% of poverty for school-age children and 133% for ages 1-5, so no income data is needed for DV-M with this category of Medi-Cal. SCHIP extends to 250%. However, the legislation does not allow use of SCHIP data, so this is not an option for DV-M. The DHCS MEDS database used for DC and DV-M includes SCHIP, but does not have income data, so access to a different database maintained by the SCHIP agency would be needed if SCHIP were authorized.

DHCS and CDE are prohibited from seeing each other's data, so the new matching process for DC (and DV, in the future) is designed to keep the data separate. Student IDs will be replaced with temporary IDs before transmission of student data from CALPADS to DHCS. DHCS will match the data and return an indicator of the result, but no DHCS data will be attached to the record. An interagency agreement is in place. The agencies worked with their attorneys to work out language so that the agencies could collaborate on review of test data.

Potential Approach to DV-M

The planned approach to DV-M is an extension of the new process for DC. DHCS will match student records not matched to SNAP/TANF to the Medi-Cal data in MEDS, using the same match rules as for DC (exact match on name, date of birth, and encoded address). Matches will be labeled with a "V" indicator. CALPADS will receive a file with DC and DV results. LEAs will receive a notification when the file is available and access the data through the CALPADS interface. The process will run monthly.

IV. Project Implementation Plan

During our site visit, CDE officials told us they were in the process of hiring a programmer/analyst to implement code changes for DV-M. The programmer will be assigned to DHCS. However, during our follow up call, the officials told us they had encountered difficulty hiring a programmer. The position requires rare programming skills (the COBOL language, no longer widely used) and is part-time, so there has been limited interest. In addition, the state contracting process has been time-consuming. This has delayed their DV-M implementation timeline. As of June 3, CDE hoped to complete the contracting process soon. However, the delays in the process have led CDE to scale back the project, which originally was planned to move the match to a more modern programming environment that would be easier to maintain and modify in the future.

All necessary agreements are in place for implementation of DV-M to proceed. Training of LEAs on DC and DV-M will be conducted by CSIS.

During our site visit, the officials also told us that state budget constraints have created staffing and workload challenges that have made interagency coordination more difficult. Planning for DV-M is inherently challenging because it involves CDE-NSD, CDE-DMD, DHCS, DSS and CSIS. As noted above, the implementation of the new DC process that will feed into DV-M has been delayed due to the performance problems with CALPADS.

Timeline for Project Activities (as of June 3, 2010)

- | | |
|-----------|---|
| Now | LEAs are currently submitting enrollment data.
CALPADS stabilization (software revisions and testing)
Hire programmer to implement DV-M code changes. |
| May 2010 | CDE-NSD expects to issue instructions to LEAs for new statewide DC process using CALPADS |
| June 2010 | Testing of CALPADS DC process, go/no go decision for implementation |

July 2010 CALPADS DC process implementation.

2010-2011 Development, testing, and implementation of DV process using CALPADS data not matched to SNAP/TANF, with results included in the CALPADS DC file.

DV-M Case Study Report: FLORIDA

Data Collection Initial call, August 6, 2009

Site visit, August 27, 2009

Follow up call, May 5, 2010

Participating Agencies

Department of Education, Food and Nutrition Management
(FNM, 7 Officials)

Department of Children and Families, Automated Community
Connection to Economic Self-Sufficiency (ACCESS) Florida
Program (DCF, 3 Officials)

I. Status of Florida's Preparations for DV-M

Florida is interested in pursuing DV-M, but is not actively preparing for DV-M at this time, primarily because of other priorities. They have an effective DC system in place, and would like to use the same system for DV-M.

Key accomplishments to date include: participating in the site visit with Abt Associates to discuss their interest in pursuing DV-M; conducting DC on a monthly basis.

Key issues/challenges to date: competing priorities; staff retirements; working across agencies to access data.

Target implementation date: 2011-2012

II. Experience with Direct Certification and Direct Verification

Currently, matching for DC takes place at the school district level. The ACCESS data unit within DCF provides FNM with a list of students eligible for SNAP. FNM uploads the files to a website. School districts then download the data and do the matching themselves, using name, date of birth, and SSN as identifiers. During the past year (since we first spoke with the officials), Florida has moved from conducting DC quarterly to monthly.

The FNM officials told us that their current DC system works well; however, they do have to manually e-mail data individually to each of the 140 private/charter schools.

III. Access to Medicaid and SCHIP Data for DV-M

The officials said they would have to determine if the SCHIP data could be easily assembled for DV-M use. SNAP and Medicaid are within the same agency, but SCHIP is part of a separate agency. However, Medicaid interacts with this agency (FloridaKidCare) on a regular basis, so this should not pose a challenge. SCHIP data would allow them to verify eligibility for reduced price lunch. (The combined maximum Medicaid/SCHIP income limit for Florida is 185% of FPL.)

The DCF officials said they could easily provide a file of students eligible for Medicaid who are not also on SNAP. They were unsure as to how the State CN Agency or LEAs would determine which students were eligible for free or reduced price meals. Medicaid children could automatically be identified as eligible for free meals, because the Medicaid income limit for children between 6 and 18 is 100% of FPG. If SCHIP data are used, the State will need to create identifiers for income thresholds or provide income and household size data to school districts.

IV. Potential Approach to DV-M

During our site visit, the officials discussed implementing a pilot project for DV-M involving smaller school districts during the 2009-2010 school year. The proposed approach was to build on the existing DC process—to conduct DV-M the same way, except with Medicaid and SCHIP data. DV-M would take place once a year in October. However, at the time of our follow up call, the state had not taken any steps to pursue DV-M. The main reason is competing priorities.

V. Project Implementation Plan

FNM will need to put a data-sharing agreement in place with the SCHIP agency and modify its agreement with DCF in order to pursue DV-M, but has not yet taken steps to do so. During our follow up call, an official from FNM said implementation of DV-M during 2011-2012 is possible, but uncertain.

DV-M Case Study Report: IOWA

Data Collection Initial call, August 3, 2009

Web meeting, August 5, 2009

Follow up call: May 20, 2010

Participating Agencies Iowa Department of Education, Bureau of Nutrition, Health and Transportation Services (*NHT, 5 Officials*)
Iowa Medicaid Enterprise (*Medicaid, 1 Official*)
Department of Human Services (DHS) (*DHS, 1 Official*)

I. Status of Iowa's Preparations for DV-M

Iowa does not have plans to pursue DV-M. NHT officials do not believe it would be worthwhile for the reasons listed below.

Key accomplishments to date:

- participated in Abt site visit;
- DC data is updated monthly.

Key issues/challenges to date:

- interagency collaboration;
- limited capacity;
- data quality;
- small LEA size (and therefore small samples for verification);
- public school districts not familiar with electronic lookup system most suited to DV-M;
- low expected payoff for DV-M due to high rate of effectiveness for DC and high response rate for verification.

II. Experience with Direct Certification and Direct Verification

Iowa matches SNAP and TANF data with student data at the state level. Public school districts use the state's Electronic Direct Certification (DC) process (ECert). They are required to submit enrollment data, which the state then uses to create a downloadable electronic DC list of students at each school who receive Food Assistance or Family Investment Program benefits. The ECert is updated monthly. Non-public schools use the ELookUp online query system. This system was developed in 2008. Many non-public schools have few if any students who qualify for free/reduced-price meals, so they use the ELookUp process to directly certify individual students. At first, school districts did not use the ELookUp system but relied on monthly updates through the ECert process. As school districts became more comfortable, they increased use of the ELookUp system.

The state first identifies exact matches, then potential matches. The fields used for DC matching include first name, last name, DOB, and SSN. Between one-third and one-half of students have an SSN in the system that has been reported, but it is not a required field. Soundex technology allows for

alternate spellings of names. The matching system also allows for DOB digits to be transposed, and checks for range in the year (+/-2), day (+/-5), and month (+/-2). If two of the three components do not match, a manual review is conducted. The state ID is a unique student identifier that becomes available on the Direct Certification list. School districts can use the student ID to match with the student database in their cafeteria payment systems, so that updating of free/reduced eligibility is automated. Potential matches are children that are not matched to school enrollment data but have the same SNAP or TANF case number as a matched child. Once identified at the state level, potential matches are then reviewed by districts to determine if they are part of the same household and therefore can be directly certified. To supplement the matching process, the State sends letters to the parents of students that are not matched or identified as potential matches.

Information in different files (DHS's, DOE's, and schools') has varying degrees of accuracy, which makes matching problematic. Further, school enrollment data are updated late each year and do not reflect recent changes.

Direct verification takes place on a limited basis in Iowa. In the past, local school districts sometimes contacted the local DHS offices to verify that a student was on SNAP or TANF. However, caseloads increased, and providing this service became a lower priority for DHS.

There are many small school districts in Iowa (350 public school districts and over 100 non-public schools). For most districts, the verification sample is very small (the mean size is less than 5) and the response rate is high. The officials told us that districts with small numbers of eligible students do not conduct enough verification to be comfortable with an electronic system, and learning a new process of DV would be time-consuming.

III. Access to Medicaid and SCHIP Data for DV-M

Healthy and Well Kids in Iowa (*hawk-i*), the state SCHIP program, and Medicaid have separate data systems, but they are connected through the referral process. (Applicants for *hawk-i* are referred to Medicaid if they are eligible for Medicaid, and vice versa.) Data are usually pulled separately from *hawk-i* and Medicaid. The *hawk-i* program does not require SSN, so this identifier is not available for DV-M. The *hawk-i* data system appears to be similar to the Medicaid system, but this question needs to be explored further. (The *hawk-i* officials were not present during our meeting.) Adding *hawk-i* to the data system may be more work because it is a separate system; Medicaid, SNAP, and TANF data are all collected within one system.

Officials said that creating a comprehensive dataset would be possible but would take special programming and a significant financial investment. The officials were concerned about the resources it would take to merge *hawk-i* data with the data for the other three programs. The officials were also concerned that they do not have the capacity to manage more data. They were concerned about the extra time it would take to implement DV-M and how Medicaid would get the data to them. Further, Medicaid data become available in August, but enrollment data do not become available until January, which is after the verification process.

IV. Potential Approach to DV-M

DV could be added on to the existing ELookUp system to make matches between student enrollment data and Medicaid data. The officials told us that public school districts are often not familiar with the ELookUp system, and would have to be trained on how to use it. Another option would be state-level matching of student and Medicaid/SCHIP data to create a file like the DC list. The officials said the DC system is effective for maintaining data confidentiality because access is restricted; therefore, using the same system for DV-M would not create any data confidentiality concerns. They can also detect if people are abusing the look-up system.

V. Project Implementation Plan

The state does not have any plans to pursue DV-M. The officials were specifically concerned about cost, time, additional trainings, manuals, and workshops that would be required to implement DV. The state would also need an MOU with school districts.

DV-M Case Study Report: MASSACHUSETTS

Data Collection Initial call, October 23, 2010

Site visit, March 18, 2010

Followup call pending

Participating Agencies

Massachusetts Department of Elementary and Secondary Education,
Child Nutrition (*CN – 2 Officials*)

Massachusetts Executive Office of Health and Human Services
(*EOHHS – 2 Officials*)

I. Status of Massachusetts' Preparations for DV-M

Massachusetts recently received an FNS grant to update its DC/DV system. The officials are revising their implementation timeline in light of this award.

Key accomplishments to date:

- Prepared plan for grant proposal to FNS;
- Awarded FNS grant for work on DC/DV system;
- Project startup meeting (coincided with site visit).

Key issues/challenges to date:

- Delay in FNS funding award delayed implementation timeline;
- Turnover among local school nutrition personnel.

Target implementation date: unknown.

II. Experience with Direct Certification and Direct Verification

The Massachusetts CN Agency conducts DC annually, using a list of eligible children provided by the Department of Transitional Assistance (DTA), which administers SNAP and TANF (DTA is part of EOHHS). CN then match this list to the state student identification number (SASID) file, and distributes matches to LEAs. Students are matched using first name, last name, and date of birth. Once they are matched, the SASID and district student ID are linked with the child's data from DTA. Match results include age and town from both the DTA and SASID systems. LEAs receive both full and partial matches, so they can determine whether the partial matches should be certified.

The officials said the biggest challenge with DC is the need to train people. They have had high turnover in school nutrition personnel at LEAs. Many people familiar with DC have left the school systems. CN holds training for schools on DC every August and also receives many calls for assistance on an ongoing basis.

Beneficiaries and authorized service providers can check SNAP, TANF, and Medicaid/SCHIP status using the Commonwealth's online Virtual Gateway. The purpose of the Virtual Gateway is to allow clients to apply for multiple programs through a common intake process, which is meant to allow information to be shared and consolidated between programs. Service providers who assist clients in obtaining benefits can also use the Virtual Gateway. Under the FNS grant, the State plans to modify the Virtual Gateway so that LEAs can use it for DC and DV-M queries.

One issue discussed during the meeting was the lack of coordination between SNAP and F/RP meals applications. CN and EOHHS were interested in Pennsylvania's system, which allows online applications for F/RP meals to be forwarded to the LEA, and also notifies the LEA when a child is approved for SNAP/TANF. Currently, for children who are not directly certified in the annual match, Massachusetts has a manual process for LEAs to query the DTA data; this is only done if a child enters a new school or parents are having trouble paying for school meals. (Further information on this process is part of the pending follow-up data request.) Another option discussed is monthly DC matching. A CN official said the state could explore these ideas in the future, perhaps through another federal grant. However, right now they are applying for several other grants and receiving funds for several projects, so this is not a priority.

III. Access to Medicaid and SCHIP Data for DV-M

The EOHHS officials expressed concern about breaching confidentiality by providing schools with Medicaid information to confirm matches. Rather than sharing Medicaid information, the state could have schools enter certain information into the Virtual Gateway to query for a match, and then receive a yes/no confirmation, rather than displaying the actual information. When school officials sign up for a Virtual Gateway account (to access online information), they would have to accept a confidentiality agreement.

Massachusetts does not use SSN as an identifier for children, which could create a challenge for matching with Medicaid data.

Note: the issue of exchanging income data or a free/reduced-price eligibility indicator was not discussed; this is an item on the pending follow-up data request.

IV. Potential Approach to DV-M

The EOHHS officials suggested that DV could take place up front when DC is done. Matching all students in the state against Medicaid/SCHIP data would make it easier for LEAs to conduct DV after the sample is taken. However, CN was concerned that this might create issues related to confidentiality and sampling. Providing LEAs with a list of students on Medicaid before certification takes place might compromise the randomization of the sampling process; if LEAs simply use students who are already directly verified, rather than taking a sample for verification. The CN officials suggested controlling against this by providing the list to schools after October 1 (after DC has already taken place).

In terms of options for the DV process, schools could use either an individual query or download a list from the state. However, the latter option would create data confidentiality issues. Therefore, a

query option as proposed is the preferred approach. The EOHHS officials suggested the possibility of changing the language on the Medicaid information form that notifies beneficiaries that information may be shared. A statement to this effect is already on the WIC and SNAP applications.

V. Project Implementation Plan

At the time of our site visit, Massachusetts had recently been awarded an FNS grant for the implementation of DC/DV updates. The officials told us they would be revising their implementation timeline, and considering how to move forward. The officials also said their next steps for DV would include exploring legal and confidentiality issues around information sharing under HIPAA and FERPA.

DV-M Case Study Report: NEBRASKA

Data Collection Initial call, January 28, 2010

Site visit, March 24, 2010

Follow up call, April 28, 2010

Participating Agencies

Department of Education (*NDE - 8 Officials including Child Nutrition/CN and Information Technology/IT*)

Department of Health and Human Services (*DHHS - 4 Officials*)

Office of the CIO (*CIO – 1 Official*)

Lincoln Public Schools and Omaha Public Schools (*2 Public School Officials*)

I. Status of Nebraska's Preparations for DV-M

Nebraska is moving to an automated DC/DV process, with support from an FNS grant. They plan to pilot and implement their new automated system, DCVMS, DCVMS, in phases, with the project to be completed in the fall of 2011.

Key accomplishments to date:

- awarded FNS grant for DC/DV implementation;
- startup meeting with partners;
- design of matching system and DC/DV process;
- progress toward implementation.

Key issues/challenges to date:

- interagency coordination;
- short timeline.

Target implementation date: Summer – Fall 2010 for DC improvements, Fall 2011 for DV-M.

II. Experience with Direct Certification and Direct Verification

The SNAP, TANF, Medicaid, and SCHIP programs in Nebraska are all operated by Nebraska DHHS. The Nebraska Department of Education (NDE) administers the CN programs and the state student information system. During our site visit, the CN officials told us they were working to implement an automated direct certification (DC) system by July 1, 2010, and automated direct verification (DV) within the same system by October 1, 2010. The officials originally planned to make updates only to DC, but decided it would be efficient to upgrade both the DC and DV processes at the same time. They were encouraged to add DV by the objectives of the FNS grant. Currently, DC is in place, but is not yet automated. During our follow up call, the CN officials told us they have been developing and testing their scoring system for matching, and they are on track to meet their deadlines.

The CN officials said the primary goal of their grant application to FNS was to increase the number of SNAP and TANF children directly certified for free meals. The officials said although Nebraska is in the top third of states for the percentage of eligible students matched using DC, they want to further improve their match rate. Under the current process, the State sends DC letters to parents of SNAP/TANF children who are not matched, but many of these letters are not sent back to the schools. The CN officials want to prevent this from happening in as many cases as possible by improving match criteria and by enabling LEAs to submit updated student rosters for DC. Another goal of the updates is to make DC easier for schools. Increasing the efficiency of the process will enable LEAs to have updated lists of eligible students. The CN officials said the new system will also have a query capability that will allow LEAs to look up students' eligibility for free meals in real time.

III. Access to Medicaid and SCHIP Data for DV-M

CN has a standing agreement with DHHS to receive SNAP/TANF files for DC three times per year. At the time of our follow up call, the CN officials had sent a revised agreement to DHHS for approval. The CN officials told us that the NDE Commissioner and legal officials are prepared to sign the agreement as soon as DHHS approves and returns it.

In Nebraska, qualifying for Medicaid automatically qualifies a child for free lunch. For SCHIP in Nebraska, the limit is 200% of FPL, which does not automatically qualify a child for F/RP lunch. Under the revised agreement, DHHS would provide CN with an indicator of federal poverty level, based on Medicaid data.

DHHS is shifting its approach to application processing from individual case workers to a centralized, online system called ACCESSNebraska. The DHHS officials did not think this would impact the DC/DV upgrades.

IV. Approach to DV-M

During our site visit, the officials told us it would be easiest to create an interface between DHHS and NDE for data sharing to support DC/DV. The interface being used now only includes SNAP and TANF information, so Medicaid/SCHIP information would need to be added.

During our follow up call, CN officials told us that the state is making progress toward implementing its new system called DCVMS. They are finishing the design work for the system, including the designing the screens and testing the matching process. The remaining work includes coding to be done on the "back end." Specifically, they need to develop an application processing interface (API) between the Child Nutrition Program, DHHS, and the Nebraska Student and Staff Record System (NSSRS), which contains student data. Three people have been assigned from within the Department of Education data center to begin working on the coding starting May 1, 2010. They are also waiting for a quote from an IT contractor to continue development of the system, but they are currently ahead of schedule. They are planning to test the system using June 30 NSSRS data and July 1 DHHS data. They are also hoping to pilot the system with five or six districts this fall, including Omaha and Lincoln public schools.

The CN officials have also identified how the matching process will operate. Data for matching will be uploaded to the database by CN, NSSRS, and DHHS; matches will be completed in DCVMS; schools will be able to access matches online through the CN server. Matches will be marked yes/no for both DC and DV. Schools will also be able to query for individual children and submit lists of students for matching; information will be submitted online by schools via the CN server. As the data are updated throughout the year, districts will receive a list of individual students who have been added or whose eligibility has changed. Schools will also have the option to update their matches in August to include new students (data from NSSRS will be matched with a data file provided by DHHS on June 30 each year and therefore would exclude these students). Once a year, the state will also send out letters to the households that are not matched with the data from the NSSRS database.

For matching, each identifier will be assigned a value and scored from .1 to .4. Once the score reaches 90% or greater (or .9), the application is directly certified (i.e. it's a "certain match"). Scores of 51-90% are "possible matches"; 50% or lower is "no match." There are total of 55 fields in the matching system, eight of which are administrative school identifiers (e.g., county, district, name). If a match is not made, school districts will have the option to collect additional information to try to complete the match successfully. The primary student identifiers for scoring are: student ID, student record number, last name, first name, date of birth, and gender. The secondary student identifiers are: three other names, five SOUNDEX names¹⁸, DHHS case number, three addresses, city, zip code, primary and secondary caregivers and their first names, last names, other names, and caregiver SOUNDEX names.

The CN officials said they are open to using other identifiers that will make the matching process more effective. During our site visit, the officials discussed whether DHHS case numbers could be used for DC/DV. However, a single case number identifies each beneficiary/household on Medicaid, SCHIP, TANF, and SNAP; CN would need an additional indicator to determine whether they belong in the free or reduced price category.

V. Project Implementation Plan

The implementation timeline is as follows:

April 28, 2010	Phase I work was already complete
June 30, 2010	Data files for matching to be complete and ready for testing
July 1, 2010	Phase 1– design and development of website and screens to be completed
August 15, 2010	Phase 2 to be completed– manual testing of matching process
September 1, 2010	Phase 3 to be completed– DC testing and live processing (manual processes)
October 1, 2010	NDE Data Center to begin work on coding for DCVMS
October 1, 2011	Phase 4 to be completed– DV-M testing with user tests in 5 school districts.

¹⁸ The SOUNDEX algorithm converts names to numeric codes so that alternate spellings of the same name have the same code. A SOUNDEX version of each name will be created.

DV-M Case Study Report: PENNSYLVANIA

Data Collection Initial call, July 22, 2009

Site visit, July 27-28, 2009

Follow up call, May 14, 2010

*Participating Agencies*¹⁹

Department of Public Welfare (*DPW - 3 Officials*)

Pennsylvania Department of Education, Child Nutrition (*CN – 3 Officials*)

Pennsylvania Department of Education, Commonwealth of Pennsylvania Access to Social Services (*PDE-COMPASS – 1 Official*)

I. Status of Pennsylvania's Preparations for DV-M

Pennsylvania recently received funding from FNS, which will allow them to proceed with upgrades to their existing direct certification and verification (DC/DV) system, which are aimed at improving their match rate for DC and laying the groundwork to enable Local Education Agencies (LEAs) to use DV-M.

Key accomplishments to date:

- design for upgrades specified in grant proposal to FNS;
- received FNS grant for improvement of DC/DV system;
- existing technology in place to support DC/ DV processes;
- draft memorandum of understanding (MOU) for DV-M in review at DPW.

Key issues/challenges to date:

- errors and missing data on school district for SNAP/TANF children;
- match rate for DC;
- delay in FNS funding award resulted in later implementation timeline.

II. Experience with Direct Certification and Direct Verification

The state uses its Commonwealth of Pennsylvania Access to Social Services (COMPASS) system, which was developed for the state by Deloitte, to support DC and DV with SNAP/TANF (DV-S). The system was piloted in 15 school districts in 2005, and statewide use began in 2006. The COMPASS system streamlined the previous DC and DV-S processes. LEAs download DC lists, and each LEA can create a COMPASS account to access real-time data for DV-S.

¹⁹ Contractors from Deloitte who conduct work on COMPASS were also present.

The COMPASS system has an online application process for multiple programs, including SNAP, Medicaid, SCHIP, and F/RP school meals. Households enter information, and the system routes applications to programs selected by the applicant based on income guidelines. If the household chooses to apply for F/RP school meals and enters school information, the application is automatically routed to the school district. If a household is certified for SNAP/TANF and they do not decline to participate in NSLP, then their school district is automatically notified via email through COMPASS (if the household has selected a school) that an application has been submitted .

DC is conducted annually; data are available to LEAs on July 15. DC is supported by multiple processes in COMPASS, including:

- Direct Certification List: Public school districts download a list of children enrolled in SNAP/TANF in their district and conduct district-level matching. The file contains: student first name, last name, gender, date of birth (DOB), Social Security Number (SSN), DPW master client index (MCI) number, parent name, address, and program codes (FS=food stamps; C=cash assistance).
- Enrollment Upload: Schools enter enrollment data in the template, including first name, last name, DOB, and SSN (optional) to receive match results for up to five counties as one time. CN officials said this process was designed for private and charter schools, but the schools do not like to use it because entering data in the template and uploading it is technically challenging for many of these schools.
- Query: Private and charter schools can use the search/query option. Identifiers include name, DOB, and SSN (optional). They can search statewide, or by school or county.

The DC lists are constructed based on the district listed in the SNAP case record; this information comes from the paper or COMPASS SNAP/TANF application. If the district is missing or incorrect, the name is not sent to the child's school district. These children can be directly certified by letter or search/query. Missing school district information is a barrier to increasing the DC match rate because it is not required on the SNAP/TANF application.

COMPASS supports DV with SNAP/TANF (DV-S) by query only, using real-time data. LEAs can enter up to 10 DPW case numbers or up to 5 SSNs at a time. The search results are similar to DC. PDE expects DV-M will work the same way; they have no current plans for upload and batch match, but they will talk with large districts about this possibility.

III. Access to Medicaid and SCHIP Data for DV-M

During our follow up call, a CN official told us they had begun working to execute an MOU with DPW; the draft MOU was under DPW review. CN officials used language from a prior agreement with DPW, and added new language on sharing Medicaid information; they are hoping this will expedite the approval process. Under the MOU, DPW will provide the percentage of Federal poverty guidelines (FPG), rather than the actual income and household size. There is already an MOU in place for data-sharing between the State SCHIP Agency (Pennsylvania Insurance Department, or

PID) and DPW. CN has the support of officials from both agencies. However, PID did not respond to an invitation to attend the site visit meeting.

Under the MOU, CN will provide funding to DPW for their contractor (Deloitte) to complete the necessary upgrades to the COMPASS system. CN will also be hiring an information technology (IT) project manager to help lead this and other IT initiatives; they do not have the capability to manage the work internally. The contractor will manage the IT aspects and oversee Deloitte's work. This position will be supported with state funding.

IV. Approach to DV-M

The state expects DV-M to work in the same way as their query DV-S process. The recent FNS grant award will also allow the state to make the following updates to its existing DC/DV system with the goal of improving match rate:

- Obtain better district/school information on SNAP records by using GIS to automatically determine family's school district (for applications filed through COMPASS and DPW county offices). Change DPW county office software to get private/charter school information.
- Utilize the SOUNDEX algorithm to improve match results when private/charter schools upload enrollment data for DC, and when queries are submitted for DC/ DV.
- Match the state student database with the DPW MCI database match so that the student ID (PAID) can be included in DC download files and in match results for DC uploads and DC/DV queries.

V. Project Implementation Plan

During our follow up call, the state told us they delayed implementation until the funding award was received from FNS. They planned to begin work with the COMPASS developers (Deloitte) on July 1. Their implementation plan remained the same; the timeline was just delayed by nine months.

July 1, 2010 Hire project manager
July-August 2010 Obtain input from LEAs on the DV-M process
September 2010 Begin DC/DV updates to COMPASS
May-June 2011 Train schools on the DV process

DV-M Case Study Report: TEXAS

Data Collection Initial calls, June 10, 2009; July 14, 2009

Site visit, July 21-22, 2009

Follow up call, April 23, 2010

E-mail correspondence, August 3, 2009 to April 15, 2010

Participating Agencies

Texas Department of Agriculture (TDA), Food and Nutrition Division (9 *Officials*)

Health and Human Services Commission (HHSC) (8 *Officials*)

Texas Education Agency (TEA) (3 *Officials*)

I. Status of Preparations for DV-M

Texas plans to implement DV-M and DV with SNAP/TANF (DV-S) by building on its system for direct certification (DC). HHSC will provide SNAP, TANF, Medicaid, and SCHIP data to TEA, which will prepare the data for DV and host the DV application on its secure website. LEAs will have two options for DV: query the match results to verify individual applications, or upload verification samples for matching.

Key accomplishments to date:

- Submitted proposal to FNS for DC/DV grant
- TDA and TEA developed detailed plans
- Site visit meeting
- Follow-up discussions on terms of data-sharing agreement
- Received FNS grant

Key issues/challenges to date:

- Lengthy negotiations over data-sharing agreement
- New restrictions on data-sharing based on communications between HHSC and Centers for Medicare and Medicaid Services (CMS)
- Delay in startup due to timing of grant award.
- Need input from large LEAs on how to design the batch upload and matching process

Target implementation date: September 2011. As of the follow-up call, TDA was working on a revised schedule and budget to submit to FNS. The original schedule specified 12 months from startup until DV-M goes live.

II. Experience with Direct Certification and Direct Verification

Direct certification (DC) is a state-level match under a three-way agreement between TDA, TEA, and HHSC. HHSC provides a file of SNAP and TANF children to TEA on a monthly basis. TEA

matches this file with the state student database by name, date of birth, and SSN (if available). Match results are posted to the Child Nutrition Programs Information Management System (CNPIMS), hosted at TEA. LEAs can print, view, and download their match results. Public school districts and charter schools use this method; for students in private schools and residential child care institutions (RCCIs), parents can submit an eligibility notice from HHSC in lieu of an application. FNS estimates that DC works for 73% of school-age SNAP participants. In 2010, TEA and HHSC increased the frequency of DC from quarterly to monthly, and this change has been popular with LEAs.

Challenges encountered in DC include the following.

- TDA and TEA are investigating ways to increase the rate of direct certification. Options under consideration include: modifying or relaxing match criteria, supplementing the match with a query function, using a different student data source, or sending direct certification letters to unmatched SNAP/TANF children.
- The student data source used for DC is the authoritative file that is closely checked and certified by each LEA superintendent. However, this file is updated once a year, so it becomes out of date over time. There is another data file that is much more frequently updated, so it better tracks students when they move. This file is less closely checked but might be acceptable for DC.
- SSNs are used for DC but are frequently missing. TEA has observed multiple records with the same SSN in both student and SNAP/TANF data.
- Texas has a unique problem that affects the feasibility of sending letters to unmatched children. TEA cannot disclose student information to TDA or HHSC, in compliance with FERPA, and it does not appear feasible for TEA to send the letters.
- Private school students are not included in DC. TDA is investigating the feasibility of enabling them to upload student lists, but it is hard to find a common format because student databases in these schools are diverse. Another option for private schools would be a query function.

LEAs contact local HHSC offices for DV-S (verifying applications with SNAP/TANF case numbers).

III. Access to Medicaid and SCHIP Data for DV-M

HHSC administers SNAP, TANF, Medicaid and SCHIP. SNAP, TANF, and Medicaid are in the same database, and SCHIP is separate. HHSC would provide separate files of SNAP/TANF, Medicaid and SCHIP data to TEA. Medicaid eligibility for school-age children cuts off at 100% of Federal poverty guidelines (FPG); SCHIP extends to 200%. HHSC has an online system for verifying Medicaid eligibility, but this was not considered as an option for DV-M. (The State did not explain why this option was not considered.)

TDA and TEA have developed detailed data requirements, listing the data elements to come from HHSC, the additional data to be added by TEA, and the data to be displayed for LEA queries. Discussions with HHSC about the data requirements began in spring 2009 when the State began preparing the proposal to FNS; as of the time of the follow-up call, the discussions were still under way.

The plan is for HHSC to provide name, date of birth (DOB), a F/RP eligibility indicator, case number, client number, certification date, zip code, county, and address for Medicaid, SCHIP, SNAP, and TANF children ages 3 to 21. Additional identifiers may include race and gender. TEA will include a reference ID and program year. Because of privacy concerns, the program(s) that a child participants in will not be disclosed to LEAs. (It is not clear whether TEA will get a program indicator. This might not be allowed. As an alternative, HHSC could combine the files and select SNAP/TANF records for children also in Medicaid/SCHIP data.)

There has been much discussion over whether HHSC will provide children's SSNs for DV, as it does for DC. At one stage, HHSC considered whether it could provide SSNs as long as they would not be displayed in match results. In March 2010, HHSC informed TDA that it had consulted with CMS on this issue, and CMS stated that SSNs could not be shared.

There has also been extensive discussion about how to identify Medicaid/SCHIP children in the free and RP income ranges. The original plan was for HHSC to provide household income and size, and TEA would use this to flag children as verified for free or RP or over income. HHSC then decided that it could not share this information and would instead provide the percentage of the FPG. In March 2010, HHSC learned that CMS would not allow this. The agencies then agreed that HHSC will create the F/RP indicator and provide only this income information in the file for DV-M. No calculation of the poverty percentage is needed for children in the regular Medicaid program, which limits eligibility to 133% of the FPG. This change in approach requires more work for HHSC, and therefore TDA has to revise its budget to provide additional funds to HHSC.

HHSC has also learned that CMS will not allow sharing of parent/guardian name for DV-M. TDA and TEA had planned to use this as an identifier, as in the Indiana DV system. However, unlike Indiana, Texas has not considered using parent/guardian SSN as an identifier.

In discussing the data-sharing agreement, HHSC has required the following:

- Authorization for release of Medicaid/SCHIP information to be added to F/RP meals application
- A HIPAA business associate agreement
- HIPAA requirements for breach notification and protections of confidential information.

In reflecting on this process, TDA officials commented that they would like to see an national consensus and joint instructions about data-sharing for DV-M from the Federal agencies with jurisdiction: FNS, the Department of Education, and CMS.

IV. Planned Approach to DV-M

HHSC will develop Medicaid and SCHIP data extracts for DV-M. They will be similar to but separate from the SNAP/TANF files for DV and DC. TEA will combine the files; there will be duplicate records for children with SNAP/TANF and Medicaid/SCHIP.

TEA will develop web-based applications for DV-M and DV-S queries and file upload/matching. The query will be modeled on Indiana's DV system and allow searches on (a) name and DOB (plus

county as an optional addition), and (b) SNAP/TANF case number. Queries will first search SNAP/TANF records. For name searches, the system will return exact and sound-alike (SOUNDEX) matches. Results will be displayed in a grid of possible matches with name, DOB, and county. Selecting a record from the grid will display the same information plus address, certification date, program year, F/RP eligibility indicator, and reference ID. Users will select the record that matches the child on the application. The system will track all records checked as matched and print a report with a summary and list of matched children upon request. System usage will be tracked including user ID, time, date, and district. A possible feature to be added later would hide records selected as matches, to prevent the same record being used to verify two applications.

The batch upload and match process will also be modeled on Indiana's DV system. Matching criteria and file formats for uploads have not been specified; file formats would likely include several common formats, such as comma separated value (CSV), Excel, fixed length, and XML. LEAs will be able to upload multiple files and select files to be matched; this would allow LEAs to repeat matching for some or all records. The details of this process may evolve. TDA plans to seek input from large LEAs on what they would want in the system and what they could do to create files for matching. Several LEAs of varying sizes have expressed interest and are willing to help with testing.

The security system will be modified so that private schools and RCCIs can access the DV system. Most of these schools now access TDA's CN claims system, so they have web capability.

The effectiveness of the DV system will be reduced by not having SSNs and guardian names, but the size of the impact is unknown. During testing, the State will address this issue. Testing will also examine the trade-offs in specifying match criteria for queries and batch files, such as whether and how to use SOUNDEX matches. If the criteria are not flexible, there will be more missed matches. On the other hand, if the criteria are too flexible, there may be too many possible matches, and there will be more false matches.

One final issue is where the DV system will reside in the long run. At present, DC is part of the CN information system (CNPIMS), and this system is hosted at TEA. TDA is developing a new information system to replace CNPIMS, and this system will be hosted at TDA. However, moving DC or DV to TDA would likely create a conflict with student data restrictions under FERPA. Therefore, TDA may be forced to keep the DC and DV systems at TEA.

V. Project Implementation Plan

The State's proposal for the FNS grant specified that DV-M would be available in September 2010, approximately one year after the anticipated award date. The timeline included establishment of interagency agreements; system design, development, and documentation; testing; training and account setup for new users; and loading operational data. There has been considerable effort and progress toward the agreements, but this step has not been completed. Meanwhile, TEA and TDA have completed design and data specifications for their parts of the project. Due to the delays in the grant and the agreement, testing is expected to begin in February 2011, and live implementation is expected to take place in September 2011.

DV-M Case Study Report: WISCONSIN

Data Collection Initial call, September 25, 2009

Site visit, October 6, 2009

Follow up call, June 3, 2010

Participating Agencies

Department of Public Instruction, (*DPI, 3 Officials*)

Department of Health Services, (*DHS, 3 Officials*)

Department of Children and Families, (*DCF, 2 Officials*)

I. Status of Wisconsin's Preparations for DV-M

Wisconsin would like to pursue implementation of a DV-M system. However, DPI officials told us they currently do not have the resources to support such an effort. They plan to pursue FNS funding. Updates to their DC system are in progress and should be completed by July 1.

Key accomplishments to date:

- participated in Abt site visit;
- working to roll out more user-friendly, web-based DC system;
- follow-up discussions on data-sharing options.

Key issues/challenges to date:

- resource constraints and staff furloughs;
- competing priorities and limited capacity;
- restrictions on Medicaid data sharing;
- DC match rate (percentage of SNAP/TANF children directly certified).

II. Experience with Direct Certification and Direct Verification

The State is completing work on a new web-based DC system that will be more user-friendly. At the time of our site visit, DPI officials told us they planned to roll out this program during spring 2010 for LEAs to start using by July. During our follow-up call, a DPI official told us they are on track to have the system in place for LEAs to begin using it on July 1.

Under this new system, each LEA will create and then upload a file with information on students to be matched for DC by the State. Student data will be matched to Wisconsin Works (W2) or Food Share records (these are the State TANF and SNAP programs, respectively) by DCF. The State uses first name, last name, and date of birth as identifiers. The matching results will show whether students are certified or if there are any matching errors. If matching errors occur, the results indicate what type of error exists. The matching system checks for common errors, such as transposed numbers in birthdays and partial name matches. If there is an error or a partial name match, the LEA can review the data to determine whether the match is accurate. They often find partial matches when the student

uses a nickname or has a hyphenated name. They also sometimes get false matches. If there is a partial match, the LEA can resubmit the data or encourage the parents to submit an application.

The officials said that LEAs generally find the process of DC easy, but experience with the system varies. The officials said they believe some smaller LEAs, as well as private and charter schools, struggle with the DC process. These LEAs may have limited staff and no qualifying children, yet they are still required to participate in DC. The new DC system should make the matching process less difficult for LEAs. It includes a query capability that will make DC easier for small LEAs. An informal survey of LEA staff by DPI showed that they perceived technology difficulties to be the greatest challenge to improving match rates. The new system should help to resolve these issues. It will only require that LEAs upload a tab delimited text file. Currently, LEAs have to connect to a mainframe computer in a cumbersome process and upload files for matching in a very specific format. LEAs using Macintosh computers have had particular difficulty with this process.

III. Access to Medicaid and SCHIP Data for DV-M

DHS said from their perspective, the biggest challenge to DV-M would be arranging the interagency data sharing agreement. The agencies have an old data sharing agreement, but it needs to be updated. However, DHS has the necessary data (including percentage of Federal poverty guidelines, or FPG) in a format that is easily accessible. DHS officials suggested that they would prefer to provide an indicator of the income range (flagging children as eligible for free or reduced-price/RP meals) rather than the exact percentage to DPI.

During our follow-up call, a DPI official told us that staff from another area within the agency were working to acquire Medicaid data from DHS for purposes of administering Special Education. The CN officials hoped to piggy-back on this process as a short-cut to obtaining data for DV-M. However, DHS officials said that they would be able to provide the data to DPI, but DPI would not be able to share this information with LEAs without consent due to HIPAA privacy restrictions. This issue is still under discussion.

IV. Potential Approach to DV-M

At the time of our site visit, the officials told us that incorporating DV-M into the new DC system would likely be their best option. However, Wisconsin is not able to pursue this option at this time due to resource and staffing constraints.

The CN officials were concerned with the amount of time and resources they would need to set up and monitor a DV-M system similar to their new DC system. The State would incur additional expenses in starting up the system, such as providing training for LEAs. In addition, DC is currently conducted by DCF. The officials expressed concerns about asking DCF to complete additional work for a program that is under DPI purview. Division of responsibility between DHS, DCF, and DPI is a key issue to be addressed. The officials also told us that meeting the needs of small SFAs will be critical for obtaining widespread use of DV-M, because there are many small SFAs in Wisconsin.

An alternative approach discussed during our follow-up call would be to provide LEAs with data to conduct matching themselves. Under this approach, DPI would obtain Medicaid data through an

existing data exchange between DHS and Special Education (an area within DPI). The file provided to DPI includes name, DOB, address, and income as a percentage of the FPG. DPI would match the DHS data with DPI data and sort the data by LEA. DPI would not share students' FPL, but rather would use it as an indicator to flag eligible students (for example, "F" = student eligible for free meals and "R" = student eligible for reduced-price meals). LEAs would receive a report flagging students eligible for FR/P meals and use the report for DV-M. DPI believes that this approach would require fewer State resources to implement than building on the DC system.

During our follow-up call, a CN official told us that they have attempted to pursue this option with DHS, but thus far have not been successful. As noted in Section III, DHS determined that under HIPAA privacy rules, they could provide the data to DPI, but DPI could not share the data with LEAs.

Wisconsin has an online benefits application processing system called ACCESS (similar to Pennsylvania's COMPASS system). State officials have determined that ACCESS would not be feasible to use as a platform for DV-M. However, ACCESS might be used in the future to allow families to submit F/RP meals applications online.

V. Project Implementation Plan

The State will likely need to create an interagency data sharing agreement between DHS, DPI, and DCF in order to implement DV-M. Currently there is no plan for implementing DV-M. The plan for the DC upgrade is as follows:

- Spring 2010 Roll out new web-based DC program
- July 1, 2010 LEAs begin using new web-based DC program

