

Expansion of Direct Certification With Medicaid Data in Illinois

Addition of Reduced-Price Eligible Students

Beginning in School Year 2022-23, the Illinois State Board of Education (ISBE) is participating in the U.S. Department of Agriculture's (USDA) Demonstration Project to Evaluate Direct Certification with Medicaid with the addition of Direct Certification for reduced-price eligible students. This project allows school food authorities (SFAs) to use Medicaid as a method of directly certifying children for free or reduced-price meals. This document summarizes the important points that SFAs must consider when directly certifying children through Medicaid. All personnel involved with the process of certifying applications and conducting Verification should review this document. The demonstration project is available for National School Lunch and School Breakfast Program participating schools only.

No Applications

It is important to note that Illinois schools CANNOT accept any Household Eligibility Application (HEA) with a Medicaid case number, as only a portion of children that receive Medicaid will meet the appropriate income guidelines. The HEA instructions state this requirement for households. The use of the Medicaid data in the Direct Certification system ensures that only those children at the appropriate income guidelines are documented as eligible for free or reduced-price meal benefits via Direct Certification with Medicaid. Households that are directly certified based on Medicaid data are not required to submit an HEA for school meal benefits and are not subject to Verification.

Direct Certification System – Added Reduced Medicaid Report

Effective SY 22-23, the Direct Certification system will include both free and reduced-price eligible Medicaid matches. The free eligible Medicaid matches will continue to appear on the annual/monthly/sponsor reports available in the Electronic Direct Certification System under SNAP/TANF/Free Medicaid link. The reduced-price eligible Medicaid matches will appear on a separate report, Reduced Medicaid, available in the Electronic Direct Certification System.

Reduced-Price Children Determined Through Medicaid

Due to differences in household definition and income assessments between programs, some children directly certified for reduced-price meals through Medicaid may have been eligible for free meals if the household applied based on household size and income on the Household Eligibility Application. The USDA requires that these households receive notice of the income level used and be offered the opportunity to apply if their income, based on National School Lunch Program (NSLP) eligibility policies, is within the limit for free meals (using the NSLP's current Income Eligibility Guidelines). The Illinois State Board of Education Nutrition Department has a [sample parent notification letter](#) specific to Direct Certification for reduced-price meal benefits established through Direct Certification Based on Medicaid Benefits. When

this notice is issued, please note that you are required to include the HEA for the current school year, including letter to household, application, and application instructions. This required notification and inclusion of the complete HEA alerts DC-reduced eligible student households that they may qualify for greater benefits based on household size and income HEA, should they wish to complete the HEA.

Direct Certification Using Handwritten Case Numbers

Under the Medicaid pilot, children are not considered to be categorically eligible and may be directly certified only via matching within the Illinois Direct Certification System. Therefore, households are not allowed to write their Medicaid case number on the HEA or provide “proof” of Medicaid for their child to be eligible for free or reduced-price meals.

Negative Impact and Medicaid Determination

Students already certified for free or reduced-price meals based on an HEA or Direct Certification with another program cannot be negatively impacted by the match with Medicaid data. The ISBE has safeguards to ensure that Direct Certification for the Supplemental Nutrition Assistance Program (SNAP) and Temporary Assistance for Needy Families (TANF) supersede a free or reduced status given through Medicaid. However, if an LEA has determined that a child is directly certified as reduced-price eligible through Medicaid, and the child is determined to be homeless, a runaway, enrolled in a federally funded Head Start Program, or is a foster child; the LEA’s determination supersedes the Medicaid reduced-price status.

Community Eligibility Provision (CEP)

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

Verification and Medicaid

For purposes of the Verification Summary Report (VSR), it is very important to track by category the students eligible via Electronic Direct Certification. Therefore, we recommend that you ensure that you code/track directly certified students by SNAP, TANF, Foster, FREE-Medicaid, and REDUCED-Medicaid. This will simplify the reporting of data on the VSR. Please note that any student directly certified for free or reduced-price meal benefits are NOT subject to Verification, but that data is still required to be tracked by the SFA.

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