Direct Verification with Medicaid Data

December 3, 2009

Presentation to
School Nutrition Association
For USDA, Food and Nutrition Service
Overview of the Presentation

- What is direct verification and why use it?
- Estimates of effectiveness
- Methods of direct verification
- Practices adopted by pilot States
- Challenges
Source of Information

Direct Verification Pilot Study
First Year Report

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Sheila G. Kamara, Ph.D.

This study was conducted under Contract number AG-3108-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/fns/research.htm

Suggested Citation:

Direct Verification Pilot Study
Final Report

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Suggested Citation:
A New Step in the Verification Process

1. Select verification sample

2. Confirmation review

3. DIRECT VERIFICATION
   Attempt to match children on sampled applications to means-tested program data

4. Contact household

5. Second contact attempt

6. Review and process documents

   - Match
     Application is directly verified

   - No match
     Nonresponding household

   - Verified

   - Not verified
Benefits of Direct Verification

- Works for income and categorical applications
- No need to contact households
- Saves time for LEAs and parents
- Reduces nonresponse to verification
Direct Verification with Medicaid (DV-M)

- **What is it?** Uses Medicaid and/or State Children’s Health Insurance Program (SCHIP) data to verify NSLP applications

- **Why use Medicaid/SCHIP?** Income eligibility guidelines are higher than SNAP/TANF so LEAs can directly verify free and reduced-price applications
  - Medicaid income eligibility ≥ 133% FPL in 30 States*
  - SCHIP income eligibility ≥ 185% FPL in 48 States*

*Source: Kaiser State Health Facts.*
Estimates of Effectiveness of Direct Verification
Pilot Study, SY2007-08

- **Pilot States:** Georgia, Indiana, South Carolina, Tennessee, Washington

- **Measures of effectiveness:**
  1. District participation
  2. Percentage of applications directly verified
  3. Time savings
  4. Impact on nonresponse
District Participation

Percentage of districts using DV-M, SY2007-08

- GA: 50%
- IN: 50%
- SC: 43%
- TN: 63%
- WA: 49%

Reasons for not using DV-M:
- Did not know that DV-M could verify any application
- Difficulty or delay of using DV-M
- Low expected payoff
- Lack of resources
Percentage of Applications Directly Verified

Percentage of applications verified with Medicaid data by districts using DV-M, SY2007-08

Medicaid/SCHIP income eligibility limits (% of FPL):
- Georgia – 100%*
- Indiana – 200%
- South Carolina – 150%*
- Tennessee – 100% *
- Washington – 250%

* Medicaid only, SCHIP not used for DV-M
Average Minutes Per Application: Direct Verification Saves Time When It Works

SY2007-2008 Results for Districts Using DV-M (N=61)

- Direct Verif.: 5 minutes
- Household verification: 71 minutes
- Total: 66 minutes
Estimated Impact of DV-M on Verification Nonresponse

Percentage of applications from nonresponding households that were matched with Medicaid data

- Georgia: 5.2%
- Indiana: 23.5%
- Oregon: 8.7%
- South Carolina: 23.6%
Methods of Direct Verification
Typical Flow of Information for DV-M

- State Medicaid Agency
- Children enrolled in Medicaid/SCHIP
- State CN Agency
- State Education Agency web portal
- Local education agencies
Options for LEA Access to Medicaid Data

1. **File access** (like district-level matching for direct certification)
   - State posts files on secure website
   - LEAs download Medicaid data and search or match

2. **Search/query access** (like direct certification “look-up”)
   - State maintains Medicaid database with a search interface on a secure website
   - LEAs enter information from NSLP applications into a search form

3. **File match** (like some State-level matching for direct certification)
   - State maintains Medicaid data in a database
   - LEA compiles NSLP application data file and uploads to the State website for a match with the Medicaid database
   - LEA downloads match results
Pros and Cons of Direct Verification Methods

1. **File access**
   - Easiest method for State to implement
   - Least secure; LEAs can browse the data

2. **Search/query access**
   - Requires web development (new or expanded)
   - Easiest method for small LEAs
   - Not efficient for very large LEAs

3. **File match**
   - Best method for very large LEAs
   - Most protection against browsing the data
   - Not efficient for small LEAs
Direct Verification vs. Direct Certification

- **Direct Certification**
  - Large-scale match of student enrollment to SNAP/TANF
  - Enrollment in SNAP/TANF is sufficient for direct certification

- **Direct Verification**
  - Small-scale match of applicants selected for verification
  - Program enrollment in Medicaid is not sufficient for direct verification – income level matters
## Correspondence of Means-Tested Programs and NSLP

<table>
<thead>
<tr>
<th>Means-tested programs</th>
<th>NSLP income category</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Free</td>
</tr>
<tr>
<td>Enrollment in SNAP/TANF</td>
<td>✓</td>
</tr>
<tr>
<td>Enrollment in Medicaid, if income eligibility limit ≤ 133% of poverty</td>
<td>✓</td>
</tr>
<tr>
<td>Medicaid family size and income, if income eligibility limit &gt; 133% of poverty</td>
<td>✓</td>
</tr>
<tr>
<td>SCHIP family size and income</td>
<td>✓</td>
</tr>
</tbody>
</table>

Medicaid information may not be used to change the approved NSLP category!
Design Considerations

1. Keep Medicaid income/family size behind the scenes
   - Create an indicator of eligibility for free or reduced-price meals

2. Integrate Medicaid and SNAP/TANF data
   - This improves confidentiality by hiding the source of direct verification

3. Match rules
   - Most States use same matching algorithms used for direct certification

4. Special preparations
   - Change NSLP application to collect date of birth
   - Match Medicaid data with State student enrollment data to attach student IDs and district IDs before making data available to districts
Practices Adopted by Pilot States
### Methods Used by States in the Pilot Study

<table>
<thead>
<tr>
<th>State</th>
<th>Basic method</th>
<th>State processing</th>
<th>Medicaid &amp; SNAP/TANF?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Georgia</td>
<td>Query Medicaid+ SNAP system</td>
<td>None</td>
<td>Yes</td>
</tr>
<tr>
<td>Indiana</td>
<td>Query or file match on DOE website</td>
<td>Created F/RP indicator; optional match to uploaded NSLP data</td>
<td>Yes</td>
</tr>
<tr>
<td>South Carolina</td>
<td>Send NSLP apps data to State</td>
<td>Match with Medicaid</td>
<td>No</td>
</tr>
<tr>
<td>Tennessee</td>
<td>Distribute files</td>
<td>Separated Medicaid data into county files</td>
<td>No</td>
</tr>
<tr>
<td>Washington</td>
<td>Distribute files, query on DOE website</td>
<td>Created F/RP indicator; matched to student data and separated Medicaid data</td>
<td>No</td>
</tr>
</tbody>
</table>
Challenges
Direct Verification Challenges

1. **Obtaining Medicaid data**
   - Data sharing agreements take time
   - Need information about family size and income as determined by Medicaid/SCHIP

2. **System development**
   - Save time and money by leveraging direct certification

2. **Getting districts to use direct verification**
   - Information and training is an issue for a process used just once per year
Key Points to Remember

- **DV-M** can be used for all sampled applications—*not just applications with a SNAP/TANF case number*

- Medicaid Agencies are authorized by law to share eligibility data for **DV-M**—*not barred by HIPAA*

- **NSLP** accepts Medicaid/SCHIP determination of income and household size—*even though rules are different*

- **NSLP** applications can be matched with Medicaid/SCHIP data *without using SSNs*

- **DV-M can only confirm**, *not change*, free/RP eligibility
For More Information

Direct Verification Pilot Study: Final Report - October 2009

http://www.fns.usda.gov/ora/MENU/Published/CNP/FILES/DirectVerificationYear2.pdf

Direct Verification Pilot Study: Pamphlet - October 2009

http://www.fns.usda.gov/ora/MENU/Published/CNP/FILES/DirectVerificationYear2Pamphlet.pdf

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