



HNS # 07-2023

Original Signed

MEMORANDUM

To: School Food Authorities Operating the National School Lunch Program

From: Melissa Conner, Senior Deputy Associate Superintendent
Arizona Department of Education, Health and Nutrition Services Division

Date: July 24, 2023

Subject: Direct Certification with Medicaid Data Demonstration Project Enhancements to CNP Direct Certification/Direct Verification

This memorandum aims to inform School Food Authorities (SFA) of enhancements the Arizona Department of Education (ADE) has made to the online CNP Direct Certification / Direct Verification (CNPDC) system. These enhancements were made due to Arizona's participation in the Direct Certification with Medicaid Data Demonstration (DC-M) Project, previously announced in HNS 06-2023. The DC-M demonstration project is for both free and reduced-price meal eligibility in the National School Lunch Program (NSLP) and School Breakfast Program (SBP) and will begin in Arizona in School Year 2023-2024. All DC-M results will reflect the most recent eligibility determination made by the state Medicaid agency, Arizona Health Care Cost Containment System (AHCCCS).

Enhancements to CNP Direct Certification/ Direct Verification for Matching Medicaid Data

DC-M uses Medicaid data files to identify children eligible to receive meals through the NSLP and SBP for free or reduced-price without needing an application. To be eligible for Medicaid data matching, students must receive Medicaid or live in a household with another child who receives Medicaid and has family income as measured by the Medicaid Program. The CNPDC user interface will include Medicaid (MA)-Free and MA-Reduced categories and counts, as well as an "Eligibility Type" column that indicates MA-Free or MA-Reduced matches. SFAs must notify their vendor/point of service software provider of including DC-M Free and DC-M Reduced data for the upcoming school year. Vendors must prepare the user interface and system to intake the two new direct certification fields (DC-M Free and DC-M Reduced) and implement hierarchy rules when a child matches in multiple direct certification categories.

Identifying a DC-M Match and Hierarchy

A student should be identified as a DC-M match only when the student does not match with Supplemental Nutrition Assistance Program (SNAP), Temporary Assistance for Needy Families

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(TANF), Food Distribution Program on Indian Reservations (FDPIR), or other programs. The benefit level or categorical eligibility for students already approved for free or reduced-price meals based on a household application or direct certification with another program must not be negatively impacted by a match with Medicaid.

Additionally, students matching as DC-M Free will count as “identified” toward the Community Eligibility Provision (CEP) Identified Student Percentage (ISP). However, DC-M Reduced students would not be included, as the ISP is intended to measure the percentage of students certified for *free* meals without an application.

Notification of a DC-M Match

Households with children directly certified by Medicaid match data must be notified of the DC source in which they were matched. Those directly certified for reduced-price meals must be informed of the income level used and offered the opportunity to apply via a household application if they think their income is within the standard for free meals. Template Notification Letters for students qualifying for Free or Reduced Meals through DC-M are available online under the [NSLP and SBP Program Forms and Resources](#). Because an income standard must be used and met, children directly certified for free meals based on Medicaid data are not deemed Categorically Eligible (a child who receives free meals because they participate or have been identified as a member of SNAP, TANF, FDPIR, or as foster, homeless, migrant, or runaway) for meal benefits.

SFAs are encouraged to review the [Step-by-Step Instruction: How to Complete Direct Certification Using Medicaid Data](#). This resource provides an overview of the DC-M Project and outlines how to effectively certify students for free and reduced-price meals using Medicaid data. It is available now in the NSLP Online Training Library.

SFAs with questions concerning this guidance should contact (602) 542-8700 or email ContactHNS@azed.gov.

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addressed to USDA. The letter must contain the complainant's name, address, telephone number, and a written description of the alleged discriminatory action in sufficient detail to inform the Assistant Secretary for Civil Rights (ASCR) about the nature and date of an alleged civil rights violation. The completed AD-3027 form or letter must be submitted to USDA by:

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(833) 256-1665 or (202) 690-7442; or
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