



United States
Department of
Agriculture

Food and
Nutrition
Service

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SUBJECT: Clarification of Direct Verification

TO: Special Nutrition Programs
All Regions

State Agencies
Child Nutrition Programs
All States

Section 9(b)(3)(F) of the Richard B. Russell National School Lunch Act (NSLA) permits local educational agencies (LEAs) to “directly” verify approved households’ applications which are selected for verification. This is accomplished by obtaining and using income and program participation information from a public agency administering the Food Stamp Program (FSP), the Food Distribution Program on Indian Reservations (FDPIR), the Temporary Assistance for Needy Families program (TANF), the State Medicaid program or similar income-tested programs determined by the Secretary. The purpose of this memorandum is to clarify State agency procedures for direct verification, especially concerning the use of Medicaid data.

Children who are members of households participating in the FSP, FDPIR and TANF are categorically eligible; children who are participating in the State Medicaid program are not. Medicaid data may only be used for verification purposes and not certification. Also please note that in this memorandum “**eligible child(ren)**” means children certified for free or reduced price school meals whose household application has been selected for verification.

PROCEDURES APPLICABLE TO ALL PROGRAMS

Information Used for Direct Verification

The NSLA specifies that the information used for direct verification must be the most recent information available which is defined as no older than 180 days prior to the date of the free and reduced price application. To be consistent with policy established for “regular” verification, we are extending the policy from the August 25, 2004 memorandum, *Verification of Income Eligibility—Reauthorization 2004 Implementation* (SP-5), to direct verification. Under this procedure, direct verification efforts may use information from any point in time between the month prior to application and the time the State agency conducts direct verification.

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In other words, for direct verification, State agencies may use:

- the latest available information for one month (within the 180-day requirement); OR
- information for all months from the month prior to application through the month direct verification is conducted.

Names submitted

State agencies conducting direct verification should only submit the names of the eligible children and not names of other members of the household, such as parents, grandparents or non-school age siblings. For the purposes of direct verification, when the data indicates that one eligible child is participating in the FSP, FDPIR, TANF, or Medicaid, all eligible children in that child's household are verified. If none of the children's participation is confirmed by the direct verification source, regular verification procedures must be followed.

FOR MEDICAID

Medicaid Limits at or below 133% of the Federal Poverty Line

In States with income limits of 133% or less of the Federal poverty line, Medicaid participation is the only information needed to verify free or reduced price eligibility.

Medicaid Limits above 133% of the Federal Poverty Line

In States with Medicaid limits that exceed 133% of the Federal poverty line, direct verification information must include either the percentage of the Federal poverty line upon which the applicant's Medicaid participation is based, or Medicaid income and Medicaid household size in order to determine that the applicant is either at or below 133% of the Federal poverty line, or is between 133% and 185% of the Federal poverty line.

Verification for children approved for free meals is complete if Medicaid data indicates that the percentage is at or below 133% of the Federal poverty line.

Verification for children approved for reduced price meals is complete if Medicaid data indicates that the percentage is at or below 185% of the Federal poverty line.

As mentioned above:

- Medicaid information may only be used for direct verification, not for certification; and
- if no child's participation in the Medicaid program is confirmed through direct verification, regular verification procedures must be followed.

Use of State Children's Health Insurance Program (SCHIP) for Direct Verification

Because of the similar eligibility requirements, SCHIP information may also be used for direct verification. The procedures outlined above for Medicaid also apply to SCHIP.

Please contact your Regional office if you have any questions.

Original Signed

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