

APPENDIX H.2

RELEVANT DOCUMENTS:

SECTION 103 OF THE HEALTHY, HUNGER-FREE KIDS ACT OF 2010

SEC. 103. DIRECT CERTIFICATION FOR CHILDREN RECEIVING MEDICAID BENEFITS.

(a) In General.--Section 9(b) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1758(b)) is amended by adding at the end the following:

``(15) Direct certification for children receiving medicaid benefits.--

``(A) Definitions.--In this paragraph:

``(i) Eligible child.--The term 'eligible child' means a child--

``(I)(aa) who is eligible for and receiving medical assistance under the Medicaid program; and

``(bb) who is a member of a family with an income as measured by the Medicaid program before the application of any expense, block, or other income disregard, that does not exceed 133 percent of the poverty line (as defined in section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2), including any revision required by such section)) applicable to a family of the size used for purposes of determining eligibility for the Medicaid program; or

``(II) who is a member of a household (as that term is defined in section 245.2 of title 7, Code of Federal Regulations (or successor regulations) with a child described in subclause (I).

``(ii) Medicaid program.--The term 'Medicaid program' means the program of medical assistance established under title XIX of the Social Security Act (42 U.S.C. 1396 et seq.).

``(B) Demonstration project.--

``(i) In general.--The Secretary, acting through the Administrator of the Food and Nutrition Service and in cooperation with selected State agencies, shall conduct a demonstration project in selected local educational agencies to determine whether direct certification of eligible children is an effective method of certifying children for free lunches and breakfasts

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under section 9(b)(1)(A) of this Act and section 4(e)(1)(A) of the Child Nutrition Act of 1966 (42 U.S.C. 1773(e)(1)(A)).

``(ii) Scope of project.--The Secretary shall carry out the demonstration project under this subparagraph--

``(I) for the school year beginning July 1, 2012, in selected local

educational agencies that collectively serve 2.5 percent of students certified for free and reduced price meals nationwide, based on the most recent available data;

``(II) for the school year beginning July 1, 2013, in selected local educational agencies that collectively serve 5 percent of students certified for free and reduced price meals nationwide, based on the most recent available data; and

``(III) for the school year beginning July 1, 2014, and each subsequent school year, in selected local educational agencies that collectively serve 10 percent of students certified for free and reduced price meals nationwide, based on the most recent available data.

``(iii) Purposes of the project.--At a minimum, the purposes of the demonstration project shall be--

``(I) to determine the potential of direct certification with the Medicaid program to reach children who are eligible for free meals but not certified to receive the meals;

``(II) to determine the potential of direct certification with the Medicaid program to directly certify children who are enrolled for free meals based on a household application; and

``(III) to provide an estimate of the effect on Federal costs and on participation in the school lunch program under this Act and the school breakfast program established by section 4 of the Child Nutrition Act of 1966 (42 U.S.C. 1773) of direct certification with the Medicaid program.

``(iv) Cost estimate.--For each of 2 school years of the demonstration project, the Secretary shall estimate the cost of the direct certification of eligible children for free school meals through data derived from--

``(I) the school meal programs authorized under this Act and the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.);

``(II) the Medicaid program; and

``(III) interviews with a statistically representative sample of households.

``(C) Agreement.--

``(i) <<NOTE: Deadline.>> In general.--Not later than July 1 of the first school year during

which a State agency will participate in the demonstration project, the State agency shall enter into an agreement with the 1 or more State agencies conducting eligibility determinations for the Medicaid program.

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``(ii) <<NOTE: Procedures.>> Without further application.--Subject to paragraph (6), the agreement described in subparagraph (D) shall establish procedures under which an eligible child shall be certified for free lunches under this Act and free breakfasts under section 4 of the Child Nutrition Act of 1966 (42 U.S.C. 1773), without further application (as defined in paragraph (4)(G)).

``(D) <<NOTE: Effective date.>> Certification.--For the school year beginning on July 1, 2012, and each subsequent school year, subject to paragraph (6), the local educational agencies participating in the demonstration project shall certify an eligible child as eligible for free lunches under this Act and free breakfasts under the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.), without further application (as defined in paragraph (4)(G)).

``(E) Site selection.--

``(i) In general.--To be eligible to participate in the demonstration project under this subsection, a State agency shall submit to the Secretary an application at such time, in such manner, and containing such information as the Secretary may require.

``(ii) Considerations.--In selecting States and local educational agencies for participation in the demonstration project, the Secretary may take into consideration such factors as the Secretary considers to be appropriate, which may include--

``(I) the rate of direct certification;

``(II) the share of individuals who are eligible for benefits under the supplemental nutrition assistance program established under the Food and Nutrition Act of 2008 (7 U.S.C. 2011 et seq.) who participate in the program, as determined by the Secretary;

``(III) the income eligibility limit for the Medicaid program;

``(IV) the feasibility of matching data between local educational agencies and the Medicaid program;

``(V) the socioeconomic profile of the State or local educational agencies; and

``(VI) the willingness of the State

and local educational agencies to comply with the requirements of the demonstration project.

((F) Access to data.--For purposes of conducting the demonstration project under this paragraph, the Secretary shall have access to--

((i) educational and other records of State and local educational and other agencies and institutions receiving funding or providing benefits for 1 or more programs authorized under this Act or the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.); and

((ii) income and program participation information from public agencies administering the Medicaid program.

((G) Report to congress.--

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((i) In general.--Not later than October 1, 2014, the Secretary shall submit to the Committee on Education and Labor of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate, an interim report that describes the results of the demonstration project required under this paragraph.

((ii) Final report.--Not later than October 1, 2015, the Secretary shall submit a final report to the committees described in clause (i).

((H) Funding.--

((i) <<NOTE: Effective date.>> In general.-- On October 1, 2010, out of any funds in the Treasury not otherwise appropriated, the Secretary of the Treasury shall transfer to the Secretary to carry out subparagraph (G) \$5,000,000, to remain available until expended.

((ii) Receipt and acceptance.--The Secretary shall be entitled to receive, shall accept, and shall use to carry out subparagraph (G) the funds transferred under clause (i), without further appropriation.''.

(b) Documentation.--Section 9(d)(2) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1758(d)(2)) (as amended by section 102(c)) is amended--

- (1) in subparagraph (E), by striking ``or'' at the end;
- (2) in subparagraph (F)(ii), by striking the period at the end and inserting ``; or''; and
- (3) by adding at the end the following:

((G) documentation has been provided to the appropriate local educational agency showing the status of the child as an eligible child (as defined in subsection (b)(15)(A)).''.

(c) Agreement for Direct Certification and Cooperation by State Medicaid Agencies.--

(1) In general.--Section 1902(a)(7) of the Social Security Act (42 U.S.C. 1396a(a)(7)) is amended to read as follows:
``(7) provide--

``(A) safeguards which restrict the use or disclosure of information concerning applicants and recipients to purposes directly connected with--

``(i) the administration of the plan; and

``(ii) the exchange of information necessary to certify or 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, using data standards and formats established by the State agency; and

``(B) that, notwithstanding the Express Lane option under subsection (e)(13), the State may enter into an agreement with the State agency administering the school lunch program established under the Richard B. Russell National School Lunch Act under which the State shall establish procedures to ensure that--

``(i) a child receiving medical assistance under the State plan under this title whose family income does not exceed 133 percent of the poverty line (as defined

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in section 673(2) of the Community Services Block Grant Act, including any revision required by such section), as determined without regard to any expense, block, or other income disregard, applicable to a family of the size involved, may be certified as eligible for free lunches under the Richard B. Russell National School Lunch Act and free breakfasts under the Child Nutrition Act of 1966 without further application; and

``(ii) the State agencies responsible for administering the State plan under this title, and for carrying out the school lunch program established under the Richard B. Russell National School Lunch Act (42 U.S.C. 1751 et seq.) or the school breakfast program established by section 4 of the Child Nutrition Act of 1966 (42 U.S.C. 1773), cooperate in carrying out paragraphs (3)(F) and (15) of section 9(b) of that Act;''.

(2) <<NOTE: 42 USC 1396a note.>> Effective date.--

(A) In general.--Except as provided in subparagraph (B), the amendments made by this subsection shall take effect on the date of enactment of this Act.

(B) Extension of effective date for state law amendment.--In the case of a State plan under title XIX of the Social Security Act (42 U.S.C. 1396 et seq.) which the Secretary of Health and Human Services determines requires State legislation in order for the plan to meet the additional requirements imposed by the

amendments made by this section, the State plan shall not be regarded as failing to comply with the requirements of the amendments made by this section solely on the basis of its failure to meet such additional requirements before the first day of the first calendar quarter beginning after the close of the first regular session of the State legislature that begins after the date of the enactment of this Act. For purposes of the previous sentence, in the case of a State that has a 2-year legislative session, each year of the session is considered to be a separate regular session of the State legislature.

(d) Conforming Amendments.--Section 444(b)(1) of the General Education Provisions Act (20 U.S.C. 1232g(b)(1)) is amended--

(1) in subparagraph (I), by striking ``and'' at the end;
(2) in subparagraph (J)(ii), by striking the period at the end and inserting ``; and'';

(3) by adding at the end the following:

``(K) <<NOTE: Confidentiality.>> the Secretary of Agriculture, or authorized representative from the Food and Nutrition Service or contractors acting on behalf of the Food and Nutrition Service, for the purposes of conducting program monitoring, evaluations, and performance measurements of State and local educational and other agencies and institutions receiving funding or providing benefits of 1 or more programs authorized under the Richard B. Russell National School Lunch Act (42 U.S.C. 1751 et seq.) or the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.) for which the results will be reported in an aggregate form that does not identify any individual, on the conditions that--

``(i) any data collected under this subparagraph shall be protected in a manner that will not permit the personal

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identification of students and their parents by other than the authorized representatives of the Secretary;
and

``(ii) any personally identifiable data shall be destroyed when the data are no longer needed for program monitoring, evaluations, and performance measurements.''.