

## Appendix D.4: State Cost Survey Letter 1st Quarter (Medicaid Agency Version)

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OMB #: 0584-xxxx  
Expiration Date: xx/xx/20xx

NSLP DC-M-14

October 5, 2012

Dear State Medicaid Agency Director:

As part of the evaluation of the Demonstrations of Direct Certification of Children Receiving Medicaid (DC-M) conducted by the U.S. Department of Agriculture's Food and Nutrition Service, Mathematica Policy Research will collect data on the costs of implementing DC-M at both the State and local levels. Your responses will help us determine the types of costs associated with the demonstration at the State agency level. Ultimately, we will look at your cost changes in conjunction with cost changes at the local level to assess whether there are savings in administrative costs from the demonstration, and the extent of those savings. Your responses will also help us understand the various types of activities your agency performs when conducting DC-M.

Attached is a preliminary form that we would like you to use to report costs your agency incurred implementing DC-M from July through September 2012. In future quarters, we will provide you with a revised form early in the quarter, so you can use it to track costs as they occur, rather than retrospectively. We hope that you or your designee will be able to complete the form, but we recognize that the information might have to come from several sources. The form is provided as an Excel workbook with six spreadsheet tabs, plus a seventh optional tab. The tabs include the following:

1. **Activity descriptions.** These show detailed descriptions of the activities to be considered/included when completing the Time Log (provided for clarification purposes). Note that we have provided a separate line for activities related to the evaluation.
2. **Time Log.** Record time spent specifically on DC-M activities by relevant staff.
3. **Salary information.** Provide information on pay and fringe benefits for each employee listed in the Time Log.
4. **Other direct costs.** List other direct costs related to DC-M by type and amount for the quarter.
5. **Indirect costs.** Provide information on how indirect costs are defined and assessed.
6. **Contact information.** Provide contact information to enable us to reach the respondent(s) for a brief follow-up interview, in which we will go over the form and ask about how DC-M activities and associated costs are likely to change over time.

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0584-XXXX. The time required to complete this information collection is estimated to average 3 minutes per response.

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7. **Time Log—optional weekly version.** Record time spent specifically on DC-M activities by relevant staff on a *weekly* basis.

We are sending a similar form to our contact at the [State Child Nutrition Agency] to track information on costs incurred by that agency's staff for DC-M. Therefore, please do not include information on costs to the [State Medicaid Agency] on this form. However, please *do* include any DC-M implementation costs for tasks not completed by Child Nutrition Program-funded staff, but by other staff within your agency (such as information technology staff).

Throughout the form, we would like you to include only time or costs incurred to implement DC-M that are ***in addition to*** time or costs already associated with other forms of direct certification for the National School Lunch Program/School Breakfast Program (that is, direct certification through the Supplemental Nutrition Assistance Program, Temporary Assistance for Needy Families, or the Food Distribution Program on Indian Reservations). Please note that some of the activities listed in the drop-down menu in the third column of the Time Log tab, and described in the Activity Definitions tab, might not be relevant to your State. Likewise, you may conduct activities that are not listed in the drop-down menu of the Time Log tab. If so, you can select "Other activities" from the drop-down menu and describe the additional activities in the "Notes" column (Column G). We will provide a similar form for each quarter of the demonstration, but we recognize that many direct certification activities are concentrated in the first quarter of the school year.

We request that you complete and return the form for the quarter that includes July, August, and September 2012 (the **first quarter form**) by **November 9, 2012**, and the form for the quarter that includes October, November, and December 2012 (the **second quarter form**) by **January 31, 2013**. We understand that tracking costs requires the investment of your time and greatly appreciate your participation. Costs at the State level are an important offset to costs or savings at the local school district level in assessing the overall cost-effectiveness of the DC-M approach. Although we have tried to make these forms both flexible and straightforward, we will appreciate any suggestions for improvements. We will contact you to set up a brief follow-up interview around mid-November. You may also direct questions you might have when working with the form to Joshua Leftin or me using the contact information provided below.

The next page provides more detailed instructions for each tab. Thank you for your time and assistance.

Sincerely,



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