

Enclosure B

District of Columbia's Part C 2009 Verification Visit Enclosure

Background:

In April 2008, the District of Columbia Office of the State Superintendent of Education (OSSE) became the State-level lead agency responsible for administering Part C of the Individuals with Disabilities Education Act (IDEA) in the District of Columbia. The District of Columbia Early Intervention Program or the Infants and Toddlers with Disabilities Division (DC EIP) is the entity within OSSE that administers IDEA Part C and is responsible for providing early intervention services in the District of Columbia (DC or the District). DC's Part C FFY 2007 Annual Performance Report (APR) reflects that, on December 1, 2007, 271 (or 1.19%) of the District's 22,285 children birth to age three were receiving IDEA Part C services.¹ The District's developmental delay eligibility definition for Part C is 50% delay in one or more developmental areas. DC EIP has adopted the IDEA Part B due process procedures to resolve individual child disputes under Part C of the IDEA.

When a child is referred to DC EIP, DC EIP staff refer the child and parent to one of eight sites that function as early intervention service (EIS) programs for reporting purposes under IDEA sections 616 and 642 for APR Indicator 7 (45-day timeline). For children who are eligible for Medicaid because they are enrolled in a fee-for-service, are eligible under SSDI, are in foster care, or have not yet been assigned to a Managed Care Organization (MCO), or for children who have private insurance or are subject to family fees,² these eight sites perform the initial service coordination functions and are responsible for conducting the initial evaluations, assessments and IFSP meetings. For all other children (those who are otherwise eligible for Medicaid and assigned to one of four MCOs), the MCO is responsible for providing the personnel to complete the initial evaluation, assessments and eligibility determination and then one of the eight sites is responsible for conducting the initial IFSP meeting for that child. After the initial IFSP meeting, each child is assigned a dedicated service coordinator until that child transitions out of the Part C program. There are nine service coordinators, three within OSSE, and six that are contracted through three early intervention service (EIS) providers to perform the service coordination function. Services on the IFSP are provided by either MCO-funded providers or EIS providers that contract directly with OSSE.

I. General Supervision System

Critical Element 1: Identification of Noncompliance

Does the District have a general supervision system that is reasonably designed to identify noncompliance in a timely manner using its different components?

¹ The December 1 Child Count is the number of children under age 3 who have an active IFSP in place on the District's designated child count date (a date selected between October 1 and December 1) of the data collection year. OSSE reported that it actually processed approximately 800 children under the age of 3 during the Federal fiscal year (FFY 07) reporting period (July 1, 2007 through June 30, 2008).

² In January 1997, the District adopted a system of payments policy, including a sliding fee scale. Under this policy parents who are determined to have the "ability to pay," pay for Part C services based on family income.

Verification Visit Details and Analysis

DC EIP staff reported that OSSE identifies (i.e., makes findings of) noncompliance (which is defined as any violation of a Part C requirement) by conducting desk reviews of data collected through the Management Information System (MIS), reviewing data from District complaints, and determining violations of contractual agreements. DC EIP staff stated that in the District's APR findings for specific legal requirements are reported by EIS program or provider. DC EIP did not conduct any on-site monitoring during the FFY 2007 APR reporting periods. DC's IDEA Part C FFYs 2008 and 2009 grant awards were subject to Special Conditions regarding OSSE's responsibility to identify and timely correct noncompliance with IDEA Part C requirements.

Identification of Noncompliance through Desk Reviews: DC EIP staff indicated that the data reported in the FFYs 2007 and 2008 APRs were gathered with desk reviews of the MIS file for each child who received Part C services during the last third of the reporting year. The desk review is a manual, file-by-file comparison of the data in the electronic MIS against the supportive documentation submitted by each child's provider and maintained in the service file. DC EIP staff reconcile any inconsistencies between the submitted documentation and the MIS electronic data. Each DC EIP staff person is responsible for ensuring that the electronic file for the child on her caseload is consistent with submitted documentation from the EIS program or provider. The DC EIP staff reported that the goal of the desk review is to verify the accuracy of the data stored in the MIS.

Issuance of Findings: In April 2009, DC EIP issued four formal letters of noncompliance to MCO programs based on data reflecting noncompliance reported under APR Indicator 7 in the FFY 2007 APR. OSEP staff verified that, consistent with OSEP guidance, each letter of noncompliance included the regulatory citation, the data supporting DC EIP's conclusion that there was noncompliance, the percentage of noncompliance and DC EIP's assessment of the root causes for the noncompliance. In addition, the letter directed the EIS program to submit a corrective action plan (CAP) to DC EIP for review within 30 days of the letter of noncompliance and required that the noncompliance be corrected in a timely manner by June 30, 2009.

Other Available Data: The District's FFY 2007 APR reported data under SPP/APR Indicators 1 and 8C reflecting noncompliance with the timely service provision and transition conference requirements. However, DC EIP staff reported that no formal findings were issued to any EIS program or provider for either of these two areas of noncompliance because, until April 1, 2009, no outside vendors had responsibility for ensuring timely service provision and transition conferences.

However, during the verification visit, OSEP staff learned that in addition to the three in-house OSSE staff that serve as service coordinators, OSSE also contracts with three outside EIS providers to provide service coordination. The responsibility of the service coordinator is to ensure that the Part C early intervention services specified on the IFSP are provided to the child and family within 30 days of parent consent to the initial IFSP. OSEP reviewed the monthly activity reports submitted by one of the EIS coordination providers to DC EIP for the months May through August 2009. The reports listed the name of every child on the provider's caseload. For each child listed, the report provided the date of referral to the provider, the eligibility determination, the IFSP date, and the insurance provider and indicated whether the child's services had started. In reviewing the reports, OSEP noted that 29 children did not have

services in place in May 2009 and continued to not have services in place in August 2009. In the monthly activity report dated June 2009, OSEP noted that in 11 of 33 cases, the services had not begun within 30 days of the initial IFSP meeting. Of those eleven cases, seven were 60 days or more beyond the initial IFSP and four were 90 days or more beyond the initial IFSP.

Lack of Procedures: DC EIP staff reported that there are currently no written procedures for identifying and correcting noncompliance reflected in the monthly activity report data from contracted EIS coordination providers. Nor has noncompliance for SPP/APR Indicator 1 been identified or required to be corrected, even after April 1, 2009 when outside contractors became responsible for ensuring compliance with such requirements. When OSSE is in receipt of data from monthly activity reports from outside EIS providers who are responsible for service coordination to ensure timely service provision and those data indicate noncompliance, it must identify such noncompliance by issuing a finding against the EIS provider and requiring correction as soon as possible but no later than one year from identification; OSSE must also verify correction within that one year ensuring that child-specific noncompliance is corrected (i.e., the child received the service although late and, using updated data, the EIS provider is currently in compliance with the applicable regulatory requirements). In issuing the finding, OSSE may choose one or more points in time during the SPP/APR reporting period when it will review such compliance data to identify noncompliance and require correction.

Lack of Appropriate Written Mechanisms -- MCO EIS Providers: During interviews with service coordinators, OSEP staff learned that the primary children for whom Part C services were delayed were children who were Medicaid-eligible and enrolled in MCOs. Service coordinators reported that “MCOs are often late providing early intervention services.” Service coordinators also reported that that the problem is reported monthly to DC EIP and that it is discussed during the training meetings with DC EIP staff. Service coordinators reported that “many children are on waiting lists for services.” When DC EIP receives a referral for an MCO child, DC EIP assigns an initial (referred to as an interim) service coordinator at one of the eight EIS program sites but the evaluation and assessments are conducted by MCO-funded personnel who are contacted by the appropriate MCO case manager.

DC EIP staff reported that, during the FFY 2007 reporting period, there was no contractual relationship between OSSE and the MCOs or District Health Care Finance Agency (DCF) which is the State-level agency with which the MCOs have a contract. DC EIP staff reported that, in many instances, the MCO was not able to provide the evaluations or services within the Part C required timelines. IDEA sections 635(a)(10), 637(a)(2) and 640(b) require OSSE as the Part C lead agency to ensure that there is a single line of responsibility and to certify that OSSE has in place appropriate written mechanisms to ensure financial responsibility for Part C services in order to ensure the timely provision of Part C services. Such mechanisms may include District statute or regulation, interagency agreement, or another “appropriate written mechanism” that must be approved by the Secretary. OSEP has no such mechanism on file with the District’s IDEA Part C application. One option would be for DC EIP to enter into an interagency agreement with DCF, the District’s agency that administers Medicaid and contracts directly with the MCOs (see additional discussion under GS-5 below).

OSEP finds the lack of contractual provisions between OSSE and MCO providers, interagency agreement, or any other such written mechanism that identifies the MCO EIS providers’ responsibility to adhere to the IDEA Part C timelines is inconsistent with the interagency and fiscal responsibility requirements in IDEA sections 635(a)(10), 637(a)(2) and 640 and applicable

requirements in 34 CFR §§303.520 through 303.528. In addition, OSEP notes that IDEA Part C funds may be used as payor of last resort to pay for the timely provision of services while awaiting appropriate funding or reimbursement by other sources such as Medicaid.

Due Process Hearing Procedures: DC's FFY 2007 APR indicated that there were no formal complaints or due process requests during the FFY 2007 APR reporting period. DC has adopted the IDEA Part B due process procedures under 34 CFR §303.420(a) to resolve individual child disputes under Part C of the IDEA. OSSE incorrectly reported in its November 1, 2009 Table 4 submission to OSEP that there were no due process requests during the FFY 2008 reporting period. However, in later conversations with State Hearing Office (SHO) staff, OSSE determined that there were actually two due process hearings filed during FFY 2008. In Indicator 11 of its February 1, 2010 FFY 2008 APR, DC indicated one due process hearing request was fully adjudicated. OSSE resubmitted Table 4 on November 21, 2009 to reflect the corrected information. DC EIP staff reported that formal complaints are filed with OSSE's SHO. DC EIP staff reported that there is a need to develop procedures with the SHO to ensure that DC EIP is alerted when an IDEA Part C due process request is filed so that DC EIP can more accurately report the data required in Indicators 11 and 12 of the APR and also ensure that Part C noncompliance is identified as a result of a due process hearing and is corrected in a timely manner.

OSEP Conclusions

To effectively monitor the implementation of Part C of the IDEA by EIS programs and providers in the District under IDEA sections 616(a), 635(a)(10)(A) and 642 and 34 CFR §303.501(a) and (b)(1), OSSE must identify noncompliance and issue findings when it collects data that clearly reflect noncompliance. Based on the review of documents, analysis of data, feedback from stakeholders and interviews with District personnel, OSEP finds that OSSE has some components of a general supervision system that are reasonably designed to identify noncompliance in a timely manner, but that OSSE must address three areas. OSEP notes that OSSE has issued written notification of noncompliance to four EIS programs for failure to comply with the requirements of APR Indicator 7.

OSSE has failed to:

- (1) Issue findings to contracted EIS providers (as opposed to OSSE staff) when data based on a specifically identified monitoring time period (such as the monthly activity reports by service coordinators on service provision) reflect noncompliance with the timely service provision requirements in APR Indicator 1;
- (2) Have in place an appropriate written mechanism that identifies the MCO providers' responsibility to adhere to the IDEA Part C 45-day and service provision timelines, consistent with the interagency and fiscal responsibility requirements in IDEA sections 635(a)(10), 637(a)(2) and 640 and applicable requirements in 34 CFR §§303.520 through 303.528; and
- (3) Have written procedures to ensure that the SHO informs DC EIP when a Part C due process request is filed so that DC EIP can more accurately report APR data and also ensure that Part C noncompliance is identified as a result of a due process hearing.

Required Actions/Next Steps

By June 11, 2010, OSSE must provide:

- (1) In addition to the final progress report under the Special Conditions on DC's IDEA Part C FFY 2009 grant award, a copy of all letters of findings issued to contracted EIS providers (as opposed to OSSE staff) when data (such as the monthly activity reports) reflect noncompliance with the timely service provision requirements in APR Indicator 1;
- (2) Its statute, regulation, interagency agreement, contract or other written mechanism that identifies the MCO EIS providers' responsibility to adhere to the IDEA Part C timelines, consistent with the interagency and fiscal responsibility requirements in IDEA sections 635(a)(10), 637(a)(2) and 640 and applicable requirements in 34 CFR §§303.520 through 303.528; and
- (3) Written procedures to ensure that the SHO informs OSSE when a Part C due process request is filed so that OSSE can more accurately report data under Table 4 and APR Indicators 11 and 12.

Critical Element 2: Correction of Noncompliance

Does the District have a general supervision system that is reasonably designed to ensure correction of identified noncompliance in a timely manner?

Verification Visit Details and Analysis

Correction of Noncompliance -- Background

The District's FFY 2008 and FFY 2009 grant awards under Part C of the IDEA contained Special Conditions to ensure that OSSE identifies and timely corrects noncompliance and is able to provide timely correction data under Indicator 9 of its APR. The FFY 2009 Special Conditions were based on OSEP's finding that OSSE was not able to provide any timely correction data in its FFY 2007 APR submitted on February 1, 2009. The Department's June 1, 2009 APR determination letter required OSSE to submit to the Department by August 1, 2009 a corrective action plan (CAP) to ensure that OSSE can provide Indicator 9 data with its FFY 2008 APR by February 1, 2010. OSEP will comment on that submission with its response to the FFY 2008 APR.

Verification of Correction Standard

As noted in OSEP Memo 09-02 Reporting on Correction of Noncompliance in the Annual Performance Report Required under Sections 616 and 642 of the Individuals with Disabilities Education Act, in order to verify that previously identified noncompliance has been corrected, OSSE must verify that the EIS program/provider: (1) is correctly implementing the specific regulatory requirements; and (2) has corrected each individual case of noncompliance, unless the child is no longer within the jurisdiction of the EIS program/provider.

In April 2009, OSSE issued four formal findings to evaluation contractors responsible for completing the evaluation and assessment activities and holding the IFSP meeting within 45 days after it receives the referral as required at 34 CFR §303.321(e)(2). As noted in GS-1 above, these letters contained the requirement that the contractors correct the noncompliance as soon as possible, but no later than one year from identification of the noncompliance. These letters were based on FFY 2007 noncompliance data reported in the FFY 2007 APR. OSEP reviewed

OSSE's CAP and final close-out documents for each of the letters. Each CAP response included the names of cases found to be in noncompliance and the specific activity that the provider completed to correct the noncompliance. The CAP also included a description of activities implemented to ensure compliance with the 45-day evaluation timeline.

To verify correction of the noncompliance, OSSE required each EIS provider to: 1) submit the IFSP to indicate that the child had completed the evaluation and that the initial IFSP meeting had been held; 2) submit documentation that all children referred prior to May 15, 2009 had completed their evaluation and had had an initial IFSP meeting; and 3) submit documentation demonstrating that appropriate training and/or procedural policy had been revised. The letter to the EIS providers from OSSE to verify correction included a list of documents reviewed by OSSE and indicated that the evaluation provider had fulfilled the CAP requirements.

DC EIP staff reported that the OSSE monitoring system is being revised to fully respond to the Special Conditions requirement that OSSE be able to report timely correction data under Indicator 9 in the APR. During the FFY 2007 APR reporting period, DC EIP staff served as service coordinators. DC EIP did not issue findings of noncompliance against internal DC EIP staff. As of April 2009, DC EIP contracted most of its service coordination activities to three outside EIS providers. DC EIP staff reported during the visit that it is DC EIP's intent to fully transition all service coordination responsibilities to external providers as soon as possible. In addition, OSSE staff reported that they and the Health Care Finance Agency (HCFA), the District's Medicaid agency, are currently in discussions regarding the noncompliance attributed to MCO failure to provide timely services. DC EIP staff stated that a staff person from HCFA has been assigned to respond specifically to DC IDEA Part C issues that the staffs from both agencies meet monthly to review cases. DC EIP staff reported that beginning in June 2009; staff began reviewing monthly reports to identify Medicaid children nearing a compliance date for services. If the child has no assigned provider within 10 days of a compliance date, the DC EIP staff person calls the HCFA staff person. That staff person then calls the MCO and directs the HMO to assign an evaluator. If the MCO is unable to assign a service provider, DC EIP staff reported that the HCFA staff person creates a single case agreement for services with providers to pay above the Medicaid level. Staff reported that the Health Care Finance Office (DC Medicaid) is able to take corrective action against the MCO. DC EIP staff indicated that these improvements have helped reduce the delay in service provision to eligible infants and toddlers.

OSEP Conclusions

To effectively monitor the implementation of Part C of the IDEA by EIS programs in the District under IDEA sections 616(a), 635(a)(10)(A) and 642 and 34 CFR §303.501(b), OSSE must ensure that identified noncompliance is corrected in a timely manner. Based on the review of documents, analysis of data, feedback from stakeholders and interviews with OSSE and local personnel, OSEP cannot yet determine whether OSSE has a system that is reasonably designed to ensure correction of noncompliance in a timely manner.

Required Actions/Next Steps

In its final progress report due by May 14, 2010 under the Special Conditions on DC's IDEA Part C FFY 2009 grant award, OSSE must submit: (1) any monitoring reports issued by OSSE, (2) corrective action plans and (3) documentation of verification of correction by its EIS programs and EIS providers for the time period January 1, 2009 through April 18, 2010.

Critical Element 3: Dispute Resolution

Does the District have procedures and practices that are reasonably designed to implement the dispute resolution requirements of IDEA?

Verification Visit Details and Analysis

OSSE has adopted the IDEA Part B due process procedures in 34 CFR §§300.506 through 300.512 for resolving individual child complaints under Part C of the IDEA. EIP staff indicated that families are informed of their due process rights through the distribution of procedural safeguard documents at intake and IFSP meetings. DC EIP staff reported that procedural safeguard materials are available in Spanish and are also available on the OSSE website.

District Complaints: DC EIP staff reported that there were no written complaints filed during the FFY 2007 or FFY 2008 reporting period. DC EIP staff reported that state complaint information is provided to parents in the Part C “Families Have Rights” booklet provided to parents at intake and at the IFSP meeting. OSEP noted that the booklet provides the address to send the formal complaint. However, the booklet does not mention that there is a model state complaint form on the OSSE website. The “Families Have Rights” booklet does not direct the parent to the model complaint form nor does it direct the parent to send the complaint to the “SCO”. Furthermore, the physical and email addresses provided as the location to send the complaint on the model District complaint form are different from those provided in the DC “Families Have Rights” booklet. DC EIP must ensure that its parent information materials are internally consistent with the current OSSE procedural safeguard policies and the IDEA requirements in 34 CFR §§303.510 through 303.512.

Due Process Hearings: DC EIP has adopted IDEA Part B due process procedures. There were no due process hearings filed during the FFY 2007 APR reporting period. OSSE reported that there were two due process complaints filed during the FFY 2008 reporting period. Of the two cases, one was resolved at a resolution meeting and the other was fully adjudicated. OSEP reviewed each of the cases and found that each case was resolved consistent with applicable due process requirements.

DC EIP staff reported that the Student Hearing Office (SHO) initiated a docketing system in August 2009 that is web-based and used by all hearing officers to manage and track due process filings and the related documents. The docketing system alerts the hearing officer as to due dates, self-calculates timeline extensions, if granted, and provides other customized reports.

OSSE timely submitted the dispute resolution data required under section 618 (Table 4) and indicated that there were no due process hearing requests during the FFY 2008 reporting period. However, during the verification visit, the SHO reported that there had been two due process hearing requests during the FFY 08 reporting period. OSSE reported that written procedures clarifying reporting responsibilities, contact persons and timelines are currently being developed between DC EIP and the SHO to ensure accurate and timely reporting of the dispute resolution data. OSSE corrected and resubmitted Table 4 during OSEP’s verification visit.

Mediation: OSSE reported that there were no mediation requests during the FFY 2007 APR reporting period and one mediation request during the FFY 2008 reporting period. DC EIP staff indicated that there is currently one mediator assigned full time to handle mediation requests at the OSSE Student Hearing Office as there are few requests for mediation. Staff also reported

that several of the hearing officers are also dually certified as mediators and function to supplement the mediator when needed.

OSEP Conclusions

Although OSSE's procedures appear to be reasonably designed to ensure that disputes are resolved in a timely manner, given the lack of any filed written complaints in the last two years, OSEP could not verify that implementation of these procedures would result in timely resolution. In addition, OSSE's contact information pertaining to filing a complaint in the document titled "Families Have Rights" is not consistent with its procedures for filing a formal written complaint and must be revised.

Required Actions/Next Steps

With its FFY 2009 APR, due February 1, 2011, the State must provide documentation that demonstrates that OSSE has revised its "Families Have Rights" document to ensure that the contact information for filing a complaint is included in the document and is consistent with the procedures for filing a formal written complaint.

Critical Element 4: Improving Educational Results

Does the District have procedures and practices that are reasonably designed to improve educational results and functional outcomes for all children with disabilities?

Verification Visit Details and Analysis

In the FFY 2007 APR, DC EIP reported that 111 (32%) of 350 surveys sent to families were completed and returned. Ninety four percent of those respondents reported that early intervention services helped the family effectively communicate their children's needs and 80% reported that the early intervention services had assisted the family in helping their children develop and learn. These data represent progress from the FFY 2006 APR data. OSEP will respond separately to the District's FFY 2008 APR that was submitted on February 1, 2010.

As part of the verification visit, OSEP also reviewed survey results provided by the District's Parent Training and Information Center (PTI). The purpose of the PTI is to promote parent involvement in the education of children with special needs. The PTI surveyed 43 Part C parents over the phone and in person. Respondents included both English and Spanish speaking parents of children with special needs. The results of the survey indicated that: 1) 84% of the respondents reported that services and timelines had not improved in the past year; 2) 62% of respondents reported that they knew how to get information about early intervention services; 3) 45% of respondents reported that that the early intervention system provided the services that their child needed; and 4) 67% of respondents reported that they and their child would be prepared to leave the early intervention program when the child turned three.

In an effort to increase the availability of early intervention providers to provide needed services for Part C eligible infants and toddlers, DC EIP changed its contracting procedures and increased the number of service contracts. Human Care Agreements (HCAs) are the current contracting vehicle used by DC EIP. The HCA contracting language clarifies the roles and reporting responsibilities of each contractor and includes language regarding compliance and other service expectations. For example, HCAs for evaluations and assessments provide DC EIP with multiple, qualified providers who are responsible for conducting eligibility evaluations, record reviews, observations and assessments. There are currently eight HCAs for evaluations and

assessments. Three of these HCAs are also contracted with Medicaid, which allows evaluations and other services to be completed more quickly. DC EIP staff reported that HCAs have been developed to increase the number of service professionals that are trained to serve the unique needs of infants and toddlers with disabilities and their families.

Staff reported that the District's early childhood initiatives have created a heightened awareness of the needs of the District's children. The result has been more collaborative sharing of data and resources to support the educational needs of all young children. The Mayor's office sponsors bi-weekly meetings during which management from OSSE, the District's public schools and other stakeholders share information and resources to promote improved health, education and family outcomes for all children served by District agencies.

OSEP Conclusions

Based on the review of documents, analysis of data, and interviews with personnel, OSEP concludes that DC EIP has procedures and practices that are reasonably designed to improve early intervention results and functional outcomes for all infants and toddlers with disabilities.

Required Actions/Next Steps

No action is required.

Critical Element 5: Implementation of Grant Assurances

Does the District have procedures and practices that are reasonably designed to implement selected grant assurances (i.e., monitoring and enforcement, CSPD and interagency agreements, contracts or other arrangements)?

Verification Visit Details and Analysis

During OSEP's verification visit, DC EIP staff reported on the implementation of Part C Application assurances related to monitoring and enforcement (specifically, public reporting and local determinations), interagency agreements, and DC EIP's system for professional development.

Public Reporting: As part of its monitoring and enforcement responsibilities under section 616 of the IDEA, OSSE must annually report to the public on the performance of each EIS program against the District's SPP/APR targets and must make an annual determination for each EIS program. This requirement does not apply to entities that are defined as a "unitary system."³ States and territories with unitary systems report publicly by publishing the APR on their website and distributing the APR through other public methods. Prior to the FFY 2008 APR reporting period, DC EIP defined itself as a unitary system and was not required to comply with the requirement at sections 616 and 642 of the IDEA. However, beginning with the FFY 2008 APR, for APR Indicator 7, OSSE utilizes eight EIS programs and must report publicly for this indicator for these programs. OSSE will continue to report publicly on all other indicators through the APR.

³ A unitary service system is used primarily in States and territories that serve a very small number of children, employ staff through the lead agency and provide early intervention services directly. Staff is usually based at a few sites in the district or territory to ensure that services are made available in the child and family's community. American Samoa and the Virgin Islands are examples of unitary systems.

OSSE staff reported that it will report publicly on the performance of EIS programs for APR Indicator 7 for the FFY 2008 APR.

Interagency Coordination/Fiscal Responsibility: Under IDEA sections 635(a)(2) and 640, each State lead agency must include in its Part C application a certification that its methods to ensure service provision and fiscal responsibility for services are current; and (2) any other appropriate written mechanisms used to ensure such fiscal responsibility.

As noted above under GS-2, with regard to service provision and fiscal responsibility for services, DC EIP staff reported that there is no written agreement between OSSE and the District's Medicaid office which addresses the timely provision of early intervention services or the timely reimbursement of services when Part C funds are used to pay for early intervention services to prevent delay in the provision of services to an eligible Part C child or their family. DC EIP staff reported data indicating that there is significant delay in providing Part C services to Medicaid-eligible children in the District. DC EIP staff also reported that, in an effort to prevent delay in services for some Medicaid-eligible children, Part C funds are used to pay private providers for services. DC EIP staff indicated that there is no method in place to seek reimbursement from Medicaid for those services.

DC EIP staff indicated that as a result of ongoing meetings with Medicaid to address the late evaluations and provision of services to children and families, Medicaid staff meet regularly with DC EIP to review lists of children who are in need of evaluation and/or services and to discuss activities to improve overall services to Medicaid-eligible children served by DC EIP. Medicaid uses the information provided by DC EIP to monitor MCO performance and related contractual obligations. DC EIP staff reported that the ongoing communication with Medicaid has led to a better understanding of the requirements confronting both entities and will lead to improved services to Medicaid-eligible children enrolled in DC EIP. Staff reported that work has begun on formalizing an interagency agreement with the District's Department of Health Care Financing that houses the Medicaid program.

IDEA sections 635(a)(10), 637(a)(2) and 640(b) require the lead agency to certify annually in its application that its written methods for interagency coordination (which can be law, regulation, interagency agreement or other written method) with other public agencies are current and that they ensure the timely payment for, and provision of, early intervention services. As noted above under GS-2 above, DC EIP does not have a written mechanism with Medicaid that addresses the requirements at IDEA sections 635(a)(10), 637(a)(2) and 640(b).

Personnel Development: DC EIP contracts with Georgetown University to implement its comprehensive system of personnel development, which includes training for a variety of personnel needed to implement the Part C requirements. Staff reported that personnel training needs are identified through data such as areas of noncompliance, parent concerns, and early intervention research and personnel needs assessment. Foundational training in service coordination, child and family outcomes, IFSP development and DC EIP policy directives is available on an ongoing basis. DC EIP reported that there are plans to make many of the training modules available through its cooperative agreement with Georgetown University.

Service Coordinators interviewed by OSEP staff during the verification visit reported there is a greater need for training related to the transition requirements. Service Coordinators recognize that many changes have occurred since OSSE became the lead agency for DC EIP. Service Coordinators indicated that joint training with Part B personnel should clarify new procedures

and help both Part C and Part B more effectively serve the needs of children and families as they prepare to transition into the District's public school system.

DC EIP hosts monthly training for providers during which information updates are shared and questions answered regarding the transition requirements and business improvements. These meetings are mandatory for contracted providers.

OSEP Conclusions

Based on the review of documents and interviews with OSSE and local personnel, OSEP finds that OSSE has procedures and processes that provide training for early intervention personnel. OSSE staff reported that OSSE will report publicly on the performance of EIS programs under Indicator 7 for FFY 2008 during the spring of 2010. On the issue of interagency coordination and fiscal responsibility, see the conclusions under general supervision element two above.

Required Actions/Next Steps

On the issue of interagency coordination and fiscal responsibility, see the required actions under general supervision element two above. No further action is required.

II. Data System

Critical Element 1: Collecting and Reporting Valid and Reliable Data

Does the District have a data system that is reasonably designed to collect and report valid and reliable data and information to the Department and the public in a timely manner?

Verification Visit Details and Analysis

For the FFY 2007 reporting period, DC EIP utilized the Management Information System (MIS) to collect data for APR Indicators 1, 7, 8a and 8c. The MIS is an Access database used for Part C Early Intervention to assist in the tracking, management, and reporting of children and families referred and served by DC EIP. The MIS requires manual loading of data into an Access database that contains a file on each child served by DC EIP. Data were sent by providers on forms and then entered into the MIS by DC EIP staff. These data are aggregated at the end of the reporting period and used to report the information in the APR. All edit checks were based on manual review of service folders to ensure that documentation in the folder was consistent with data viewed in the MIS.

DC EIP staff reported that an electronic file for each eligible child is maintained by DC EIP's electronic MIS system. DC EIP also maintains a paper file on each child that contains all of the child's service documents such as the individualized family service plan (IFSP), evaluation reports, parent consent forms and related service notes. Providers submit monthly activity reports to DC EIP and attach the documents to substantiate the information recorded on the activity report. DC EIP staff enters the information from these documents into the MIS system. The documents are then placed in the child's service file. All service files are stored at the DC EIP office.

As of July 1, 2009, OSSE began phasing in the QuickBase data system. DC EIP staff demonstrated the QuickBase system and its reporting capabilities to OSEP during the verification visit. OSEP noted that there were different data tables within the QuickBase system to capture demographic information, evaluation results, eligibility, financial information, service notes and other documentation. There was also a table used to capture information related to

findings of noncompliance, corrective action plans and other monitoring activities. Dashboards within QuickBase are able to display up to three reports as a chart, a calendar or as tables. The QuickBase system can produce a variety of management reports such as lists of all DC EIP children by a specific age, or the number of children for whom the 45-day timeline for initial IFSP meetings has been exceeded. The QuickBase system collects data that OSSE is required to report under IDEA sections 616 and 618.

The QuickBase system also includes a data sharing component with Part B. The Early Steps and Stages Tracker (ESST) is a QuickBase application designed to facilitate the management, tracking, and reporting function for both Part B and Part C of the IDEA as it relates to early intervention and preschool data requirements. The ESST allows for real-time management of timelines using several methods including email notifications, color-coded case listings which visually alert the number of days to a specific timeline, and management of other time sensitive data. DC EIP staff reported that when parent consent is obtained and entered into the system, the system shares transition information with Part B that includes all Part C service records.

Data are submitted by providers via fax to the OSSE office. Data are gleaned from the paper form and entered into the OSSE data system. DC EIS provider agreements detail the documentation that must be included in the monthly report submission and also require the provider to develop and implement policies and procedures to evaluate the accuracy of data collection and reporting activities. DC EIP staff is responsible for ensuring that monthly report data submitted by providers is substantiated by documentation such as case notes, evaluation reports, etc. DC EIP staff calls EIS providers to resubmit documentation or to clarify submissions when errors are detected. DC EIP staff indicated that as the QuickBase data system is fully implemented, providers have been involved with training and procedural guidelines.

Verification of Local Data: DC EIP staff has the responsibility for ensuring the accuracy of provider data in the database. Although providers are required to evaluate the accuracy of data collection and reporting activities, DC EIP does not ensure that providers compare database information with child records before the data are transmitted to DC EIP on the monthly provider reports. Although Part C does not require local EIS programs to conduct a data verification process in which they compare the data in children's folders with the data in the data system, it can be an important way to ensure the accuracy of local data. DC EIP should consider whether such local verification is necessary to ensure data accuracy.

The FFY 2007 APR indicated that DC did not timely submit its program settings and child count data tables under IDEA section 618. There were no IDEA section 618 data errors reported in DC's FFY 2006 APR. As described above in General Supervision Critical Element 3, OSEP found discrepancies in OSSE's dispute resolution data reported in the APR Indicator 10 and in DC's Table 4, 618 data submission. During the verification visit, OSEP and DC EIP staff discussed the basis of the discrepancy. OSSE resubmitted Table 4 to accurately reflect the dispute resolution data. Until recently, DC EIP did not have a data manager assigned to manage the Part C data submission responsibilities. DC EIP staff expressed confidence in the validity and reliability of the District's IDEA sections 618 and 616 data reporting as it continues to build its QuickBase training and programmatic activities.

OSEP Conclusions

Based on the review of documents, analysis of data, and interviews with OSSE personnel, OSEP concludes that OSSE has procedures and practices that are reasonably designed to collect and

report valid and reliable data and information to the Department and the public in a timely manner, and that OSSE has addressed the outstanding issues to ensure submission of data under IDEA section 618.

Required Actions/Next Steps

No further action is required.

Critical Element 2: Data Reflect Actual Practice and Performance

Does the District have procedures that are reasonably designed to verify that the data collected and reported reflect actual practice and performance?

Verification Visit Details and Analysis

Prior to July 2009, service data for Part C eligible children were collected from monthly data reports submitted by service providers and entered manually into the MIS by DC EIP staff. These data are verified when providers submit service documentation to substantiate the data reported to DC EIP.

DC EIP staff reported that a barrier that impeded the accuracy of data submitted into the MIS system was that providers submitted service documentation separately from and later than the monthly data report. To verify the monthly data report, DC EIP staff had to reconcile service documentation with data that may already have been entered into the system based on the monthly data report. For example, a monthly report from a service coordinator may indicate that a required service has not been timely implemented. DC EIP may receive in a subsequent month, service notes that indicate that a service had actually begun. As a result, monthly activity reports sent by providers would not reflect actual service provider practice and performance for a specific reporting period. DC EIP staff reported that data in the MIS system is updated as service documentation is received in the Part C office.

To improve the accuracy of provider data submissions, DC EIP implemented the QuickBase system. Part C children found eligible for DC EIP services after July 1, 2009 are entered into the QuickBase system. Similar to the verification process used with MIS submissions, data entries into the QuickBase system are verified by the documentation that providers submit to substantiate service activities. However, the QuickBase system requires providers to submit both the monthly data and the service documentation electronically. Providers load monthly data and scan in supportive documentation from the local service site. Each QuickBase user, based on their personnel responsibilities, can view various report summaries to ensure the accuracy of data within the system. For example, the service coordinator can view a list of their assigned case load and a list of all children approaching various timeline due dates. Management staff can view lists of all eligible children served by DC EIP, children for whom specific due dates have been exceeded, and children who are exiting DC EIP.

DC EIP staff reported that QuickBase has data error mechanisms that identify illogical or incomplete data. The DC EIP data manager can generate data error reports to determine which providers need to re-enter data or clarify submitted documentation. DC EIP staff report that the QuickBase system has improved the accuracy and timeliness of all Part C program data requirements. The DC EIP data manager is responsible for ensuring that both staff and providers using the QuickBase system receive training or targeted technical assistance as needed.

OSEP Conclusions

Based on the review of documents, analysis of data, and interviews with OSSE personnel, OSEP determined OSSE has demonstrated that it has procedures and practices that are reasonably designed to verify that the data collected and reported reflect actual practice and performance.

Required Actions/Next Steps

No action is required.

Critical Element 3: Integrating Data Across Systems to Improve Compliance and Results

Does the District compile and integrate data across systems and use the data to inform and focus its improvement activities?

Verification Visit Details and Analysis

OSSE uses its MIS and QuickBase data systems to target improvement and technical assistance activities. The data system allows DC EIP managers to disaggregate, compile and compare data for program training and reporting activities.

DC EIP staff review the activities included in each corrective action plan to assess targeted work activities and other training designs submitted by the providers to ensure that those activities target areas of noncompliance and include other program development activities required by DC EIP. Data driven, targeted areas of program improvement are also included annually as part of early intervention providers' contractual obligations. For example, DC EIP includes performance objectives in provider contracts that require the providers to assist DC EIP in outreach activities to culturally and linguistically diverse communities and make data-based recommendations for improvements, expansion and or enhancement activities.

DC EIP identifies program expansion and development needs based on data from both its internal data system, qualitative data gathered from provider documents, parent surveys and relevant District-wide initiatives. DC EIP staff reported that these data are used to guide State Interagency Coordination Council priorities and collaborative activities with other District agencies.

OSEP Conclusion

Based on the review of documents, analysis of data, and interviews with OSSE personnel, OSEP concludes that, to the extent OSSE has data in the MIS and QuickBase database, OSSE compiles and integrates data across systems and uses the data to inform and focus its improvement activities. However, as noted earlier under General Supervision Critical Element 1 above, OSSE is not utilizing data collected monthly in activity reports to identify and correct noncompliance.

Required Actions/Next Steps

No action is required specific to this critical element. See required actions for General Supervision Critical Element 1.

III. Fiscal System

Critical Element 1: Timely Obligation and Liquidation of Funds

Does the District have procedures that are reasonably designed to ensure the timely obligation and liquidation of IDEA funds?

Verification Visit Details and Analysis

DC EIP staff reported that OSSE, the lead agency for the District, uses a cost reimbursement grant system and described the system as follows. A purchase order (PO) is established for all Part C vendors. Expenditures are tracked through the procurement system that is overseen by the Office of the Chief Financial Officer (OCFO) for the District, which is administratively separate from OSSE. OSSE finance staff track contracts and invoices internally and can reconcile OSSE records against the OCFO expense records. The purchase order is established based on the District's fiscal year. An amount is established for the life of the purchase order and the vendor must submit invoices to deduct funds from the amount obligated. Unexpended funds are de-obligated at the end of the fiscal year and the vendor must establish a new purchase order. OSSE finance staff reported that this system allows staff to more closely adhere to the 27-month obligation period for IDEA funds.

Internally, OSSE can review POs which include the name of the contractor, the date payment was issued and, when appropriate, alerts for missing documentation. OSSE finance staff reported that purchase orders are reviewed on a bi-monthly basis. All POs must first be approved by the DC EIP director and then reviewed by the OSSE finance staff to ensure the availability of funds and again reviewed by the Assistant Director of Special Education. The PO is then sent to the OCFO who enters the PO into the District's accounting system. At that point, the check is issued to the vendor and the date of issuance is recorded in the system. Part C vendor payments were moved into the PO system in October 2009. OSSE finance staff believes that the newly implemented PO process will ensure the timely obligation and liquidation of Part C funds.

DC EIP was not able to expend all funds granted under IDEA Part C in FFY 2006 (\$700,722.93) and FFY 2007 (\$584,618.75). OSSE became the responsible agency for DC EIP in April 2008. Since that time, OSSE has worked closely with the OCFO to ensure the timely obligation and liquidation of IDEA Part C funds. OSSE staff has engaged in joint training activities with the OCFO to help address these issues. OSSE finance staff reported that the OCFO recently assigned staff to work specifically with IDEA finances to help create the flexibilities in the financial tracking system needed to respond to the various payment systems in DC EIP such as the sliding fee payment option, private insurance and services to non-Medicaid-eligible children. OSSE staff also noted that provider agreements indicate that within 60 days of receipt of the grant award, the provider must begin project operations. If after 90 days of receipt of the grant award, invoices have not been submitted, DC EIP reserves the right to terminate the award and award the funds to another project. Invoices from providers are expected to be submitted for payment within 30 days from the delivery of service.

OSEP Conclusions

While OSSE and DC EIP have procedures that are reasonably designed to ensure the timely obligation and liquidation of IDEA Part C funds at the State level, OSEP cannot determine whether such procedures are effective in ensuring timely obligation and liquidation of such funds

because OSSE became the lead agency for DC EIP in April 2008 and the time has not yet lapsed for the obligation of FFY 2008 and FFY 2009 IDEA Part C funds.

Required Actions/Next Steps

No action is required.

Critical Element 2: Appropriate Distribution of IDEA Funds

Does the District have procedures that are reasonably designed to ensure appropriate use of IDEA Part C funds within the District?

Verification Visit Details and Analysis

Procedures for Appropriate Use of IDEA Part C Funds at the State Level: Each lead agency must ensure that State-level IDEA Part C funds are used for appropriate expenditures, consistent with the requirements in IDEA section 638, EDGAR, OMB Circular A-87, and other applicable Federal requirements. DC EIP ensures that funds are not commingled with other Federal program funds by applying a purchase order code specific to IDEA Part C funds. Any request to use IDEA Part C funds to pay for Part C services is reviewed by both DC EIP and OSSE management. Funding requests are reviewed again by the OCFO. OSSE's internal fiscal tracking system and OCFO's fiscal tracking system jointly manage the liquidations and ensure that funds are used only for authorized early intervention activities.

OSSE fiscal staff described the following system to OSEP staff during the verification visit. Payment to early intervention service providers by OSSE is made through a purchase order system. Each EIS provider is obligated an amount of money to access based on its contractual agreement with DC EIP. OSSE must authorize any release of funds. OSSE finance staff is able to monitor each EIS provider account for over and/or under utilization of IDEA Part C funds. Incoming invoices are applied against the provider's account on a daily basis. OSSE finance staff must send invoices to the OCFO for review and clearance before a check is issued. Part C funds can only be de-obligated from a provider account if approved by OSSE. A provider can only bill for services that are approved in advance in the service grant.

Nonsupplanting Requirements: OSSE staff reported and the FFY 2007 Application indicates that, with the exception of Medicaid State match funds, no other State or local expenditures are used to pay for Part C services. OSSE staff did not identify any procedures to track the Medicaid State match funds in order to comply with the tracking of State and local expenditures to meet the requirements of Part C's maintenance of effort (MOE) requirements in IDEA section 637(b)(5)(B) and 34 CFR §303.124(b).

Payor of Last Resort/System of Payments: OSSE staff reported that children referred from foster care are enrolled in Medicaid but are typically not enrolled in a Medicaid MCO. Early intervention service providers contract with MCOs and not directly with Medicaid. Staff reported that eligible children referred from foster care who are neither fee-for-service or enrolled in a MCO do not have access to early intervention providers that can be reimbursed for their services. To ensure service provision to foster care children who are Medicaid eligible, DC EIP uses Part C money to pay for the services specified in the IFSP. DC EIP staff reported that there is no method in place to seek reimbursement from Medicaid for Part C funds used to provide services for foster care children who are Medicaid eligible but not enrolled in a MCO.

Part C funds may be used only for early intervention services that an eligible child needs but is not currently entitled to from any other Federal, State, local, or private source. While Part C provisions in IDEA section 640 and 34 CFR §303.527(b) allow Part C funds to be used to pay a provider of services to prevent delay in the timely provision of services to an eligible child or the child's family, OSSE must seek reimbursement from the agency or entity that has ultimate responsibility for the payment. OSSE must implement a process by which it receives reimbursement for the Part C funds from the agency or entity that has ultimate responsibility for the payment. As discussed above under GS-2 and GS-5, OSSE must have in place an appropriate written mechanism to ensure fiscal responsibility for Part C services, including payment of those services for children eligible under Medicaid because they are in foster care.

OSEP Conclusions

Based on the review of documents, analysis of data, and interviews with OSSE personnel, OSEP cannot determine whether OSSE has procedures that are reasonably designed to ensure appropriate use of IDEA Part C funds at the State level because OSSE does not have: (1) procedures to track the amount of State Medicaid match funds to determine compliance with Part C's nonsupplanting/MOE provisions in IDEA section 637(b)(6) and 34 CFR §303.124(b); and (2) a mechanism to seek reimbursement from Medicaid when Medicaid has ultimate responsibility for payment of services for children in foster care.

Required Actions/Next Steps

OSSE must submit, by June 11, 2010, a specific written assurance that OSSE has informed the District's audit office of the need to review under the State's Single Audit, conducted under the Single Audit Act, OSSE's procedures to track the State Medicaid match in order to comply with the Part C's MOE requirements in IDEA section 637(b)(5)(B) and 34 CFR §303.124(b). OSSE must also continue to keep OSEP apprised in writing of any further efforts it or the District's audit office makes to ensure compliance with Part C's MOE requirements. See additional actions required under GS-2 and GS-5 above regarding a mechanism to seek reimbursement from Medicaid when Medicaid has ultimate responsibility for payment of services for children in foster care.