

Rhode Island Part C 2008 Verification Visit Letter Enclosure

Background: The Rhode Island Department of Human Services (RIDHS) is the State lead agency responsible for administering Part C of the Individuals with Disabilities Education Act (IDEA) in Rhode Island. Early intervention services in Rhode Island are provided through ten early intervention service or EIS programs. RIDHS reported in its Part C FFY 2006 annual performance report (APR) that it served 1,646 infants and toddlers with disabilities representing 4.39% of the State's population from birth to age three. RIDHS has adopted a State system of payments under Part C of the IDEA.

I. General Supervision

Critical Element 1: Identification of Noncompliance

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

Verification Visit Details and Analysis

RIDHS staff reported that several components work together, systemically, to assist the lead agency in ensuring and enforcing the requirements of Part C of the IDEA. These components include: State regulations, certification standards for the providers which are similar to assurances made by the State to OSEP, focused monitoring, determinations, paperwork related to the data system collection including the Individual Family Service Plan (IFSP), interagency agreements, Comprehensive System for Personnel Development (CSPD), parent involvement and the complaints/dispute resolution process. RIDHS staff reported that the regulations provide the lead agency with the authority to ensure and enforce all of the components of Part C of IDEA. RIDHS also reported that the certification standards address the components of Part C of IDEA including sanctions. Upon recertification every three years, each EIS program must submit a self-assessment and review its policies and procedures, submitting any revisions to RIDHS.

RIDHS staff conduct focused monitoring on-site visits to EIS programs for one of three purposes: EIS program recertification, a desk audit from the data system that shows red flags, or verification of an EIS program's correction of noncompliance. On-site visits are conducted in October for all programs and involve record reviews and staff interviews. Desk audits are compiled based on information and data from the data system, complaint logs and parent surveys. RIDHS staff flags an EIS program for a visit the first week of September if the EIS program reports any compliance indicator data below 95%,¹ performance indicator data below the State's target for that indicator, or if RIDHS determines that the data are not valid. RIDHS staff randomly selects 10% of child records to review for each program, conducts interviews with EIS program staff in order to verify data, and conducts an analysis to identify potential issues or causes of noncompliance such as data collection procedures or practices.

¹ RIDHS staff reported that the State uses a 95% standard for determining whether to conduct a focused monitoring visit to a program. While the State may take into account the extent of the noncompliance in determining what corrective action is needed, the State must ensure the correction of all noncompliance. The State must clarify, in the Federal Fiscal Year (FFY) 2007 APR, due February 2, 2009, that the State ensures the correction of noncompliance, notwithstanding the extent of the noncompliance.

Prior to FFY 2007, RIDHS based the findings of noncompliance solely on the data collected in the database system. After evaluating this process, RIDHS staff recognized that it was important to verify the accuracy of the database data by conducting record reviews and conducting interviews. Currently, RIDHS staff uses the data system to check the performance of EIS programs and to create the desk audit that helps RIDHS determine the areas for its focused monitoring efforts. RIDHS reported that focused monitoring is conducted for all ten EIS programs at least once every three years and more often for those programs that are flagged based on annual database data. After the on-site visit is completed and the accuracy of the database data has been confirmed, RIDHS issues any findings formally via a letter sent to the EIS program no later than 45 days from the on-site visit. The EIS program's one-year timeline for correction of noncompliance begins as of the date that letter is issued.

OSEP staff reviewed the State's process for making findings by reviewing desk audits, letters and monitoring documents for two of the ten EIS programs. RIDHS monitoring staff were able to describe the methods used to make the finding and distinguish between a child-specific finding and systemic findings. In both EIS programs, RIDHS had issued findings and sent written notification to each EIS program in a timely manner.

OSEP Conclusions

Based on the review of documents, analysis of data, and interviews with State personnel, OSEP believes the State has a general supervision system that is reasonably designed to identify noncompliance in a timely manner. OSEP cannot, however, without collecting data at the local level, determine whether the State's procedures are fully effective in identifying noncompliance in a timely manner.

Required Actions/Next Steps

No action is required.

Critical Element 2: Correction of Noncompliance

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

Verification Visit Details and Analysis

In its Federal Fiscal Year (FFY) 2006 APR, the State reported 72.7% compliance with the general supervision requirements in Indicator 9 based on the timely correction of 8 of 11 findings identified in FFY 2005. During OSEP's verification visit, RIDHS staff reported that two of the three remaining findings identified in FFY 2005 (but not reported as corrected in the FFY 2006 APR) had been corrected, with the only outstanding noncompliance finding related to the 45-day timeline identified in FFYs 2004 and 2005 in one EIS program (Trudeau). During the visit, RIDHS staff also confirmed that a finding related to service provision, identified in FFY 2004, had been corrected.

RIDHS staff reported that EIS programs must submit corrective action plans for all findings of noncompliance, and that these plans must be approved by RIDHS. The State form is required and must be used in order to ensure that the program has identified the root cause(s) of the

noncompliance, specific steps to be taken to resolve the issues, the person(s) responsible, and timelines for correction. RIDHS contracts with the Rhode Island College Center on Disabilities (Sherlock Center) to provide technical assistance to its ten EIS programs in conducting a root-cause analysis and developing corrective action plans. RIDHS's policy, which is included in their letter notifying the EIS program of the findings of noncompliance, is that findings must be corrected as soon as possible, but in no case later than one year.

In a separate follow up letter, RIDHS notifies those programs with findings that an on-site visit will be made to verify correction of noncompliance within one year of identifying the noncompliance. RIDHS staff randomly selects for review 10% of child records for each area of noncompliance and conduct program staff interviews. During this review, RIDHS staff review and analyze data to determine if an issue that may have been a factor in the noncompliance has been addressed. If the noncompliance is corrected, RIDHS issues a formal letter to the EIS program to close out the finding. However, if noncompliance is not corrected, sanctions are imposed. With respect to sanctions, OSEP staff confirmed that the State's draft General Supervision System manual identifies potential appropriate sanctions that may be imposed, including additional reporting requirements, specific directives to address root causes, directed technical assistance, increased on-site monitoring, changes to certification (probation or termination), and financial sanctions. In addition, RIDHS staff reported that the certification standards include the sanction of withholding funds for continued noncompliance. As of the date of the verification visit, the State had taken some of those actions, such as additional reporting requirements, specific directives to address root causes, directed technical assistance, and increased on-site monitoring, when requiring EIS programs to correct noncompliance.

In response to OSEP's questions regarding general barriers to correction of noncompliance, RIDHS staff reported that barriers include staff shortages, staff unavailability due to extended leave, and fiscal issues that impede the State in timely correcting noncompliance specifically for Indicator 1 (timely service provision) and Indicator 7 (45-day timeline). To address these barriers, RIDHS staff reported that they are working with the National Early Childhood Technical Assistance Center (NECTAC) to identify how other States are addressing staff shortages and staff unavailability due to extended leave. RIDHS staff reported that the Sherlock Center and the North East Regional Resource Center are also helping RIDHS and the EIS programs with recruitment and retention for Part C.

During the verification visit, OSEP staff reviewed the following documents for two EIS programs: (1) corrective action plans (2) letters sent prior to and after the State's second visit, and (3) summary forms the State used when reviewing records. OSEP staff also interviewed the monitoring staff about how they determined that a finding had been corrected. In one EIS program, the issues had been addressed and the data showed 100% correction, so the State's letter closed out the finding for that program.

The second EIS program for which OSEP reviewed documents was Trudeau, which, as noted above, had not resolved its noncompliance findings from FFYs 2004 and 2005 with the 45-day timeline requirements. State data indicate that the program has made progress in meeting the 45-day timeline requirements (from 21.56% in FFY 2004 to 61.52% in FFY 2006), but has not shown correction of the noncompliance. RIDHS's July 14, 2008 letter to Trudeau identified sanctions, which were applied to the program, including a monthly reporting requirement. RIDHS staff

provided updated progress data for the EIS program dated September 11, 2008, in which the program reported that of its four sites, two had difficulty meeting the 45-day timeline requirements. In one of the sites, a service coordinator had left, so referrals had to be reassigned. Trudeau staff also explained that one of the other sites had hired a new service coordinator, which should help that site meet the 45-day timeline requirements.

RIDHS's July 2008 letter requires Trudeau to demonstrate by December 16, 2008 that the number of intake and evaluation slots is adequate to meet the needs of the number of referrals in order to comply with the 45-day timeline requirements. If the program is not able to demonstrate that it has a sufficient number of intake and evaluation slots, RIDHS is considering imposing additional sanctions.

OSEP Conclusions

In order to effectively monitor the implementation of Part C of the IDEA by EIS programs in the State under IDEA sections 616(a), 635(a)(10)(A) and 642 and 34 CFR §303.501(b), RIDHS must ensure that identified noncompliance is corrected in a timely manner. Based on the review of documents, analysis of data and interviews with State and early intervention program personnel, OSEP finds that RIDHS has timely corrected some findings of noncompliance, and subsequently corrected additional findings of noncompliance, but the noncompliance finding for one EIS program identified in FFYs 2004 and 2005 has not yet been corrected.

Required Actions/Next Steps

The State must submit in the FFY 2008 Annual Performance Plan (APR), due February 1, 2010, under Indicator 9, data demonstrating that the State timely corrected noncompliance identified in FFY 2007 in accordance with IDEA section 635(a)(10)(A) and 34 CFR §303.501(b). In addition, with the State's 2009 Part C Application, RIDHS must provide updated compliance data demonstrating correction of the noncompliance related to the 45-day timeline identified in Trudeau in FFYs 2004 and 2005.

Critical Element 3: Dispute Resolution

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

Verification Visit Details and Analysis

RIDHS staff reported that all certified EIS programs are responsible for ensuring procedural safeguards that meet the requirements of Part C of IDEA and must also document that a copy of the Statewide Family Rights and Responsibilities Booklet is provided to all families at intake. Service coordinators are required to review the rights and responsibilities and complaint procedures with each family involved in early intervention. The State's complaint procedures are also posted on the RIDHS website and outlined in the draft general supervision system manual.

All complaints are directed to the State Part C coordinator, and although there have been no formal complaints filed, she maintains a log of calls with concerns and handles the concerns immediately. The Part C coordinator reported that families are always informed of their right to

submit a formal complaint. The Rhode Island Parent Information Network (RIPIN) is also a resource available to families and provides families with information on the dispute resolution process.

RIDHS submitted a complete Application to OSEP that described the procedures for complaints, mediation, due process and other components of the dispute resolution system in Rhode Island as required under Part C of IDEA. OSEP approved those procedures submitted with the State's FFY 2006 grant application. EIS programs are held accountable to properly implement any resolution through the program certification process. In addition, RIDHS utilizes all informal complaints, and would also utilize any formal complaints, to identify training and technical assistance needs. In addition, it may identify findings as a result of this mechanism.

OSEP Conclusions

Based on the review of documents and interviews with State personnel, OSEP determined the State has procedures and practices that are reasonably designed to implement the dispute resolution requirements of IDEA. However, because the State had not received any formal complaint or due process hearings requests, OSEP could not determine the effectiveness of those procedures and practices.

Required Actions/Next Steps

No action is required.

Critical Element 4: Improving Educational Results

Does the State 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

With support from the Sherlock Center, RIDHS utilizes a core curriculum designed to ensure all program providers are informed of the State's system for early intervention services and are effectively helping to improve results for infants and toddlers with disabilities and assist families in improving their children's abilities to develop and learn. RIPIN ensures that families are well informed and have the information and tools not only to communicate their needs but also help their children.

A Sherlock Center staff member reported on the Comprehensive System of Personnel Development. She told OSEP that Rhode Island's system includes an introduction to early intervention, a supervisors' seminar, and topical trainings. In order to ensure improvement in functional outcomes, there is mandatory training for all EIS program providers and, in some programs, stand-alone training to address specific needs.

The State required all EIS programs to send staff to a Statewide training on use of the child outcomes summary form. One concern providers expressed was the rating of infants and toddlers with disabilities and comparing them to typically developing peers. The providers stated their training focused on helping children with disabilities and not on typical development. RIDHS staff reported that, in the training on the child outcomes summary form, information was provided regarding typical development and milestones.

In addition to the mandatory training and technical assistance, the Sherlock Center provides a quarterly newsletter that includes learning opportunities available to families and to providers.

OSEP Conclusions

Based on the review of documents, interviews with State personnel and a discussion with a focus group of early intervention program administrators, OSEP believes the State 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 State 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

As a part of the responsibilities under Sections 616 and 642 of the IDEA, each State must annually report to the public on the performance of each EIS program against the State's SPP/APR targets and must make an annual determination for each EIS program. The State meets the reporting requirement by including a profile for each program in the APR, in which the State reports the early intervention program's performance against targets in the State's SPP. The APR is posted on the State's Web site. The State reported working with the State interagency coordinating council (SICC) and other stakeholders to develop a plan to make determinations on the EIS programs. The State reviews each EIS program's compliance and performance on SPP/APR indicators, and integrates the data and information collected in the database as well as the data from the focused monitoring. In making determinations, the State reported that it takes into consideration the degree of noncompliance and has developed a rubric to measure the amount of progress needed to move from one determination level to the next (e.g. needs substantial intervention to needs intervention, or needs assistance to meets requirements). The State sends a formal notice to each program administrator regarding the program's determination and any required enforcement action. This notice is included in the letters sent annually in November that also include information regarding verified correction of findings of noncompliance. The draft general supervision system manual includes information on the State's process for making determinations.

RIDHS has interagency agreements with Rhode Island Department of Education (RIDE) addressing child find and transition. These two agencies also have a plan to provide some joint guidance to the EIS programs and LEAs that is more specific to practice. There is a transition work group under the SICC that has not actively advised or assisted RIDHS or programs, but under a planned reorganization of the SICC this work group will become engaged in this activity. RIDHS has also entered into interagency agreements with Rhode Island Department of Health (RIDOH) (for child find, screenings, and some services) and with Rhode Island Department of Children, Youth and Families (RIDCYF) to coordinate screening and referral of infants and toddlers served under that system who are involved in substantiated cases of child abuse or neglect

in accordance with section 637(a)(6)(A) and (B) of the IDEA. Each of these agreements had been submitted to OSEP previously and contains purpose, financial responsibility, interagency coordination, and dispute resolution mechanisms. The early intervention program in Rhode Island is under the Medicaid program which is administered by RIDHS, and the State has a private and public insurance mandate for Part C (see FS 2). The State promotes collaboration among Part C, Early Head Start and early education and child care among the local programs for each of these areas. There are agreements at the local level that are specific to practice as a result of community forums among these groups and the development of early childhood teams consisting of Part C, Early Head Start, and child care.

The State determines training needs in three ways: 1) Based on performance on indicators the State looks at the data to decide how to solve or prevent problems; 2) The program providers complete a needs assessment; and 3) Programs can also request specific training. For new staff, RIDHS mandates a four-day introductory course offered twice a year. In addition regular training is provided on paperwork and support, and every clinician in each program must have a professional development plan. To promote recruitment and retention, RIDHS offers staff stipends to attend conferences related to their field.

Finally, RIDHS, through the Sherlock Center, provides training to address noncompliance and performance issues identified in the APR. Monthly supervisor seminars and mentor groups help develop site-based leaders for areas such as autism, vision and hearing delays, infant mental health and transition. Parent consultants from RIPIN team up with RIDHS staff to focus on issues and solutions.

OSEP Conclusions

Based on the review of documents and interviews with State personnel, OSEP believes the State has procedures and practices that are reasonably designed to implement selected grant application requirements (i.e., EIS program determinations, CSPD and interagency agreements, contracts or other arrangements).

Required Actions/Next Steps

No action is required.

II. Data

Critical Element 1: Collecting and Reporting Valid and Reliable Data

Does the State 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

Since OSEP's last verification visit to Rhode Island, conducted during the week of September 7, 2004, the State has transitioned to a new data collection system for early intervention. Data collection begins with Statewide forms created to assist staff in discussing issues with families during the data collection process. At the EIS programs there are data entry clerks who enter the data from these forms into a Web-based system called the Rhode Island Early Intervention Care Coordination System (RIEICCS), powered by Welligent. Data are entered within 15 days of

collection. The data are reviewed for validity and reliability through reporting tools, staff interviews and file reviews. Real time statewide data are available through RIEICCS. The State is able to use the Web to review children's electronic records. It is the responsibility of the provider to ensure that the information is accurate. There are reports available in RIEICCS to help providers monitor deadlines and review data accuracy and reliability. Each provider and the State have the ability to download their raw data for adhoc reporting purposes. These data are updated weekly and the State sends providers e-mail messages when their data do not look accurate.

Staff reported on new data forms developed to match the data system and a new IFSP developed with stakeholder input. The new IFSP incorporates a transition plan including pages to record transition steps and an additional page for children exiting the program. An IFSP Documentation Guidebook was developed to explain all forms for service providers, administrators/managers, and data entry staff who are hired after the introductory training is provided.

The system includes some edit checks to assure data are entered accurately. For instance, drop downs lists are used instead of text boxes and certain fields must be entered before a record can be saved or the next process can begin. The reports in the system allow providers to check for missing data and provider statistics. Statewide data are reviewed monthly by the data manager for anomalies. In the cases where there are no edit checks, the data manager looks at data from system reports and compares it with raw data.

Data entry issues and system problems are addressed immediately. The data manager directly contacts provider data entry staff to explain issues. Each phone contact is followed by an e-mail to data entry staff and the director of the agency. If the anomaly is caused by a system error the issue is entered into a tracking system in Welligent and a resolution usually occurs within one day to two weeks, depending on the level of need. If a data anomaly concerns a specific child, the child's record is set aside to be reviewed on the next on-site visit, or the Part C Coordinator may ask to view the record prior to the on-site visit. Focused Monitoring assures the State that data entered in the system are valid and reliable.

Each program receives an Administration Guide and a User's Guide. There is real time access to the data system. Programs can work directly with the contractor that developed Welligent for technical assistance and problem solving related to the system. Some programs have purchased Welligent's billing system. Some providers do not allow the State to have direct access to their systems because they have programs in addition to Part C that are included in the Welligent system and access could result in a breach of confidentiality. The data manager provides the program with ongoing on-site training on the data system. The State e-mails data entry staff and directors of changes in policy and procedures. The State conducts at least one data entry technical assistance meeting a year that focuses on common data problems and system updates in an effort to avoid data anomalies. RIDHS reported that onsite training for new provider staff is always available.

RIDHS reported that data are generated for the section 618 tables through RIEICCS, which makes it easy to aggregate data for a Statewide report and to disaggregate by individual program, service

coordinator or provider. The data are verified by the data manager using the adhoc module and also through record reviews when on-site visits occur.

The State uses RIEICCS to collect data relevant to APR compliance indicators, but does not report these data in its APR. The RIEICCS data are reviewed during desk audits and used as “red flags” to determine areas of focus for on-site record reviews. The RIEICCS data collection is also used to determine progress and training needs. The data reported for Indicators 1, 7 and 8 A, B, and C are collected through focused monitoring. The data manager and the Part C coordinator told OSEP that by using file review data instead of relying solely on RIEICCS to make findings and determine correction, the State is able to make more accurate compliance decisions. Prior to the on-site visit, the team members discuss the process for reviewing child records in order to ensure consistency across reviewers. The team works together and confers during the record review process. After the team compiles data and develops questions for further data clarification, it conducts interviews of local early intervention program staff. Staff uses a checklist to verify data during the on-site reviews of child records.

OSEP Conclusions

Based on the review of documents, analysis of data, demonstration of the data system capabilities, and interviews with State personnel, OSEP believes the State has 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.

Required Actions/Next Steps

No action is required.

Critical Element 2: Data Reflect Actual Practice and Performance

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

Verification Visit Details and Analysis

The data manager reported to OSEP on, and provided copies of, the Statewide data collection forms that all programs use to collect and enter data into RIEICCS. The forms were designed by a stakeholder group to assure they were also family friendly and, at the same time, collected information required by the State’s data collection. The forms are designed to help families decipher the early intervention system. RIDHS staff verify the accuracy of the database data by conducting record reviews and interviews during focused monitoring visits, and the data from the focused monitoring visits are reported for the compliance indicators in the State’s APR. An additional data verification check occurs when the RIEICCS data are processed for electronic payment for services rendered. These data need to be complete and accurate before a service provider can receive payment.

OSEP Conclusions

Based on the review of documents, analysis of data, and interviews with State and early intervention program personnel, OSEP believes the State has procedures 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 State compile and integrate data across systems and use the data to inform and focus its improvement activities?

Verification Visit Details and Analysis

The State uses its data systems for continuous improvement, monitoring, technical assistance, and ongoing support for EIS programs. The EIS programs use data to develop local improvement plans (CAPS) and to direct professional development activities. The State's data system includes functions that allow users to disaggregate, compile and compare data to be used to analyze and present data to parents and stakeholders to ensure the investment of stakeholders in improvement activities.

The TA coordinator from the Sherlock Center uses reports from the system to identify trends for the purpose of developing Statewide training, and reviews a provider's data to see what technical assistance is needed for that program. Programs can also run reports to monitor their own progress towards compliance and performance standards. RIDHS also reported that the data manager is available for training and technical assistance as needed or requested.

OSEP Conclusions

Based on the review of documents, analysis of data, and interviews with State and early intervention program personnel, OSEP believes the State compiles and integrates data across systems and uses the data to inform and focus its improvement activities.

Required Actions/Next Steps

No action is required.

III. Fiscal Part C***Critical Element 1: Timely Obligation and Liquidation of Funds***

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

Verification Visit Details and Analysis

RIDHS staff described their procedures for timely obligating and liquidating IDEA Part C funds. RIDHS staff indicated that they are responsible for confirming when Part C funds are obligated. The Department of Administration (RIDOA) (the State's chief purchasing office) is responsible for approving all obligations and liquidations of Part C funds. The integrated financial management system (RI-FANS) is the mechanism the State uses to track all purchases. OSEP reviewed printouts from the RI-FANS to review the timeliness of Rhode Island's liquidation of IDEA Part C funds.

OSEP Conclusions

Based on the review of documents, analysis of data, and interviews with State and early intervention program personnel, OSEP believes the State has procedures that are reasonably designed to ensure the timely obligation and liquidation of IDEA funds.

Required Actions/Next Steps

No action required.

Critical Element 2: Appropriate Distribution of IDEA Funds

Does the State have procedures that are reasonably designed to ensure appropriate use of IDEA funds at the State level?

Verification Visit Details and Analysis

Procedures for Appropriate Use of IDEA Part C Funds at the State Level: Each lead agency must ensure that IDEA Part C funds are expended at the State level on appropriate uses of funds, consistent with the requirements in IDEA section 638, the EDGAR, OMB Circular A-87, and other applicable Federal requirements. RIDHS staff reported that Federal Part C funds are primarily used to pay for the salaries of the Part C coordinator and the data manager, maintenance and implementation activities at RIDHS, RI-SICC activities, activities by other agencies (Sherlock Center, RIDOH, RIPIN) and some direct services for uninsured children or children for whom services cannot be paid for through other funding sources.

RIDHS staff reported that Federal Part C funds are administered under the RI-FANS accounting system. The Department of Administration is responsible for the RI-FANS system. RI-FANS includes applicable State procurement procedures (including several elements related to the competitive bidding process), establishes a purchase order for Part C expenses, processes invoice payments, and utilizes various internal controls that are designed to safeguard assets, verify accuracy and reliability of accounting data, and promote operational efficiency. Since the RI-FANS is an electronic accounting system and not flexible, RIDHS as the lead agency has an early intervention finance staff person who develops the budget for the Part C Application for IDEA funds and tracks the spending of these funds in order to ensure appropriate use of the funds.

RIDHS finance staff stated that, while Part C funds are used with funds from other sources to pay for early intervention, there are clear, separate and precise accounting codes in RI-FANS to identify each funding source, a clear audit trail, and a staff person who is specifically responsible to ensure that IDEA Part C funds are not commingled. RIDHS staff described checks and balances among the early intervention finance staff person, and staff in the budget office for RIDHS and RIDOA. RIDHS staff stated that there is training on, and monitoring of, EIS programs on the requirements of the RI-FAN system and Part C of the IDEA.

Nonsupplanting Requirements: RIDHS ensures that the total amount of State and local funds expended for early intervention services in one year is maintained or increased in each subsequent year. RIDHS staff reported that the funding from the State for Part C has increased nominally for the past three State Fiscal Years to cover the cost of an annual three percent (3%) increase in contracts with early intervention service programs. RIDHS tracks local funding for early intervention services through contracts and the certification process. The State also has separate

budget numbers and codes for Federal and State funds used. In the State's FFY 2008 Part C Application and during the verification visit, RIDHS staff confirmed that RIDHS does not charge indirect costs to Part C FFY 2008 grant funds.

Payor of Last Resort Requirements: RIDHS has adopted a policy that Part C is the payor of last resort for early intervention service provision. The policies clarify that Medicaid, (Rite Care managed care program, RiteShare health insurance premium care assistance program and Medicaid fee for service), private insurance, and the State allocations must be utilized before Federal IDEA Part C funds are accessed to pay for Part C services. Training is provided to EIS programs on the State's payor of last resort policies and procedures.

RIDHS has a system of payments (SOP), on file with, and approved by OSEP in FFY 2005. RIDHS's SOP policies define the use of public benefits and private insurance to pay for Part C services and Rhode Island has enacted statutory insurance mandates regarding use of private insurance to pay for early intervention services under Part C.

OSEP Conclusions

Based on the review of documents, analysis of data, and interviews with State and early intervention program personnel, OSEP finds that RIDHS has procedures that are reasonably designed to ensure appropriate use of IDEA Part C funds at the State level.

Required Actions/Next Steps

No action is required.