

## Louisiana Part C 2009 Verification Visit Letter

### Enclosure

#### Background

Early Steps, Louisiana's Part C program, is a component of the Office of Citizens with Developmental Disabilities (OCDD) within the Louisiana Department of Health and Hospitals (DHH), the State lead agency for services under Part C of the Individuals with Disabilities Education Act (IDEA). From Federal Fiscal Year (FFY) 2003 to FFY 2007, Early Steps was a component of the DHH Office of Public Health. When Early Steps transitioned to OCDD, only one staff member, the provider specialist, accompanied the program. DHH hired the current Early Steps Part C Coordinator in July 2007, and has gradually added more staff. In addition to the Part C Coordinator and the provider specialist, the current staff includes the assistant Part C Coordinator, the Training Coordinator, and the Quality Assurance Program manager. Also, Early Steps has one contractor that handles community and family activities.

DHH implements Early Steps at the local level through: (1) nine local early intervention service (EIS) programs called System Points of Entry (SPOEs), each of which contracts with OCDD to serve a cluster of counties organized across ten regions of the State; (2) 24 Family Service Coordination agencies (FSCs) that provide ongoing service coordination for families; and (3) EIS providers who have provider agreements directly with DHH, or who work for provider agencies that have agreements with DHH. Local Interagency Coordinating Councils (LICCs) advise the local early intervention system.

SPOEs contract with the State for a three-year period. Each SPOE hires its own staff which includes the SPOE agency director, early intervention consultants, initial family service coordinators, quality assurance specialists, and employees that handle data entry and administrative responsibilities. SPOEs are responsible for intake, evaluation, assessment, and initial service coordination. DHH's Health Standards Division licenses FSCs to provide ongoing service coordination. EIS providers conduct evaluations and assessments, participate in the individualized family service plan (IFSP) process, and provide EIS consistent with the IFSP.

#### 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

##### Components of General Supervision System

DHH reported that it uses its general supervision system to: (1) identify noncompliance and issue findings; (2) monitor SPOE, FSC, and provider performance, and (3) assess technical assistance and training needs. The major components of DHH's general supervision system are: (1) monitoring activities; (2) self assessments and monthly reports; (3) database reviews; (4) dispute resolution system; and (5) fiscal system.

##### Monitoring Activities

DHH conducts annual monitoring activities and issues findings as part of its quality assurance program. Since FFY 2007, these activities have consisted of focused monitoring of SPOE agencies, FSC agencies, and providers. As DHH has acquired additional State staff for Early Steps, it has

increased its monitoring activities to include provider cyclical monitoring in FFY 2008 and FSC cyclical monitoring in FFY 2009.

Currently, quality assurance teams conduct SPOE and FSC monitoring. These teams consist of an OCDD Regional Coordinator, an Early Steps central office staff member, and quality assurance specialists at the local level. In preparing monitoring reviews, the monitoring teams review SPOE self assessments, FSC monthly reports, and database reports. In addition, teams discuss site visit protocol and conduct practice chart reviews to ensure consistency in the use of the protocol. Quality Assurance teams spend one to three days interviewing SPOE or FSC agency directors and conducting chart reviews of child and other agency records. At the conclusion of the visit, the monitoring team conducts an exit interview to discuss issues that will be presented in the monitoring report, follow-up activities, and training needs.

Since FFY 2007, the Part C 45-day timeline requirements (State Performance Plan (SPP)/Annual Performance Report (APR) Indicator 7) have been the focus area for SPOE monitoring. The focus area for FSC monitoring has been timely provision of services (Indicator 1), transition content requirements (Indicator 8A), and/or transition planning conference requirements (Indicator 8C) under Part C of IDEA. Quality assurance teams examine census data for a specified three month period during the year and chart review data collected at the local level.

DHH conducted FSC agency focused monitoring between July and September 2007 (FFY 2007). The State selected FSC agencies for focused monitoring based on their compliance data. In preparation for the focused monitoring, the quality assurance team reviewed FSC census data for Indicators 1 and 8 for a three month period of April through June 2007, and issued findings between October and December 2007. SPOE agency focused monitoring occurred between October and December 2007. The State selects SPOE agencies for focused monitoring based on their compliance data. In preparation for the focused monitoring, the quality assurance team reviewed Indicator 7 data for a three month period of July through September 2007. Findings based on Indicator 7 were issued to SPOEs in January 2008.

DHH monitoring activities also assist the State in assessing provider performance and identifying noncompliance. As stated earlier, DHH contracts directly with providers or agencies representing providers. Providers are responsible for the provision of Part C services on the IFSP. Since FFY 2007, DHH has conducted provider focused monitoring based on formal and informal complaints and other information received through the State's dispute resolution system. In addition, DHH added provider cyclical monitoring to its general supervision system in FFY 2008. Through the cyclical monitoring process, DHH monitors the accuracy of provider billing, identifies incomplete records and documentation, and audits compliance with credential and licensure requirements. In addition, DHH monitors the impact of providers on the State's performance on Indicators 1, 7 and 8 (timely provision of services, 45-day timeline, and transition). DHH uses its provider monitoring processes to make findings regarding providers.

In FFY 2008, DHH acquired additional Early Steps staff and was able to broaden its quality assurance process to include additional performance indicators for its monitoring of providers, SPOEs, and FSC agencies. These indicators, such as the use of family assessment data, along with the Federal requirements under Part C of IDEA, comprise the DHH comprehensive quality assurance program. They measure provider and agency performance in other areas aligned with best practices in early intervention. DHH also requires SPOE, FSC, and provider agencies to have quality assurance programs. Currently, DHH has been working with two national OSEP-funded technical assistance centers, the Southeast Regional Resource Center (SERRC) and the Data

Accountability Center (DAC), to further develop and improve its quality assurance initiative. As a result of this work, DHH will add FSC agency cyclical monitoring in late FFY 2009.

#### Self Assessments and Monthly Reports

SPOE agency contracts stipulate that the SPOEs must have a quality assurance process. As part of that process, DHH requires SPOEs to complete monthly self assessments that describe activities, issues, and training needs. In addition, DHH requires FSC agencies to complete monthly reports on activities and issues. The purpose of these documents is to identify concerns that may need further review. DHH compares monthly self assessment and report data with its database reports. If DHH identifies noncompliance based on a SPOE self assessment or FSC monthly report, it conducts follow-up activities to determine the source of the noncompliance. DHH issues a finding if the delay cannot be attributed to exceptional family circumstances.

#### Dispute Resolution

In addition to making findings of noncompliance based upon monitoring activities, self assessments, and monthly reports, DHH also issues findings if it finds noncompliance through its dispute resolution system. When formal complaints or concerns (i.e., any issues identified about a SPOE, FSC agency, or provider that are not specifically in a signed written complaint), uncover a violation of Part C or State regulations, DHH makes findings against providers and/or SPOE and FSC agencies. Depending upon the violation, DHH will issue enforcement actions which may include corrective action plans or contract terminations.

#### Fiscal System

As further explained in the Fiscal System section of this Enclosure, DHH uses claims, billing, expenditure reviews, and fiscal data reports as part of its general supervision system. Service authorizations, for example, are compared with provider invoices to ensure that providers bill for actual services rendered. In addition, DHH uses fiscal reports to monitor SPOE adherence to budgets.

#### Process for Issuing SPOE and FSC Agency Findings

At the conclusion of a monitoring visit, the quality assurance team debriefs the SPOE or FSC agency staff and discusses the content of the monitoring report. The quality assurance team informs agency staff of noncompliance and helps the staff to determine the best process for achieving correction of the noncompliance. DHH sends monitoring reports that include written findings of noncompliance to SPOE and FSC agencies, typically one to three months after the conclusion of the visits. These documents also specify that the one year timeline for correction begins on the date of the report.

During the verification visit, DHH reported that the State had, through FFY 2008, made a finding of noncompliance when compliance was at or below 96%, but not if it was below 100% but above 96%. OSEP informed the State that this absolute threshold of 96% is inconsistent with IDEA's monitoring and correction requirements in section 635(a)(10)(A) and 34 CFR §303.501. DHH informed OSEP that it had been informed by its technical assistance providers that the use of thresholds was inconsistent with Part C and that it had discontinued the use of this threshold in FFY 2009. DHH reported that it was in the process of revising its monitoring protocols and manual to ensure consistency with IDEA's monitoring and correction requirements in IDEA section 635(a)(10)(A) and 34 CFR §303.501. DHH informed OSEP that it would submit a copy of its revised monitoring procedures to OSEP when they are finalized.

## **OSEP Conclusions**

To effectively monitor the implementation of Part C by EIS programs in the State under IDEA sections 616(a), 635(a)(10)(A) and 642 and 34 CFR §303.501(a) and (b)(1), DHH must conduct monitoring activities to identify noncompliance and timely issue findings of noncompliance when it is in receipt of valid and reliable data that reflect noncompliance. Based on the review of documents, analysis of data, and interviews with State and local personnel, OSEP finds DHH has a general supervision system that is reasonably designed to identify noncompliance using its different components, except that DHH's reported use of a threshold of 96% prior to FFY 2009 to identify noncompliance was not consistent with Part C requirements for identifying noncompliance in IDEA sections 616(a), 635(a)(10)(A) and 642 and 34 CFR §303.501. While a State may determine the specific corrective action that is needed to ensure correction of noncompliance, and may take into account the extent of noncompliance in determining what corrective action is needed, the State must ensure the correction of all noncompliance, notwithstanding the extent of the noncompliance.

## **Required Actions/Next Steps**

DHH must submit, within 60 days of receipt of this letter, documentation that demonstrates that it has changed its monitoring protocols to ensure the identification of all noncompliance, notwithstanding the extent of the noncompliance.

### ***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 FFY 2007 APR (submitted February 2009), DHH's reported data for Indicator 9 (timely correction) were 72%, which represented slippage from the FFY 2006 APR data of 81.6%. In the FFY 2007 APR, DHH reported that 31 of the 43 FFY 2006 findings were timely corrected. DHH reported that for the 12 uncorrected FFY 2006 findings, it used program and provider specific enforcement actions to address the remaining noncompliance. DHH's follow-up activities included technical assistance, monthly chart reviews, and sanctions such as recoupment of funds and disenrollment of providers. In addition, DHH reported the subsequent correction of 17 of 23 findings of noncompliance from FFY 2005. For the six uncorrected FFY 2005 findings of noncompliance, DHH reported that it increased the frequency of data reviews, developed corrective action plans, and provided targeted technical assistance to agencies.

DHH's FFY 2007 determination under IDEA sections 616(d) and 642 was "needs assistance." As explained in OSEP's June 1, 2009 response to the State's FFY 2007 APR, the factors that resulted in the determination was the State's performance on Indicators 1, 8C, and 9. OSEP required DHH to pursue technical assistance for those indicators and to submit a report to OSEP by October 1, 2009 with a description of the technical assistance activities. On October 1, 2009, OSEP received a report from DHH that described its technical assistance activities for Indicators 1, 8C, and 9, and the status of DHH's improvement activities in addressing outstanding noncompliance from FFY 2005 and 2006. In the October 1, 2009 report, DHH stated that it had corrected two FFY 2005 and two FFY 2006 outstanding findings for Indicator 7 (45-day timelines). DHH indicated that it would report on the correction of other FFY 2005 and 2006 findings of noncompliance in its FFY 2008 APR, due on February 1, 2010.<sup>1</sup>

---

<sup>1</sup> OSEP will respond to the information and data in the State's FFY 2008 APR separately.

### Corrective Actions and Timelines

As explained in General Supervision Critical Element 1 above, DHH issues reports to all SPOE and FSC agencies after the completion of the monitoring process. The reports summarize each instance of noncompliance and the source of the data; the requirements that have been met; problems and issues; and next steps. These reports also specify the timeline for correction. DHH has a two-week timeline for correction for minor instances of noncompliance. DHH considers minor noncompliance to be findings that can be corrected quickly such as incomplete records at a SPOE agency. DHH has a six-month timeline for correction for major instances of noncompliance. DHH considers major noncompliance to be findings that take longer to correct, such as issues with the Part C requirements for timely provision of services, the 45-day timeline, and transition. When reporting on the correction of noncompliance, the State applies a one-year timeline to determine if noncompliance was corrected in a timely manner.

The Part C provisions in IDEA sections 616, 635(a)(10)(A) and 642 and 34 CFR §303.501 require the State to ensure that when it identifies noncompliance with the requirements of Part C by EIS programs and providers, the noncompliance is corrected as soon as possible, and in no case later than one year after the State's identification of the noncompliance. As explained in OSEP Memorandum 09-02, dated October 17, 2008 (OSEP Memo 09-02), and previously noted in OSEP's monitoring reports and verification letters, in order to demonstrate that previously identified noncompliance has been corrected, the State 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. During the verification visit, OSEP and DHH staff discussed the requirements outlined in OSEP Memo 09-02. The State also provided information regarding its implementation of those requirements in its FFY 2008 APR, dated February 1, 2010. OSEP will respond separately to the data and information in the State's FFY 2008 APR.

DHH reported that most SPOE and FSC agencies begin the process of correcting noncompliance before they receive official notification of findings from the State. DHH requires corrective action plans for SPOEs, FSC agencies, and providers any time a finding is made. These plans document the timeline and activities for correction such as training, policy changes, technical assistance, etc. In addition, SPOE and FSC agencies create improvement plans which describe activities to increase performance and utilize best practices in early intervention.

DHH monitors SPOE and FSC agency progress toward correction by reviewing monthly self assessments and reports and database records. DHH has a designated staff member in the Early Steps program that monitors provider progress toward correction. DHH reported to OSEP that it defines correction as 100% compliance and that it requires correction within one year from the date a finding was made. However, DHH informed OSEP that it was late in ensuring correction of noncompliance identified in FFY 2007 related to 45-day timelines (Indicator 7). DHH made findings against FSC agencies in January 2008 but did not ensure correction until after April 2009. DHH reported that it is in the process of revising its monitoring protocols and manual to ensure that it verifies correction within one year from the date on which the State identified the noncompliance.

### Enforcement Options

DHH reported that it has several enforcement options that it uses with SPOEs, FSC agencies, and providers that have uncorrected noncompliance. DHH determines the enforcement action based on the nature of the noncompliance. These enforcement options include increased frequency of on-site visits and data reviews; targeted technical assistance; recoupment of funds; and contract cancellation.

## **OSEP Conclusions**

Based on the review of documents, analysis of data, and interviews with State and local personnel, OSEP concludes that DHH has components of a general supervision system that are reasonably designed to ensure correction of identified noncompliance in a timely manner, but that the State's FFY 2007 APR data on timely correction indicate that the State had not timely corrected some findings of noncompliance. OSEP will respond separately to the data and information in the State's FFY 2008 APR. Without collecting data at the local level, OSEP also cannot determine whether the State's procedures are fully effective in correcting noncompliance in a timely manner.

## **Required Actions/Next Steps**

No action is required.

### ***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**

DHH maintains a database at the State level for tracking complaints and requests for mediation and hearings. DHH received 13 complaints in FFY 2007, but no mediation or due process hearing requests. DHH reported that it communicates due process policies to the field by sharing information with SPOE and FSC agency directors and providers via quarterly meetings and through their training activities. At State Interagency Coordinating Council (SICC) meetings, DHH provides updates on dispute resolution activities and any findings that result from those activities. DHH informs families of their due process rights through the distribution of procedural safeguards information at intake, IFSP meetings, and meetings with service coordinators and community outreach specialists. DHH described the following information regarding its dispute resolution procedures.

### **State Complaints**

Each OCDD regional office has a dedicated dispute resolution person who handles all formal and informal complaints pertaining to the SPOE, FSC agency, or providers in that region. DHH informed OSEP that the program treats any signed, written correspondence alleging a violation of Part C as a formal complaint, and resolves that complaint using procedures that are consistent with Part C complaint requirements. In addition, DHH accepts and investigates informal complaints (i.e., issues identified by parents or others that are not part of a signed, written complaint and which may be expressed by phone or via e-mail). DHH investigates and resolves complaints within 30 calendar days from the date of receipt of the complaint as opposed to the 60-day timeline required by Part C. The DHH complaint database assigns case numbers, tracks timelines, lists allegations, and tracks complaint resolutions. DHH is currently making modifications to the complaint database to add the ability to track each allegation separately. If any issue in the complaint is the subject of a due process hearing, DHH procedures require these issues be set aside until the conclusion of the hearing.

DHH received 13 complaints in FFY 2007, of which seven were withdrawn or dismissed and the other six resulted in timely decisions. In four of these six decisions, DHH found provider noncompliance. Providers had billed for services that were not provided to families. When a provider is determined to have violated a Part C or State regulation, DHH issues a finding against the provider and specifies the required corrective action needed to demonstrate compliance. DHH

has a designated Early Steps staff member who monitors the activities of providers to determine correction of the noncompliance.

#### Due Process Hearings

DHH has adopted Part C due process hearing procedures (under 34 CFR §303.420). The DHH Bureau of Appeals appoints hearing officers who conduct due process hearings for DHH. DHH procedures provide that, upon receipt of a hearing request, DHH informs the Bureau and a hearing officer is assigned to handle the case and issue a written finding to both parties within 30 days of the hearing request. DHH reported that the Bureau of Appeals ensures the impartiality of the hearing officers. DHH reported during the verification visit, and in its APRs, that DHH did not receive any requests for due process hearings in FFY 2006 or 2007.

#### Mediations

Designated OCDD regional office staff handle mediation requests submitted at the regional office level. Mediation is available to parents upon request. The Bureau of Appeals appoints mediators and ensures their impartiality by contracting with those who do not have any financial or other personal interests in the Part C program or its staff. DHH reported during the verification visit, and in its APRs, that DHH did not receive any mediation requests in FFY 2006 or 2007.

#### **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 has not received any due process hearings and mediation requests since FFY 2005, OSEP could not determine the effectiveness of those procedures and practices.

#### **Required Actions/Next Steps**

No action is required.

#### ***Critical Element 4: Improving Early Intervention Results***

*Does the State have procedures and practices that are reasonably designed to improve early intervention results and functional outcomes for all infants and toddlers with disabilities?*

#### **Verification Visit Details and Analysis**

##### Individualized Services

DHH places a great emphasis on ensuring that early intervention services are individualized for children and families. Recently, DHH has been promoting the use of family assessments as a mechanism for individualization of services. DHH data had shown that many families were opting out of participating in the family assessment process. In addition, when family assessments were conducted, there was little relationship between family assessment data and goals and outcomes on the IFSP. DHH reported that the underutilization of the family assessment process was having an impact on Early Steps' family outcomes data (Indicator 4). In an effort to address these issues, DHH added a quality indicator on family assessment as part of the Early Steps quality assurance process. Over the next year, DHH plans to focus on family assessment through trainings for service coordinators and providers on using the routines-based interviewing approach for family assessment. In addition, DHH will work to educate families about the importance of sharing information about resources, priorities, and concerns, and how the family assessment process can facilitate their role in providing input during IFSP development. One mechanism that DHH uses to educate families is through the work of community outreach specialists. DHH contracts with

community outreach specialists to provide support to families and conduct regularly scheduled training activities. These trainings address families' roles in the early intervention process and cover procedural safeguards, the IFSP process, and transition. DHH also links families with the Families Helping Families Network and the Parent Information Center for other IDEA-related training. DHH plans to make improvements to the Early Steps website to present more content targeted to families. Other planned activities include the development of additional training modules for providers and service coordinators that cover family-centered practices and the team process. As a result of these activities, DHH anticipates an increase in families' willingness to participate in the family assessment process and an increase in Early Steps performance on family outcomes.

#### Child Find

DHH uses its database to monitor child find for Early Steps. On a quarterly basis, quality assurance staff review reports that disaggregate child find data by age, region, and referral source. They also review regional data on the number of children birth to one and birth to three who are receiving services and compare this information with their State birth rate data. DHH establishes local targets for child find based on this data review. When DHH discovers a decrease in child find activities, it identifies the nature of the problem, the region where the problem exists, and conducts targeted outreach to referral sources in that area. DHH receives assistance with its child find activities through interagency agreements with Medicaid, the Louisiana Department of Education (LDE), and social service agencies. In addition, DHH has a relationship with the Families Helping Families network where it contracts with community outreach specialists who share child find information with families.

#### Child and Family Outcomes

DHH uses one standardized assessment instrument statewide to gather child outcomes data at program entry and exit. DHH uses this same tool for eligibility determination. DHH requires training for staff that use the assessment tool for evaluations. In 2009, DHH held several trainings in June and July and plans to conduct three statewide trainings in 2010.

DHH has kept abreast of OSEP requirements on child outcomes by attending conferences and downloading tools developed by the Early Childhood Outcomes Center. In addition, since summer 2008, the Early Steps Part C Coordinator has participated on an outcomes committee convened by the SICC. The committee has been developing a process for analyzing entry and exit baseline data, establishing targets, and reporting category requirements for the child outcomes section of the DHH FFY 2008 APR.

#### **OSEP Conclusions**

Based on the review of documents and interviews with State and local personnel, OSEP finds DHH 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**

### Public Reporting and Local Determinations

As part of its monitoring and enforcement 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. DHH informed OSEP that it meets this reporting requirement by publishing the performance of each region against the State's SPP targets. OSEP confirmed that DHH posts this information on the Early Steps website.

Historically, DHH has published EIS program performance data by OCDD region. For the FFY 2007 public reporting, DHH published data for the performance of the nine OCDD regions against the State's SPP/APR targets. However, for the FFY 2008 public reporting, DHH is considering disaggregating its local performance data by SPOE and FSC agency in each region. DHH holds SPOE and FSC agencies accountable for different APR compliance indicators. SPOE agencies, for example, are accountable for 45-day timelines (Indicator 7) and FSC agencies are responsible for timely service provision and transition (Indicators 1 and 8). By restructuring its public reporting format, DHH would assist the public with being better able to compare SPOE and FSC agency performance.

DHH's methodology for making local program determinations involves reviewing data from its general supervision components, including data on compliance Indicators 1, 7, and 8. These data are used on a monitoring sheet to assign a score for each of the four determination areas (meets requirements, needs assistance, needs intervention, and needs substantial intervention). At a minimum, a State's annual determination process must include consideration of the following factors: (1) an EIS program's performance on all SPP/APR compliance indicators; (2) whether the EIS program submitted valid and reliable data for each indicator; (3) EIS program-specific audit findings; and (4) any uncorrected noncompliance from any source. (See Determinations FAQs dated 10/19/2006). During the verification visit, DHH reported to OSEP that in the past it had not always considered outstanding noncompliance when making local determinations, but DHH shared with OSEP one of its reports to a SPOE regarding its FFY 2007 local determination indicating that DHH had taken outstanding noncompliance into consideration. DHH reported to OSEP that it is currently working with its technical assistance providers to develop new guidelines for determinations that will be a part of the revised monitoring manual for Early Steps.

### Interagency Agreements and Contracts

Under IDEA sections 637(a)(2) and 640(b), each State must include in its Part C application a certification that its methods to ensure service provision and fiscal responsibility for services are current. The State reported that all Part C services are provided by DHH, through contracts or agreements with the SPOEs, FSCs, and independent providers or provider agencies. The State also reported that it has policies to ensure that IDEA Part C funds are used as a payor of last resort, and ensure the timely provision of services and ongoing service provision for IFSP services.

DHH reported that it has a three-way interagency agreement with LDE, Early Head Start, and Head Start regarding child find, interagency coordination, and transition. Currently, DHH is also finalizing an agreement for Child Abuse Prevention and Treatment Act (CAPTA) referrals with the Louisiana Department of Social Services, Office of Community Services. OSEP will review and respond to the State's policies and procedures regarding CAPTA referrals in the State's Part C grant application.

### Comprehensive System of Personnel Development (CSPD)

DHH considers CSPD to be an essential component of its quality assurance process. DHH coordinates training activities with the CSPD committee of the SICC. A training plan has been in place since 2003 and is nearing completion. DHH has drafted an update to the plan that will be finalized soon.

DHH identifies training needs through a needs assessment and issues found in statewide and local performance data. DHH develops a training calendar and contracts with an agency to conduct training activities for providers, service coordinators, and other Early Steps staff and contractors. DHH uses a variety of training modalities including web-based modules on topics including IFSP development, teaming, and family-centered practices. Training opportunities designed to address systemic issues are offered statewide. DHH conducts targeted training and technical assistance in response to local noncompliance.

### **OSEP Conclusions**

Based on the review of documents, analysis of data, and interviews with State personnel, OSEP finds that DHH has procedures and practices that are reasonably designed to implement selected grant assurances regarding public reporting, local determinations, interagency coordination, and CSPD.

### **Required Actions/Next Steps**

No action is required.

## **II. Data System**

### ***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**

#### DHH Databases

DHH has a comprehensive Part C data system that consists of several components. The Early Intervention Data System (EIDS) collects and compiles data from SPOEs. DHH also uses this database as part of its procedures for provider billing. Providers can access the billing system online to bill DHH for service provision and other early intervention activities. Provider billing for clients with public insurance is handled by the State's Medicaid program. Another component of the DHH data system is the Data Warehouse. The Data Warehouse compiles information from EIDS and other State program databases. Information is uploaded from EIDS to the Data Warehouse. Currently, a private contractor manages EIDS and the Data Warehouse.

At the SPOE level, EIDS serves as the early intervention case management system and is the first point of entry for data on children and families. Intake coordinators establish records in the database by entering referral data (such as evaluations, assessments, settings, and Part C services) into the system. This information is uploaded to another area of the EIDS database where data staff enter data elements from the IFSP. These data elements include subsequent services, provider information, transition, and case closure information. Data entry clerks make updates to child records, such as IFSP service changes, in another section of the data system.

The State uses its Data Warehouse to compile information from EIDS for 618 data submissions, except those for dispute resolution (Table 4). DHH has a separate database for their dispute

resolution system. DHH is able to generate standard EIDS reports covering 616 (APR) and 618 data prior to submission to OSEP and DAC. DHH works with OCDD information technology staff to generate special reports from the Data Warehouse.

DHH has established timeline requirements for data entry and provider billing. Intake coordinators must enter referral data into EIDS within two days of receiving referrals. SPOEs must upload local data to the State system on a daily basis. Providers have 60 days from the date of service to bill DHH for their services. DHH works with providers who have challenges with the billing process.

#### APR Data Collection

DHH used EIDS to generate data for Indicators 7 and 8B for the FFY 2007 APR. Currently, DHH does not use EIDS for reporting on documented exceptional family circumstances. However, DHH is considering conducting this reporting in the future. DHH uses chart reviews to collect data for APR Indicators 1, 8A, and 8C. DHH has made modifications to EIDS over the past year and plans to use the database to generate data for Indicator 1 for their FFY 2008 APR report.

#### Data Staff

Each SPOE has staff responsible for data entry. The State and SPOE directors ensure that data entry staff receive training by providing them with a data system manual and pairing them with seasoned data entry staff. In addition, new staff practice their skills by entering “dummy” data into the data system. Data staff attend quarterly meetings with the State and SPOE directors to learn about modifications to the data system and new policies and procedures that may impact the data system.

#### Data Edit Checks

EIDS has many data edit checks that identify and prevent the entry of illogical data. There are edit checks, for example, that prohibit data staff from entering birth dates over age three. When data entry clerks enter illogical data, the system prevents them from conducting additional data entry until the error is corrected. The database also has mechanisms designed to prevent staff from entering logical but incorrect information, and safeguards that prohibit changing data once they have been entered. For example, SPOE staff cannot change a referral date without special permission.

Data errors involving services are often identified by providers because services are tied to billing. If data staff input an incorrect service into a child’s record in the database, the provider for that child would be unable to bill DHH because there would be a mismatch between the services listed on the provider’s billing authorization and the services in the database record for that child.

DHH requires SPOE directors and data entry clerks to ensure data accuracy by comparing database records with paper records before data is uploaded to the State. DHH staff monitor data errors through a number of processes, including quality assurance visits and record reviews.

#### Data Reports

DHH generates data reports on a monthly, quarterly, and semiannual basis to monitor trends across the State, plan training, and develop improvement activities. DHH generates certain reports to answer specific questions about the early intervention (EI) program. Reports are viewed at the State and local levels. SPOE staff use these reports to assist with developing their self assessments.

### **OSEP Conclusions**

Based on the review of documents, analysis of data, and interviews with State personnel, OSEP finds that DHH 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.

### **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**

DHH uses quality assurance (QA) visits, staff training, database report reviews, and data edit checks to ensure that data reflect actual practice and performance across the State. During QA visits, teams review records to ensure that database information is consistent with child records. When DHH conducts training activities for staff, it emphasizes the importance of following data input procedures to ensure the validity and reliability of data. DHH compares EIDS reports with billing documents to look for anomalies and errors. As noted above, DHH also uses data edit checks and other mechanisms to support the collection of valid and reliable data by highlighting illogical data and rejecting data entry errors. Early Steps requires SPOE directors and data entry staff to adhere to data entry timelines and to compare data with child record information prior to submission to the State.

### **OSEP Conclusions**

Based on the review of documents, analysis of data, and interviews with State personnel, OSEP finds that DHH has procedures and practices that are reasonably designed to verify that the data collected and reported reflect actual practice and performance. OSEP cannot, however, without conducting a review of data collection and reporting policies at the local level, determine whether all EIS programs and providers in the State implement the State's data collection and reporting procedures in a manner that reflects 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**

DHH staff routinely review monitoring information, data reports, complaints, concerns, and general program feedback to determine needed technical assistance and improvements in program operations. Observations and findings are discussed with staff at the State and SPOE level. As stated earlier, DHH data had informed the State about an issue with the use of the family assessment process. DHH used these data to drill down and discover that family assessments were being underutilized. DHH was able to address this issue through the use of training and meetings with providers and staff of SPOE and FSC agencies.

DHH also uses data to further develop its Quality Assurance Initiative. DHH has used data to identify the performance indicators that are the focus of its quality process. The State reported that these indicators move Early Steps towards using more best practices in early intervention.

DHH used data on local compliance with transition requirements to inform its transition project. This is a joint project between Early Steps, LDE and two national OSEP-funded technical assistance centers, SERRC and the National Early Childhood Technical Assistance Center. The State has targeted the work of this project to two Early Steps regions based on their compliance with transition requirements (Indicator 8). DHH has continued to use data to plan follow-up activities with regions that participate in this project.

### **OSEP Conclusions**

Based on the review of documents, analysis of data, and interviews with State personnel, OSEP finds that DHH 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 System**

### ***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**

The DHH Office of Management and Finance (OMF) provides fiscal oversight of the Early Steps Part C grant. This office is located within the Office of the DHH Secretary and has specific responsibilities which include obligating and liquidating of funds, paying invoices, and conducting Federal financial reporting. Within OCDD, there is a designated staff person who handles programmatic reports for Early Steps. DHH has a separate office that handles internal audit functions.

#### Timely Obligation and Liquidation of Funds

Each lead agency must ensure that IDEA Part C funds are timely obligated and liquidated in accordance with the requirements in the Education Department General Administrative Regulations (EDGAR). OSEP confirmed through the U.S. Department of Education's Grant Administration and Payment System (GAPS) that Louisiana timely expended all of its Part C funds for FFY 2005, FFY 2006, FFY 2007, and FFY 2008. DHH reported to OSEP that it has never needed to request GAPS to be re-opened in order to liquidate funds beyond the 30-month period available for liquidation.

DHH reported to OSEP that its accounting system assigns reporting categories and organization and object numbers to each project (e.g., Part C) to distinguish Federal and State funds by fiscal year. DHH tracks the funds for each project and year through expenditure reports and monitors these reports to ensure that funds from older grants are spent first, using "first in first out" procedures. OMF fiscal staff work closely with OCDD fiscal staff and the Early Steps Part C Coordinator to ensure the effective operation of the Early Steps fiscal system.

## **OSEP Conclusions**

Based on the review of documents, analysis of data, feedback from stakeholders and interviews with State personnel, OSEP finds DHH has procedures that are reasonably designed to ensure timely obligation and liquidation of IDEA funds at the State level.

## **Required Actions/Next Steps**

No action is required.

### ***Critical Element 2: Appropriate Use of IDEA Funds at the State Level***

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

## **Verification Visit Details and Analysis**

DHH establishes a program budget for Early Steps through the DHH budget process. This process is based on the IDEA Part C grant application and Federal grant award. DHH approves the Early Steps budget for each fiscal year. The Early Steps State office handles the budget process for local EIS programs. As stated earlier, the State has nine local EIS programs called SPOEs. SPOEs contract with the State for a three year period and submit a three year budget proposal. SPOEs submit monthly invoices to Early Steps. At the end of each year, Early Steps conducts a SPOE budget review.

DHH uses provider agreements rather than contracts for FSC agency services. FSC agencies are paid based on a fee for service, reimbursement system. FSCs are responsible for sending service authorizations to Early Steps for payment.

### Fiscal Monitoring

As stated earlier, DHH assigns reporting categories and organization and object numbers to projects for each grant year. SPOEs submit monthly invoices to Early Steps. The Part C Coordinator and OCDD fiscal staff review the invoices to ensure that Part C funds were used for allowable purposes and that the expenditures were consistent with the SPOE's approved budget. Funds are not drawn down until expenditures are uploaded into the accounting system and linked with the appropriate project numbers. The State reported that this verification of project numbers ensures that expenditures are charged against the appropriate accounts. Early Steps then sends the SPOE invoices to OMF for payment.

### Appropriate Use of Funds

DHH requires all SPOEs to conduct an audit as part of their contracts. The Louisiana Office of Legislative Audits, which is responsible for auditing State agencies, and the DHH audit staff have responsibility for auditing Early Steps. All audit reports are submitted to the DHH Office of Fiscal Management. DHH shares information from audit reports with Early Steps State staff when findings are issued.

DHH reported to OSEP, during the verification visit, that one staff member of the Quality Unit was being paid 100 percent from Part C funds, but actually worked only one third of her time with the Early Steps program. On November 9, 2009, two weeks after the verification visit, the State sent a letter to OSEP indicating that it had taken certain actions regarding this matter. OSEP will address this issue separately.

### Payor of Last Resort

DHH uses several mechanisms to ensure that Part C is the payor of last resort. First, it provides training to SPOE and FSC agency staff on payor of last resort requirements and instructs them on other sources of funding that must be accessed before Part C funds are used. SPOE staff collect information on Medicaid eligibility when families complete their initial paperwork for early intervention services. FSC staff verify that this process has occurred when families begin working with their ongoing service coordinator. In addition, service coordinators conduct a monthly verification of Medicaid eligibility for families on their caseloads.

The State reported that the financial provisions of DHH interagency agreements stipulate that Part C must be the payor of last resort. Also, DHH fiscal staff ensure that all funding sources have been identified when invoices are submitted for payment. When providers submit claims to the State, DHH determines if the claim can be paid with State or other funds before it accesses Federal Part C funds. This process is another mechanism used by DHH to meet the requirement that Part C is the payor of last resort.

DHH reported to OSEP that although DHH has an approved system of payments on file with OSEP, it has never implemented it. Families are not required to participate in the cost of Early Steps services.

### Nonsupplanting Requirements

With respect to the IDEA Part C nonsupplanting/maintenance of effort (MOE) requirements in IDEA section 637(b)(5)(B) and 34 CFR §303.124(b), DHH indicated that it has a method to calculate whether the total amount of State and local funds budgeted for early intervention services in one fiscal year is maintained or increased from the total amount of State and local funds actually expended on such services in the most recent preceding fiscal year. DHH reported to OSEP that the Louisiana Legislature controls budget allocations for Early Steps and that the amount of State funds allocated is at least the same or more than the previous fiscal year. In years when the State has faced budget reductions, DHH has still been able to meet the nonsupplanting/maintenance of effort requirements in IDEA section 637(b)(5)(B) and 34 CFR §303.124 because the Louisiana Legislature has ensured that Early Steps does not sustain any funding cuts. In fact, Louisiana has made the funding of children's programs a priority for the State.

OMF staff work closely with the OCDD fiscal staff and the Early Steps Part C Coordinator to ensure the use of procedures to track the level of expenditures for Part C to determine compliance with nonsupplanting/MOE requirements under IDEA Part C. These procedures govern the effective operation of the Early Steps fiscal system and are used to verify that budgeting for a given FFY includes at least the total amount of State and local expenditures for early intervention as in the previous FFY. DHH reported to OSEP that it includes all State and local funds in the MOE calculation.

### **OSEP Conclusions**

Based on the review of documents, analysis of data, feedback from stakeholders and interviews with State personnel, OSEP concludes that the State has procedures as described above that appear reasonably designed to ensure appropriate use of IDEA funds at the State level, but has not reviewed source documentation regarding implementation of these procedures, which may identify specific concerns with the State's fiscal system.

### **Required Actions/Next Steps**

No further action is required.