



UNITED STATES DEPARTMENT OF EDUCATION  
OFFICE OF SPECIAL EDUCATION AND REHABILITATIVE SERVICES

Honorable E. Mitchell Roob, Jr.  
Secretary  
Indiana Family and Social Services Administration  
402 W. Washington Street  
P.O. Box 7083  
Indianapolis, Indiana 46207-7083

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Dear Secretary Roob:

The purpose of this letter is to inform you of the results of the Office of Special Education Programs' (OSEP's) recent verification visit to Indiana under Part C of the Individuals with Disabilities Education Act (IDEA). As indicated in our letter to you of April 13, 2006, OSEP is conducting verification visits to a number of States as part of our Continuous Improvement and Focused Monitoring System (CIFMS) for ensuring compliance with and improving performance under Parts B and C of the IDEA. OSEP staff conducted the verification visit to Indiana during the week of August 14, 2006.

The purpose of our verification reviews of States is to determine how they use their general supervision and State-reported data collection systems to assess and improve State performance, child and family outcomes, and the protection of child and family rights. The purpose of the verification visits are to: (1) understand how these systems work at the State level; (2) determine how the State collects and uses data to make monitoring decisions, and (3) determine the extent to which the State's general supervision systems are designed to identify and correct noncompliance and improve performance.

My staff appreciated the opportunity to meet with Ms. Lora Miller, Director of the Bureau of Child Development Services, at the beginning of their visit to the Indiana Family and Social Services Administration (FSSA), the State's Part C Lead Agency. As part of the verification visit, OSEP staff also met with Ms. Dawn Downer, the State's Part C Coordinator, and members of the FSSA early intervention staff who are responsible for: (1) the oversight of general supervision activities (including monitoring, mediation, complaint resolution, and impartial due process hearings); and (2) the collection and analysis of State-operated data.

Prior to and during the visit, OSEP staff reviewed a number of documents, including Indiana's: (1) Federal Fiscal Year (FFY) 2006 Part C Application; (2) FFY 2003 Annual Performance Report (APR); (3) State Performance Plan (SPP); and (4) submissions of data under section 618 of the IDEA, as well as other information and documents.<sup>1</sup> OSEP also conducted a conference call on July 17, 2006 with representatives from the Indiana State Interagency Coordinating Council (SICC) to solicit information on the strengths and weaknesses of the State's systems for general supervision and data collection and reporting.

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<sup>1</sup> Documents reviewed as part of the verification process were not reviewed for legal sufficiency, but rather to inform OSEP's understanding of your State's systems.

The information that Ms. Downer and her staff provided during the OSEP visit, together with all of the information that OSEP staff reviewed in preparation for the visit, greatly enhanced our understanding of FSSA's systems for general supervision and data collection and reporting for the Indiana First Steps Program.

### **General Supervision**

In looking at the State's general supervision system, OSEP collected information regarding a number of elements, including whether the State: (1) has identified any barriers (e.g., limitations on authority, insufficient staff or other resources, etc.) that impede the State's ability to identify and correct noncompliance; (2) has systemic data-based, and reasonable approaches to identifying and correcting noncompliance; (3) utilizes guidance, technical assistance, follow-up, and -if necessary- sanctions, to ensure timely correction of noncompliance; (4) has dispute resolution systems that ensure timely resolution of complaints and due process hearings; and (5) has mechanisms in place to compile and integrate data across systems (e.g., 618 State-reported data, due process hearings, complaints, mediation, previous monitoring results, etc.) to identify systemic issues and problems.

### ***Structure of the Indiana First Steps System***

Indiana's Part C First Steps Program provides early intervention services for infants and toddlers who: (1) have developmental delays; or (2) show signs of being at-risk of having certain developmental delays in the future if early intervention services are not provided.

**Bureau of Child Development Services (BCDS).** Within the Lead Agency, BCDS has responsibility for general supervision of Indiana's Part C system.

**Central Reimbursement Office (CRO).** As further described below in this letter, the CRO operates Indiana's data collection system. While the primary responsibility of the CRO is to maintain a comprehensive data system, the CRO is also responsible for paying First Steps providers, recovering funds, and managing demographic information on infants and toddlers served.

**System Point of Entry (SPOE).** The Lead Agency reported that a SPOE is the local entity responsible for ensuring that all of the opportunities available under Part C of the IDEA are made available to infants and toddlers and their families who are referred to the First Steps Program. Since April 2006, there have been nine SPOEs made up of clusters of counties. Each cluster is required to identify a single SPOE location where general operations and all early intervention records and electronic files are maintained. Each SPOE serves as the electronic link between First Steps and the CRO. The Lead Agency further explained that SPOEs are required through contract terms to conduct self-assessments, conduct family and provider surveys, and assist with conflict resolution.

**Local Planning Coordinating Council (LPCC).** Each SPOE has its own LPCC, which is responsible for child find and public awareness within the SPOE region. The LPCC is also one of the entities responsible for developing a quality improvement plan for the SPOE cluster.

### *Identification and Correction of Noncompliance*

The Lead Agency informed OSEP that it has a multi-layered system for general supervision that encompasses public and peer assessment and monitoring, quality improvement plan development, and ongoing self-assessment and monitoring. The system includes the following major components: (1) quality review process; (2) quality review focused monitoring; (3) family surveys; (4) performance reports; (5) transition surveys; (6) profile reports; (7) on-site technical assistance visits to SPOEs; (8) quality improvement plan review; (9) quarterly LPCC meetings with communities; (10) self-assessment and data review; (11) monthly technical assistance calls to the SPOEs; (12) provider billing/service log and credential review; (13) review of concern log; (14) IFSP reviews; (15) complaint or explanation of benefits investigation; (16) desk audits; and (17) CRO data review (financial, SPOE, and provider).

**Quality Review Team and Process.** The Lead Agency reported that Indiana, in collaboration with the National Center on Special Education Accountability Monitoring (NCSEAM), has developed a monitoring system utilizing a quality review (QR) team, formerly known as the peer review team. A QR coordinator who is under contract with the State coordinates each QR team. In addition to the QR coordinator, each QR team includes a Lead Agency staff member, an early intervention service provider, a representative of another LPCC, and a representative of another SPOE. The Lead Agency reported that parents are also included, when possible, and the most common role for parents is conducting family interviews or interviewing staff about procedural safeguards discussions and family interviews and interactions.

The Lead Agency reported that the quality review process includes annual on-site monitoring reviews in each SPOE/LPCC cluster. Each cluster is assigned a QR coordinator to coordinate the on-site monitoring visit as well as provide ongoing technical assistance throughout the year. Lead Agency staff informed OSEP that during the on-site visits, the QR teams review clinical documentation, early intervention records, statistical and planning information, and conduct interviews with parents, numerous stakeholders and other participants in the system. The Lead Agency reported that the assessment forms utilized throughout the monitoring process are derived from State and Federal requirements, as well as best practice indicators and contract obligations, and include all Part C requirements.

Lead Agency staff further informed OSEP that the QR team reviews the local system to identify strengths and areas needing improvement and drafts a monitoring report that includes the team's findings, which is submitted to a BCDS consultant for review. The Lead Agency reported that the BCDS consultant, in turn, releases a final monitoring report, that includes all State-required improvements to the SPOE cluster within 45 days of the on-site visit, and discusses the final report at a scheduled exit conference when the SPOE cluster is also given ideas to further improve the local system. The Lead Agency explained that within 30 days of receipt of the final monitoring report, a quality improvement plan must be developed and submitted to the BCDS consultant for approval. All entities are required to develop and implement a quality

improvement plan, and quarterly progress report updates are required to be submitted to the State and the BCDS consultant. Lead Agency staff reported that follow-up site visits are conducted as necessary and any noncompliance identified must be corrected within one year.

The Lead Agency reported that it currently has four First Steps consultants who report to the Part C Coordinator. A total of six consultant positions are allocated, and at the time of OSEP's visit, the Lead Agency had a job announcement posted for a fifth consultant. As noted above, a First Steps consultant monitors all quality review and quality assurance activities. Other First Steps Program staff members assist with follow-up activities and quality assurance plans related to their specialty areas.

In a verification visit follow-up telephone conference and email correspondence with the State Part C Coordinator on October 23, 2006, OSEP learned that, in addition to the QR monitoring procedures discussed above, each SPOE contract also includes outcomes that the SPOE cluster must accomplish throughout the year. SPOEs are required to submit semiannual reports updating their progress on achieving the outcomes, and financial sanctions are enforced if a SPOE does not meet the outcomes.

**Quality Review Focused Monitoring.** Lead Agency staff informed OSEP that Indiana has worked closely with NCSEAM in establishing focused monitoring priorities that allow the State to devote resources and attention to specific areas important to the State. The Lead Agency reported that, in addition to the annual QR team monitoring process, it also conducts focused reviews on specified monitoring priorities in selected SPOEs each year. Lead Agency staff reported that transition and eligibility are examples of focused monitoring priorities for this year. Lead Agency staff informed OSEP that focused monitoring is data-driven. BCDS, in collaboration with the Focused Monitoring Teams, selects SPOEs for focused reviews based on SPOE profiles and complaints and concerns received by BCDS. The monitoring team reviews randomly-selected child records, and a short turnaround time is given to SPOEs regarding which records will be selected. Lead Agency staff explained that the QR coordinator maintains the data collected. If noncompliance is found, a report is developed and sent to the appropriate SPOE, and technical assistance is provided.

**Technical Assistance Visits.** During the verification visit, the Lead Agency reported that the QR coordinators provide on-site technical assistance, as they determine necessary to address performance or compliance issues, as directed by the Lead Agency or as requested by the SPOE clusters.

OSEP learned in interviews with Lead Agency staff that each SPOE has the ability to run reports that assist in the monitoring of its local service area. The Lead Agency also reported that the State has the ability to run reports on a statewide or county basis. The Lead Agency further explained that the State conducts regular reviews of the Indiana data system, quarterly State and local data profiles, and policies and procedures to identify any barriers or system issues. It also compiles and integrates data across systems to identify local providers in need of assistance, intervention, and substantial intervention. The Lead Agency indicated, for example, that a monthly 45-day timeline report is run. If the data indicate noncompliance, the QR coordinator would be notified to review the data and compile information to present to the Lead Agency,

which would result in additional training and technical assistance being provided to appropriate SPOE staff.

Based on OSEP's review of Indiana's Part C monitoring system during the verification visit, OSEP believes that the State's systems for general supervision constitute a reasonable approach to identifying and correcting noncompliance. However, OSEP cannot, without also collecting data at the local level, determine whether the State's procedures are fully effective in identifying and correcting noncompliance.

### ***Dispute Resolution***

During the verification visit, the Lead Agency reported that it received six administrative complaints during 2005 and resolved all of them within 60 calendar days or within an extended timeline due to exceptional circumstances with regard to the particular complaint. The Lead Agency indicated that it had received one complaint in 2006, and the 60-day timeline for that complaint had not yet elapsed at the time of OSEP's verification visit. The Lead Agency reported that, as of the date of the verification visit, the State had received no mediation or due process hearing requests in 2006.

### **Data Collection Under Section 618 of the IDEA**

In looking at the State's system for data collection and reporting under section 618 of the IDEA, OSEP collected information regarding a number of elements, including whether the State: (1) provides clear guidance and ongoing training to local programs/public agencies regarding requirements and procedures for reporting data under section 618 of the IDEA; (2) implements procedures to determine whether the individuals who enter and report data at the local and/or regional level do so accurately and in a manner that is consistent with the State's procedures, OSEP guidance, and section 618; (3) implements procedures for identifying anomalies in data that are reported, and correcting any inaccuracies; and (4) has identified any barriers (e.g., limitations on authority, sufficient staff or other resources, etc.) that impede the State's ability to accurately, reliably and validly collect and report data under section 618.

As noted above, the Lead Agency's CRO manages the Part C data system used to collect the child count, setting, exiting, service, and personnel data required to be reported to OSEP under section 618 of the IDEA. In February 2006, the Lead Agency changed data system vendors and now has a contract with Electronic Data Systems (EDS). The Lead Agency reported that it is working with EDS on the design process to move the current system to a web-based platform system.

Lead Agency staff explained that each SPOE is electronically connected to the CRO. The CRO, through the State contract, is responsible for the initiation and maintenance of an electronic early intervention record. This record includes the child/family database and all authorized and reimbursed services. Each SPOE cluster has its own data entry clerk who enters demographic information, referral data and referral sources, provided by the Intake Coordinator, into the system. There is a two-day turnaround time to enter both referral and intake data into the system. Lead Agency staff informed OSEP that once the referral date is entered into the system,

the date cannot be changed, and that this date begins the 45-day timeline for completion of the evaluation and assessment and initial IFSP meeting.

The Lead Agency reported that data from IFSPs are used to collect child count, settings, and services data. The data are entered directly by individual SPOEs, and claim information is entered by the CRO. Lead Agency staff explained that missing data elements on IFSPs are returned to service coordinators for review and completion. Information is sent to the CRO on a daily basis. Lead Agency staff told OSEP that the CRO runs standard reports as well as on-demand reports requested by the State.

Lead Agency staff explained that personnel data collected from the CRO are based on the number of enrolled providers by discipline along with the number of actual services provided. The Lead Agency gave the example that if the it has 400 speech therapists, all 400 would not necessarily be working full time, and the State Data Warehouse, based on the actual authorization and delivery of services, would determine the full time equivalency of the 400 speech therapists.

Exiting data are also collected through the CRO. The Lead Agency reported that when a child exits the Part C system, the SPOE must close the file in the data system. There are defined exit codes that are based on the Federal codes. OSEP learned that the State runs reports throughout the year to identify files that have not been closed although the child is over age three or have not posted recent billings for services. The SPOE must determine if the file should be closed and the exiting data entered into the data system. Lead Agency staff informed OSEP that the SPOE must maintain exiting documentation in the child's file and that the QR teams review this documentation as part of their data verification.

Lead Agency staff informed OSEP that the State Data Warehouse serves as a depository for a variety of State programs including First Steps, Temporary Assistance for Needy Families (TANF), Healthy Families, and Child Care. The Warehouse is responsible for producing State reports including reports needed for Federal reporting. Lead Agency staff explained that the Data Warehouse contractor conducts a variety of tasks to verify and maintain data integrity such as data validation and cleansing. The Lead Agency further reported that the depository also allows the State to integrate data between agencies using probabilistic matching routines that assist First Steps in fund recovery by providing eligibility information for TANF and Medicaid.

Lead Agency staff described the extensive and on-going training and support provided to data entry personnel. Additional resources available for data entry include a HELP desk for follow-up and an on-line manual.

Lead Agency staff further described the edit checks that are built into the system to prevent the reentry of certain data initially entered into the system and also the entry of illogical data and duplicate entries of data regarding the same child within a SPOE. The Lead Agency reported that in addition to the edit checks, the QR team, as part of its annual monitoring of each SPOE cluster, compares data submitted by the SPOE with information in a sampling of child records.

Based on information provided to OSEP during the verification visit, OSEP believes that Indiana's system for collecting and reporting data from early intervention service programs is a reasonable approach to ensuring the accuracy of the data Indiana is required to report to OSEP under section 618 of the IDEA.

**Conclusion**

As noted above, OSEP believes that Indiana's general supervision and data collection and reporting systems constitute reasonable approaches to identifying and correcting noncompliance and ensuring the accuracy of the data Indiana is required to report to OSEP under section 618 of the IDEA.

We appreciate the cooperation and assistance provided by your staff during our visit. We look forward to collaborating with Indiana as you continue to improve results for infants and toddlers with disabilities and their families.

Sincerely,



Alexa Posny, Ph.D.  
Director  
Office of Special Education Programs

cc: Dawn Downer  
Part C Coordinator