



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

Honorable David Hood
Secretary
Louisiana Department of Health and Hospitals
P.O. Box 629
Baton Rouge, Louisiana 70821

DEC 19 2003

Dear Secretary Hood:

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 Louisiana. As indicated in my letter to you of June 18, 2003, 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 Individuals with Disabilities Education Act (IDEA). OSEP staff conducted a verification visit to Louisiana during the week of September 22, 2003.

The purpose of our verification reviews of States is to determine how they use their general supervision, State-reported data collection, and Statewide assessment systems to assess and improve State performance; and to protect child and family rights. The purposes of the verification visits are to: (1) understand how the 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 systems are designed to identify and correct noncompliance.

As part of the verification visit to the Louisiana Department of Health and Hospitals (DHH), the State's Part C Lead Agency, OSEP staff met with Sharon Howard, Assistant Secretary, Linda Pippin (Children's Special Health Services Program Manager), Nichole Dupree (the State's Part C Coordinator), and members of DHH's 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-reported data. OSEP also met with consultants who are working with DHH to develop and implement its general supervision and data collection systems. In addition, because DHH's designation as Lead Agency just became effective on July 1, 2003, OSEP interviewed staff from the Louisiana Department of Education (LDE), the prior Lead Agency, regarding: (1) the status of the State's correction of noncompliance, as of June 30, 2003; and (2) the procedures that LDE used to ensure the accuracy of Part C data for the period ending June 30, 2003. Prior to and during the visit, OSEP staff reviewed a number of documents, including: (1) the State's Part C Application, Self-Assessment, Improvement Plan, and Part C Annual Performance Report; (2) LDE Part C monitoring files, including documentation regarding correction of noncompliance; (3) LDE's submissions of Part C data under Section 618 of the IDEA; (4) DHH's written descriptions of its procedures for data

collection and general supervision; and (5) other information and documents posted on the DHH website.¹

OSEP also conducted a conference call on September 2, 2003, with members of the Part C Steering Committee, to hear their perspectives on the strengths and weaknesses of the State's systems for general supervision and data collection and reporting. Ms. Dupree and Ms. Paula Goff also participated in the call and assisted us by inviting the participants.

The information that Ms. Pippin, Ms. Dupree, and their staff and consultants 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 DHH's systems for general supervision, and data collection and reporting, for the Louisiana Early Intervention System (Early Steps).

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 the 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, large-scale assessments, previous monitoring results, etc.) to identify systemic issues and problems.

OSEP's 2001 Findings regarding Louisiana's Part C System

In February 2000, OSEP conducted a targeted monitoring review of Louisiana's Part C and Part B systems. In its July 20, 2001 Louisiana Monitoring Report, OSEP made a number of serious findings of noncompliance under Part C, including the following general supervision findings:

1. The State was not monitoring for compliance with all Part C requirements;
2. The State was not monitoring all programs and agencies that provided Part C services;
3. The State was not ensuring correction of all of the noncompliance that it identified; and
4. The State Interagency Coordinating Council (SICC) did not include the required percentage of parents of children with disabilities whose children are under the age of 12, and at least one parent of a child with a disability under the age of six.

¹ 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.

In addition to the above-described general supervision findings, OSEP's 2001 Monitoring Report also made a number of other findings of noncompliance under Part C, and directed the State to use its general supervision system to ensure that all of these findings were corrected:

1. The State had not ensured that all children who may be eligible for early intervention services were identified, located and evaluated, and received needed services in accordance with Part C;
2. The State had not implemented an effective public awareness program;
3. The State had not ensured that the initial Individualized Family Service Plan (IFSP) meeting was convened within 45 days from referral;
4. Services are added to the IFSP or eliminated or reduced without an IFSP meeting or parent consent prior to the provision of services described in the revised IFSP.
5. The State had not ensured that all of the early intervention services or other services needed to meet the unique needs of the child and family were included on the IFSP, and that all of the early intervention services on the IFSP were provided.
6. The State had not ensured compliance with Part C's requirements regarding the provision of services in the natural environment;
7. A family service coordinator (FSC) was not assigned to a child and family until after the evaluations and assessments had been completed to determine a child eligible, and parents' rights were not provided to parents of children suspected of delay until after the child was determined eligible for early intervention services.
8. Service coordinators did not coordinate all services needed by families, including medical and other services that the child needs, but that are not required under Part C.
9. Families did not receive transportation services that the participants in the IFSP meeting determined that they needed to enable them to participate in early intervention services; and
10. Supports and services necessary to enhance the family's capacity to meet the developmental needs of their child were not always identified and included in the IFSP's statement of the specific services needed to meet the unique needs of the child and family.

The State is required to ensure correction of all of the above-described noncompliance. In a February 12, 2003 letter to the State, OSEP approved the Improvement Plan that LDE submitted for correcting all of the above-described noncompliance, and directed the State to provide documentation that it had corrected all of the noncompliance by February 12, 2004. As noted above, LDE was the State's Lead Agency at the time of OSEP's 2000 monitoring visit, OSEP's July 20, 2001 monitoring report, and OSEP's February 12, 2003 approval of the State's Improvement Plan. Although Lead Agency responsibility changed from LDE to DHH on July 1, 2003, the State

of Louisiana—now represented by DHH as the Lead Agency—remains responsible for implementing the approved Improvement Plan and for providing, by February 12, 2004, documentation that the State has corrected each of the areas of identified noncompliance.

Accordingly, as part of the 2003 verification visit, OSEP reviewed LDE Part C monitoring records, and interviewed both LDE and DHH staff regarding the status of implementing the Improvement Plan and correcting the noncompliance. In addition, OSEP interviewed DHH staff and consultants regarding the new Lead Agency's proposed procedures for ensuring that agencies and providers correct identified noncompliance.

Structure of "Early Steps," DHH's Early Intervention System

DHH has established 19 System Points of Entry (SPOEs) to receive Part C referrals from families and other primary referral sources. The SPOE receiving the referral of a child assigns an initial Family Service Coordinator (FSC), who: (a) informs parents of their rights under Part C; (b) gathers needed information on the child and the family as part of the intake process; (c) schedules an evaluation and assessment; and (d) facilitates the determination of eligibility; and (e) convenes the initial Individualized Family Service Plan (IFSP) meeting for the child, and facilitates the development of the initial IFSP. Prior to the initial IFSP meeting for the child, the agency with which DHH has contracted to provide on-going service coordination in that region of the State appoints an FSC, who, together with the initial FSC, participates in the initial IFSP meeting, and then assumes full responsibility for service coordination following the initial IFSP meeting. These Family Service Coordination Agencies were already in existence before the change of Lead Agencies in July 2003. Contracted providers and agencies provide early intervention services to children and their families.

DHH contracts with a private consulting firm, Covansys, to manage DHH's Central Finance Office (CFO). The CFO maintains DHH's centralized data system, which is based on a central finance model for Early Intervention Systems. The CFO enrolls providers in the system, then, pays providers for services utilizing a fee for service reimbursement approach. The CFO manages the recovery process by billing all potential funding sources to ensure "payor of last resort" requirements are met. The SPOEs and the early intervention provider agencies are responsible for working with the CFO in providing all required data for federal and State reporting purposes, as well as operational reports, provider reports and reports to the SICC and Regional Interagency Coordinating Councils (RICCs). The CFO also maintains the provider enrollment file and electronic listings of enrolled providers. The CFO generates all the reports at this time and is able to create new reports as requested by the Lead Agency and/or the provider agencies. Providers bill the CFO, and the CFO in turn bills Medicaid and other funding sources as appropriate.

Initial training for the SPOEs and FSCs began in June 2003. DHH published a request for proposals, with proposals due October 6, 2003, to provide training for early intervention service providers. DHH's plan is to develop several training modules and divide the State into 5 areas for training purposes.

The Lead Agency's staff includes: (1) the Part C Coordinator ("Program Manager"); (2) nine Regional Coordinators, who work collaboratively with Community Support Specialists (as part of the Families Helping Families Program) to provide direct technical assistance and support to the

SPOEs and other early intervention providers; (3) a Nurse Consultant; (4) a Transition Coordinator; and (5) a procedural safeguards specialists. DHH has included in its budget funding for the following additional staff: (1) three Quality Assurance Specialists, who will have primary responsibility for implementing the Lead Agency's monitoring procedures, follow-up on problems triggered by data reports, and provide technical assistance to support local self-improvement activities; (2) a Child Find Specialist, who will work Statewide to locate underserved children and families, and to identify their needs based on data gathered. This specialist will also be responsible for public awareness activities; and (3) a family consultant.

Identification of Noncompliance.

DHH has been the lead agency for Part C since July 2003. At the time of the verification visit, DHH presented data that it has collected to establish a baseline on indicators such as: (1) timeliness of evaluation, assessment, and IFSP development; (2) services provided; (3) service settings; and (4) exiting. DHH has conducted visits to eight of the SPOEs, for the purpose of reviewing the intake process and reviewing initial IFSPs. DHH staff reported that it was also in the process of conducting a desk audit of each Service Coordination Agency, and generating monthly reports on: (1) timeliness of IFSPs, (2) children served, (3) transition, and (4) staffing issues.

DHH and its consultants from Louisiana State University's Rockhold Center informed OSEP that DHH anticipates that a complete Continuous Improvement and Focused Monitoring System (CIFMS) will be in full implementation by February 2004. At the time of the verification visit, DHH had begun to use data from the automated computer system maintained by Covansys to prepare data profiles for each agency, for the agency to use in self-assessing and improving its performance. DHH intends to add use of desk audits of these and other data, periodic site visits, record reviews, direct observations, surveys, interviews and focus groups for monitoring. The Rockhold Center consultants projected that most of the data that DHH needs for an effective monitoring system will be available through this data system. DHH is also developing procedures for: (1) SPOE self-assessments; (2) local reports on compliance and the status of correction activities; (3) reviews of files, IFSPs and other documents by the Regional Coordinators, and, at times, the Quality Assurance Specialists; (4) on-site visits by peer review teams; and (5) pilot studies to establish a baseline for focused monitoring of the intake and IFSP processes, and to determine trends and training and technical assistance needs. At the time of OSEP's verification visit, DHH had visited eight of the 19 SPOEs. DHH plans additional pilot studies that will look at transition, services in the natural environment(s), and outcomes/functional abilities, through IFSP reviews, observations, exit interviews of parents, interviews of the providers, and case studies of assessment data.

DHH staff reported that the challenges they face include: (1) developing an effective system for reviewing and responding to the information that is being reported; and (2) developing a responsive technical assistance and improvement system; they further reported that plans were in place to have this completed by November 2003.

As noted above, DHH described, in preliminary detail, the monitoring system that it intends to have in full implementation by February 2004. At the time of OSEP's September 2003 verification visit, DHH was still designing many of the details of the monitoring system and had not yet begun to implement the system. It is apparent that DHH is working with its consultants in a thoughtful,

systematic way to design its system for identifying noncompliance. However, until DHH can present a comprehensive set of monitoring procedures and provide evidence of the system's effectiveness in addressing all Part C requirements and all agencies providing Part C services, OSEP cannot determine whether DHH's systems for general supervision constitute a reasonable approach to identifying noncompliance.

Correction of Noncompliance

As summarized on pages 2 and 3 of this letter, OSEP's July 20, 2001 monitoring report included a number of findings of noncompliance with Part C. During the verification visit, OSEP collected information from DHH and LDE, the former Lead Agency, to determine the progress the State has made in correcting that noncompliance, and to understand the steps that DHH will take to ensure that it completes the correction of all of the noncompliance by February 2004.

During the verification visit, DHH provided documentation that the State has already completed the correction of the findings regarding: (1) the required membership of the SICC: and (2) the assignment of a service coordinator as soon as a family is referred prior to an initial evaluation, and provision to parents, as part of prior notice of a proposal to conduct an initial evaluation and assessment, of the procedural safeguards available to them under Part C. DHH provided documentation that: (1) the SICC now includes the required percentage of parents of children with disabilities whose children are under age of 12, and at least one parent of a child with a disability under the age of six; and (2) an initial service coordinator is now assigned to a child and family as soon as they are referred to the program, before the evaluation and assessments are completed and the parents are informed of their rights before the determination of eligibility is made. DHH also provided OSEP with a written plan for implementing the Improvement Plan that LDE had submitted and OSEP had approved in order to ensure correction, by February 2004, of the other findings in the 2001 report.

DHH staff and consultants are working to develop an enforcement system that DHH will implement in conjunction with its monitoring system. They indicated that the procedures DHH will implement to ensure correction of identified noncompliance will include: (1) requiring agencies to develop corrective action plans to address any identified noncompliance; (2) regional coordinators and quality assurance specialists conducting follow-up data collection, through interviews and record reviews, to determine whether an agency has corrected non-compliance; and (3) for persistent noncompliance, DHH may reduce funds, and/or terminate contracts.

DHH described, in preliminary detail, the procedures it intends to use to ensure correction of noncompliance that DHH identifies, and that OSEP identified in its 2001 monitoring report. DHH staff and consultants are working to develop an enforcement system that DHH will implement in conjunction with its monitoring system. They indicated that the procedures DHH will implement to ensure correction of identified noncompliance will include: (1) requiring agencies to develop corrective action plans to address any identified noncompliance; (2) regional coordinators and quality assurance specialists conducting follow-up data collection, through interviews and record reviews, to determine whether an agency has corrected non-compliance; and (3) for persistent noncompliance, the reduction of funds and/or termination of contracts. At the time of OSEP's September 2003 verification visit, DHH was still designing many of the details of its correction procedures, and had not yet begun to implement those procedures. It is apparent that DHH is

working with its consultants in a thoughtful, systematic way to design a system for correcting noncompliance. However, until DHH can present a more fully designed system of correction procedures and provide evidence of the system's effectiveness in ensuring the effective and timely correction of noncompliance, OSEP cannot determine whether DHH's systems for general supervision constitute a reasonable approach to correcting noncompliance. As noted above, DHH must provide evidence that its procedures for correction are effective by February 12, 2004. As part of that documentation, DHH will need to demonstrate that it has ensured the correction of OSEP's 2001 findings and that it is effective in ensuring the timely correction of any noncompliance that DHH identifies.

Complaints, Due Process Hearings, Mediation, and Notice of Procedural Safeguards

DHH's 2003 application for Part C funds included written procedures for the resolution of State complaints, due process hearings and mediation, all of which are consistent with the requirements of Part C. DHH has elected, pursuant to 34 CFR §303.420, to develop procedures for mediation and hearings that are consistent with 34 CFR §§303.419 and 303.421-303.424, rather than to adopt procedures that are consistent with the Part B requirements at 34 CFR §§300.506-300.512. At the time of OSEP's verification visit, DHH had received two State complaints and no requests for due process hearings. The 60-calendar day timeline for resolving the complaints had not yet lapsed. DHH indicated it is resolving these complaints.

Data Collection under Section 618 of the IDEA:

In looking at the State's system for data collection and reporting, OSEP collected data 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.

OSEP believes that DHH'S system for collecting and reporting data is a reasonable approach to ensuring the accuracy of the data that DHH will report to OSEP under section 618.

The Lead Agency has contracted with a private consulting firm, Covansys, for assistance in developing and implementing its Part C data system. DHH staff informed OSEP that when one of the SPOEs receives a referral from a parent or other referral source, the SPOE data entry staff enters the child into the Early Intervention data system. They explained that DHH does not include a child as part of the Part C child count until the evaluation and assessment process is complete, DHH has found the child eligible under Part C, and the child has an IFSP. Once a child is determined to be eligible, the Intake Coordinator at the SPOE is responsible for entering child and family information, along with required information from a child's IFSP and regularly sending a batch file to the CFO. The SPOE electronically collects enrollment, referral/intake/initial and ongoing IFSP/exit information, family information, diagnosis information, program eligibility information,

evaluation and service authorization information, and medical and screening information. Each SPOE can access their own data and run reports. DHH can access all the data and run reports. Reports can be produced on numbers of children served and provides information on race, date of birth, ethnicity, and primary diagnosis. Reports are produced and reviewed monthly. The local staff has routine responsibility for verifying data and correcting any errors. DHH will crosscheck the validity of targeted samples of data during on-site visits. DHH further reported that it would use statistically valid methods of triangulating data from multiple sources to ensure the accuracy of data. Training on the software and areas of data collection are mandatory for all intake staff. Passwords are then provided. Training began prior to July 1, 2003 and all the software was fully in place by July 1 at the SPOEs. DHH reported that its primary challenges were the data conversion from LDE's data system to the new Part C data system, gathering data regarding children who exited the Part C system between January 1 and June 30, 2003, and reporting personnel data in valid fulltime equivalents. LDE maintains the Part C data prior to July 1, 2003, and agreed to work with DHH on the 618 Data Report due November 1, 2003. LDE has also directed LEAs to work cooperatively with the SPOEs on data collection.

Under LDE, LEAs were responsible for collecting and reporting the data from all providers in their geographical area. Except for the personnel table, LEAs collected and reported Part C data as a subsystem of LDE's LANSER data program. There is some discrepancy in the definitions that LDE used for exiting of children turning three; however, LDE provided OSEP with a chart that it used to crosswalk the data when completing the tables for the Annual Report. LDE staff reported to OSEP that they have a high level of confidence in the accuracy of the data that has been reported to the State's early intervention data system. They did acknowledge less confidence in the accuracy of the full-time equivalent (FTE) count regarding personnel. DHH will need to assure OSEP that the personnel data provided by LDE and by DHH for the next report and subsequent reports are accurate.

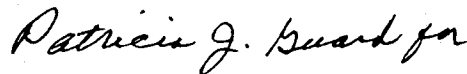
DHH staff stated that they use OSEP's definitions for settings, services, and ethnicity. In reviewing DHH's exiting definitions, OSEP made suggestions to ensure that the field understands each reason and accurately reports exiting data. DHH acknowledged that the data system currently does not have a way to transfer data of children moving from one SPOE to another or even within the same SPOE. Children may be counted more than once or being exited prematurely. It will be important that DHH build protections into the data collection system to ensure that there is no duplication of children, and that it counts all eligible children who have an IFSP. DHH has provided a reference manual for SPOEs, updated regularly, which provides the intake coordinators with help on the system and includes the data dictionary. In order to ensure an unduplicated count of children, Covansys will be providing DHH with information on how the system can handle any duplicate entries, training and responsibilities that would be need to be assigned to the State Data Manager in monitoring the data. DHH is developing a formula based on hours of services to calculate personnel FTEs. The data system will then provide DHH with this information. DHH staff stated that they will also be able to use the data system to track shortages, in order to improve recruiting efforts. DHH staff informed OSEP that they could use the data system to view data over time, and to inform its monitoring and improvement planning.

Covansys, the CFO for DHH, maintains a Part C Web Service that enables families to view the Central Directory, view provider information and view the service matrix information. The SPOEs can query the service matrix, receive updated provider lists daily, send in authorizations once an

IFSP decision about services and providers is made, and receive any software updates. The providers can update their information online and review current program information. The Lead Agency can download the data as frequently as desired and view all information.

We appreciate the cooperation and assistance provided by your staff during our visit, and we look forward to collaborating with Louisiana as you continue to work to improve results for children with disabilities and their families.

Sincerely,

A handwritten signature in cursive script that reads "Stephanie J. Smith Lee".

Stephanie Smith Lee

Director

Office of Special Education Programs

cc: Nichole Dupree