



Corrective Action Plan Follow-up Review: Special Education – Individualized Education Programs (IEP) and School Health Related Services Audit

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Final Follow-up Report

Audit Plan Code: 20-17

Management implemented a corrective action plan (CAP) with 10 activities to address the findings and recommendations in the original audit report. As such, this report represents the closeout of the CAP.



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Abbreviations

ARD	Assessment, Review, or Dismissal (Individualized Educational Planning Committee)
CAP	Corrective Action Plan
EPISD	El Paso Independent School District
eSPED	A web-based application designed as an “IEP and Special Education Management System” managed through Frontline Education
IEP	Individualized Education Program
IIA	Institute of Internal Auditors
RFQ	Request for Qualifications
SHARS	School Health-Related Services
SMART	Web-based application from Texas Association of School Boards (TASB) Special Education Solutions for memorializing Service Provider session logs and processing Medicaid/SHARS reimbursement claims
SOP	Standard Operating Procedures
SpEd	Special Education
TASB	Texas Association of School Boards
TEA	Texas Education Agency
TEC	Texas Education Commission
THHSC	Texas Health and Human Services Commission
THMP	Texas Medicaid & Healthcare Partnership (enrolls providers in the Texas Medicaid program and processes claims for Texas Medicaid and other state programs)



Follow-up Review

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Background

The Institute of Internal Auditors' (IIA) International Standards for the Professional Practice of Internal Auditing, Performance Standard 2500 - Monitoring Progress, require we "...establish and maintain a system to monitor the disposition of results communicated to management." Internal Audit has established the Corrective Action Plan (CAP) process to meet this requirement. The process includes monitoring and reporting whether management has implemented corrective actions to address audit findings, observations, and recommendations.

Internal Audit issued the Special Education students' Individualized Education Programs (IEP) and School Health-Related Services (SHARS) audit report to District management and administration on March 6, 2019. We performed the audit as part of the Board approved 2018-2019 Internal Audit Plan. The objective of the audit was to determine compliance with high-risk eligibility, program, and documentation requirements outlined in federal/state laws, state and local policies or guidance for Special Education (SpEd) students' IEPs and Medicaid School Health and Related Services (SHARS) claims. The scope of our audit was the fall semester of the 2017-2018 school year.

Our audit found the District was unable to claim Medicaid SHARS reimbursement funds as a result of inadequate, incomplete, or missing documentation. We also found an absence of written "day to day" departmental standard operating procedures or monitoring of Medicaid SHARS processes at the department and campus level. The original audit report included five (5) findings and five (5) recommendations. For reference, a summary of original audit report findings is provided on **Exhibit A**. District management and administration agreed with our recommendations and developed a corrective action plan (CAP) with ten (10) activities.

Objective and Scope

The objective and scope of this follow-up review was to determine whether management implemented the 10 CAP activities or took other actions to address the five (5) findings and five (5) recommendations outlined in the Special Education students' Individualized Education Programs (IEP) and School Health-Related Services (SHARS) Audit Report.

Methodology

To achieve our follow-up review objective, we:

- Held meetings and communicated with persons responsible for carrying out the CAP activities.
- Reviewed supporting documentation maintained by management as evidence of completion of the CAP activities provided to Internal Audit.

Inherent Limitations

This was a limited scope follow-up review covering only the actions taken by administration to address the original audit findings and recommendations stated in the Objective and Scope section of this report. No representations of assurance are made to other areas or periods not covered by this follow-up review.

Summary of Results

CAP Activities	Implemented	Overall CAP Status
10	10	Closed

Management implemented a corrective action plan with 10 activities to address the five (5) findings and five (5) recommendations in the original audit report. As such, this report represents the close-out of the corrective action plan.

Original Recommendations and Status of CAP Activities

The original recommendations, the person(s) responsible, and the status of the CAP activities are outlined below:

1

We recommended the Special Education and Special Services Department create **internal** standard operating procedures (SOPs) to specifically document the day-to-day department and related campus Medicaid/SHARS processes and procedures (*separate from the SPED Guidelines currently online*). In addition, it is critical for the Operations, and Compliance Director and Medicaid/SHARS staff to continue identifying and correcting IEP or SHARS compliance issues and document those processes and conclusions in the SOP. Once completed, the SOP should be presented to Leadership, not only to help ensure buy-in but also for informational purposes, so as Leadership will be up-to-date on any processes and procedures affecting the District.

Management and Leadership Response: Management and Leadership concurred with our recommendations and incorporated into the CAP as activity four (4) and reiterated through activities five (5), six (6), seven (7), nine (9), and ten (10).

Persons Responsible: Director of Special Education Operations and Compliance and Medicaid/SHARS Coordinator

Status of Activities: Implemented

In addition to our recommendation, the Special Education/Special Services Department will perform audits to address the monitoring of campus and departmental processes and procedures. The audits were incorporated into the CAP as activities two (2) and three (3) as follows:

Activity 02: "Audits are to be performed/completed at the end of each 9 weeks (*and on-going after CAP completed*) and will consist of 1% of the students served in each discipline to determine if the activities/procedures, noted in activities 05 through 10, were successfully implemented. Based on the audit results, non-compliance with new procedures will be reported to the District employees' direct supervisor(s) in writing."

Persons Responsible: Director of Special Education Operations and Compliance; SHARS/MAC Coordinator; Facilitator Evaluations; Facilitator Speech & Language Pathologist; and Facilitator OT/PT.

Status: Implemented

Activity 03: “The Special Education Department (SPED) will develop written procedures and/or flow-charts for audits (*CAP Activity 2*) and will be communicated to the District staff/employees who will perform the audits, and the results provided to principals and/or their area assistant superintendent as needed.”

Persons Responsible: Director of Special Education Operations and Compliance

Status: Implemented

We recommended the Special Education and Special Services Department incorporate corrective action activities already in progress into the written Corrective Action Plan required to address the findings outlined in this report. The format of the CAP requires the data owner to detail the activity, the person(s) responsible for implementing the activity (within their department), activity due dates, and the evidence the data owner will provide to show the activity was implemented. **This provides consistency to the corrective action process and allows for monitoring.**

We recommended Special Education/Special Services administration incorporate the following in the Corrective Action Plan:

- 2.1 Address (Finding 1.1), the transportation services provided as a related service to students that will be captured electronically through the Zonar system.
- 2.2 Address (Finding 1.2), the new electronic prescription file folders created in *eSPED* to upload prescriptions for 2018-2019 and include procedures to address any prescriptions or referrals **not** subsequently found.
- 2.3 Address (Finding 2), the upload of students' Medicaid numbers to a student's *eSPED* ARD/IEP paperwork and related documents to ensure compliance with the Medicaid numbers on all documents for Medicaid SHARS eligible students and other processes developed to address the issue and report as completed.

Management and Leadership Response: Management and Leadership concurred with our recommendation and incorporated into the CAP as activities one (1), five (5), six (6), seven (7), and eight (8).

Persons Responsible: SHARS/MAC Coordinator, Transportation Director; Director of Special Education Operations and Compliance

Status of Activities: Implemented

To address Findings 1 in more detail, we recommended Special Education/Special Services administration:

- 3.1 Direct Diagnosticians to review 2018-2019 Full Individual Evaluation (FIE) or REED ARDs to ensure the **supporting** documents or “existing evaluation data” used to determine eligibility, schedule of services, or to continue services, are actually within the *eSPED* files (assessments, evaluations, and referrals/prescriptions [reference 2.2 above]).
 - 3.1.1 The Special Education/Special Services administration should create a uniform and timely process for campuses to document and report on their review in 3.1, as well as develop corrective action for Full Individual Evaluations (FIE) or Review of Existing Evaluation Documents (REED) ARDs' missing supporting documentation.
- 3.2 We recommended Speech Language Pathologist (SLPs) use the District's “**Prescription Referral for Language Therapy** form” **going forward, as the referral**, to ensure standardization District-wide as the form has concise, consistent language with fixed

documentation elements. Currently, SLPs have the option to use the evaluation as the referral or the District's prescription form. We found, when the evaluation was used as the referral, the referral part was either missing, ambiguous, or incomplete, and some of the evaluation signature pages were missing as well.

Management and Leadership Response: Management and Leadership concurred with our recommendation and incorporated into the CAP as activities five (5), six (6), and seven (7).

Person Responsible: Director of Special Education Operations and Compliance and Medicaid/SHARS Coordinator

Status of Activities: Implemented

To address Finding 3, we recommended the Special Education/Special Services administration:

- 4.1 Work with the SMART application or current vendor representatives to develop an area on the session notes, *if practical*, to reference the IEP (dates/type) and the medical necessity related to the IEP objective.
- 4.2 Standardize the formatting of student's IEP *Goals and Objectives* and Service Provider's session notes *Objectives* District-wide. Standardization will help simplify and lessen the time required for reviews and verification processes by department staff for Medicaid SHARS billing and ARD committee members for compliance and *FAPE* purposes.
- 4.3 Develop procedures and training for Service Providers to:
 - 4.3.1 Verify they are referencing the correct IEP (dates/type) and are **directly and accurately** referencing the IEP, **in effect**, on session notes for the day the service was provided; i.e., **not** cutting/pasting all the student's IEP related services goals and objectives into session notes.
 - 4.3.2 Ensure Service Providers' *Observations* captures the student's IEP progress or lack of progress on the related services' objectives, **for that day's session** to document *FAPE*.
 - 4.3.3 Develop written procedures to help assure students are receiving *FAPE* per the student's IEP and is documented in the Service Provider's session notes accordingly. Implementation should include on a six-week or quarterly basis, performing an audit/review of the SMART application's Service Provider session notes and/or SMART reports of Service Provider's related services sessions compared to the student's IEP related services "schedule of services".

Management and Leadership Response: Management and Leadership concurred with our recommendation and incorporated into the CAP as activity nine (9).

Person Responsible: Director of Special Education Operations and Compliance

Status: Implemented

To address Finding 5, we recommended Special Education/Special Services administration work with Schools' assistant superintendents to develop and implement **written** procedures as internal controls to ensure compliance with Service Providers providing parents the appropriate progress report(s) for each nine-week period, to include that Service Providers create a progress report for the nine-week period leading up to the discontinuation end date of services **to complete** the documentation of the student's progress and document *FAPE*.

Management and Leadership Response: Management and Leadership concurred with our recommendation and incorporated into the CAP as activity 10.

Person Responsible: Director of Special Education Operations and Compliance

Status: Implemented

Exhibit A – Original Audit Results

Finding	Summary Finding
1	<p>The District was unable to claim Medicaid reimbursement funds for several School Health Related Services (SHARS) as a result of inadequate, incomplete, or missing documentation. We also found an absence of written “day to day” <u>departmental</u> standard operating procedures or monitoring of Medicaid SHARS processes at the department and campus level.</p> <p>1.1 Transportation services reimbursement claims were not able to be submitted during 2017-2018, as the forms (hard copies) were insufficient to document the required components necessary for a Medicaid SHARS reimbursement claim (<i>TEA's SHARS Frequently Asked Questions [FAQ] Section [Sec.] U.</i>).</p> <p>Corrective action has been completed. The web-based system Zonar, will directly collect and upload students' transportation services information electronically using a specialized student identification card and an electronic card swiping station located on the applicable buses. Monitoring occurs monthly.</p> <p>1.2 We found 21% or 16 of 75 related service records tested did not have a valid prescription or a referral within the Special Education (SpEd) files (<i>eSPED</i> web-based files and hard copies maintained in other files, not the student's). Out of the 16, six (6) were submitted for reimbursement for five students.</p> <p>The prescription or referral for a student's related services is required for an <i>Assessment, Review, and Dismissal (ARD)</i> committee to design a student's Individualized Education Program schedule of services and to file a Medicaid SHARS reimbursement claim (<i>TEA's SHARS FAQs Updated July 24, 2017 B4.</i>).</p> <p>Corrective action began in the fall of 2017-2018 school year and is ongoing.</p> <p>1.3 We found 13% or 10 of 75 related service records tested were missing students' assessments or evaluations within the SpEd files (<i>eSPED</i> web-based files and hard copy files). Out of the 10, five (5) were submitted for reimbursement for five (5) students.</p> <p>An assessment and/or evaluation is required for an ARD committee to identify a student as eligible for SpEd and related services or to determine whether to continue those services in the future. An assessment or evaluation is also required to file a Medicaid SHARS reimbursement claim (<i>TEA's SHARS FAQs Updated July 24, 2017 B4.</i>).</p>
2	<p>We found 97% or 37 of 38 students' SpEd documents did not have students' Medicaid numbers included as required for Medicaid SHARS reimbursement claims, when parents consented to the District accessing their child's Medicaid benefits (<i>TEA's SHARS FAQ July 2017 B3.</i>). Out of the 37, six (6) were submitted for reimbursement.</p> <p>Corrective action has been completed. The Special Education/Special Services Department worked with Texas Medicaid and Health Partnership (TMHP), Texas Association of School Boards' (TASB) Special Solutions, and Frontline Education to ensure Medicaid numbers are uploaded monthly and ARD/IEP documents populated with the student's Medicaid number. Monitoring occurs monthly and will be part of an audit process established by the Special Education/Special Services Department.</p>

Finding	Summary Finding
3	<p>We found non-compliance, inaccurate references, along with missing components on Service Providers' session notes as listed in 3.1 through 3.3. Session notes are subject to meeting specific state requirements for Medicaid SHARS reimbursement claims. Standardization of IEP and Service Provider session note components are in progress and includes ongoing training (<i>Session note requirements -TEA's SHARS FAQs Updated July 24, 2017 B6.</i>).</p> <p>3.1 We found 94% or 94 of 100 Service Providers' session notes did not have the required IEP reference regarding the medical necessity of the related service(s) provided to students.</p> <p>3.2 We found 26% or 26 of 100 Service Providers' session notes <i>Objective</i> references did not agree to the student's corresponding IEP <i>Goals</i> and <i>Objectives</i> as required. Neither's format is standardized District-wide.</p> <p>We found 5% or 5 of 100 Service Providers' session notes <i>Observation</i> fields were either not completed or not properly completed. Observations should reflect the student's progress.</p>
4	<p>We found 13% or 15 of 114 related services' claims (for six students) did not have a corresponding <u>signed</u> Medicaid parental consent form in the eSPED files. Out of the 15, nine (9) were sent for reimbursement for five (5) students.</p> <p>We also found 17% or six (6) of 36 student's annual Assessment, Review, and Dismissal (ARD) paperwork/IEPs did not have the required annual written parental notification documented if consent was granted in a prior year (<i>IDEA Section 300.154(d) Consent to Access Public Benefit</i>).</p> <p>Corrective action began in the fall of 2017-2018 school year and has been completed. The eSPED program was updated in the fall of 2018, to allow concurrent downloading/printing of the initial or annual consent forms as applicable, as part of the regular paperwork required during ARD committee's meeting. Monitoring occurs weekly and is part of an audit process established by the Special Education/Special Services Department.</p>
5	<p>We found 14% or 13 of 93 related services did not have the corresponding student progress report for the first and/or second nine weeks as required (<i>IDEA §300.320 (a)(3)(i)</i>).</p>



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