



# PROGRAM EVALUATION DIVISION

## NORTH CAROLINA GENERAL ASSEMBLY

December 2018

Report No. 2018-12

# Minimal Evidence Found of Service Duplication for Students with Disabilities in Schools and Communities

## Summary

The Joint Legislative Program Evaluation Oversight Committee's 2018 Work Plan directed the Program Evaluation Division to examine how services for students with disabilities are determined and funded and whether duplication of Medicaid services occurs across school and community settings.

**The Program Evaluation Division found minimal evidence that Medicaid-covered services are duplicated in school and community settings.** A Program Evaluation Division analysis of 3.2 million Medicaid claims from Fiscal Year 2016–17 found only 0.4% of paid claims were potentially duplicated across settings. According to the Division of Health Benefits, all potentially duplicated claims are permissible under a federal law that ensures Medicaid-enrolled children receive medically necessary services.

**Based on measures collected by the U.S. Department of Education, North Carolina complies with the Individuals with Disabilities Education Act and effectively provides services to students with disabilities; efficiency may be improved with the implementation of the Department of Public Instruction's (DPI) new special education services data system.** In 2018, North Carolina was among 21 states to earn a federal determination of meeting IDEA requirements. The State is effective in getting students with disabilities into general classrooms and assisting them with achieving better outcomes. DPI's new Every Child Accountability and Tracking System should improve the efficiency of service delivery for services provided in schools. The Program Evaluation Division also found that DPI's Exceptional Children Division provides technical assistance to local education agencies (LEAs) but does not systematically measure the effectiveness of those efforts.

**North Carolina's new health information exchange, NC HealthConnex, could improve service delivery coordination, but failure to meet the statutory connectivity deadline could negatively impact LEA funding.** LEAs are at risk of losing state funding if they do not connect to NC HealthConnex by June 1, 2019.

Based on these findings, the General Assembly should

- direct DPI to establish methods for soliciting feedback from LEAs' Exceptional Children Directors and
- direct the Department of Information Technology, in conjunction with the Department of Health and Human Services and DPI, to determine the feasibility of and fiscal impact on LEAs in meeting mandatory NC HealthConnex connectivity requirements.