Special Needs Alliance:

Public Policy News You Can Use

April 28, 2026

Federal Judge Ends Federal Oversight of New Orleans Special Education Programs

Earlier this month, U.S. District Court Judge Jay Zainey issued an order ending federal oversight of New Orleans charter schools' special education programs. After Hurricane Katrina, the Louisiana Department of Education took over the majority of New Orlean's schools, converting them from traditional, district-run schools to quasi-autonomous charter schools whose day-to-day operations were managed by private, non-profit groups. In 2010, parents of charter school students alleged that the city's charter schools discriminated against special education students in their applications and did not provide students with appropriate educational services per federal regulations.

The plaintiffs won, and federal oversight of the special education programs began in 2015. 10 years later, the Louisiana Department of Education and New Orleans Parish School Board formally requested to be released from federal monitoring. Dozens of parents protested, claiming their children had been subject to federal law violations recently, despite federal oversight. While Judge Zainey recognized the schools continued to experience difficulties in meeting federal standards for individual students, he ruled to terminate federal oversight because the schools had complied with the original order by addressing systemic issues and establishing procedures to identify and address violations.

The Southern Poverty Law Center representing the original plaintiffs disagreed with Judge Zainey's ruling. They argued that compliance required the schools to meet federal special education standards, which they did not meet according to a 2024 report by the Louisiana Legislative Auditor. On the other hand, the Louisiana Department of Education and New Orleans Public Schools district celebrated the ruling by highlighting their progress and committing to continue to improve their services.

MACPAC Focuses on Home- and Community-Based Services

Over the course of the month, the Medicaid and Children's Health Insurance Program (CHIP) Payment Advisory Commission (MACPAC) shared early results from an environmental scan and released a policy brief on home- and community- based services (HCBS).

Earlier this month, MACPAC held a public meeting over the course of two days, with one presentation on the Health and Welfare in Self-Directed HCBS: Environmental Scan that focused on comparing state and federal policies and procedures safeguarding beneficiaries. MACPAC staff found that state policies frequently went beyond federal statutory and regulatory requirements for Medicaid beneficiaries health and welfare. State requirements include policies and procedures on incident reporting and management, services and spending monitoring, representative and HCBS provider eligibility standards, disenrollment and continuity of care expectations, and broader program integrity and quality oversight. Commissioners expressed interest in further exploring these topics including updated data, data stratification, identification of best practices, and program integrity nuances.

Last week, MACPAC released a policy brief on State Medicaid Coverage of Assistive Technology for Adults using HCBS and a compendium of state-by-state information on assistive technology. The brief clarifies that while assistive technology is not a statutorily defined service, all 50 states and the District of Columbia cover some assistive technology in their HCBS programs serving adults, with specific assistive technology services varying by state. MACPAC found that home accessibility adaptations and personal emergency response systems were the most commonly covered types of assistive technology for adults in HCBS programs. Furthermore, individuals with intellectual or developmental disabilities were found to be the most common populations who are eligible to receive assistive technology, followed by individuals who are physically disabled or aged. For more specific information on state-specific and population-specific offerings, MACPAC referred readers to the compendium.

Administrator Oz Announces New Nationwide Plan to Tackle Medicaid Provider Fraud

At POLITICO's Health Care Summit, Centers for Medicare & Medicaid Services (CMS) Administrator Dr. Mehmet Oz outlined a new initiative aimed at strengthening oversight and combating Medicaid fraud, with a particular focus on Medicaid providers.

Oz indicated that later this week, CMS will announce a requirement for all 50 states to submit a strategy for revalidating providers in high-risk areas. The goal of this initiative is to serve as an additional level of audit in ensuring that only legitimate providers are delivering services and receiving Medicaid payments. He cautioned that states failing to take the revalidation process seriously may face more aggressive Medicaid audits from CMS.

Shortly thereafter, the Centers for Medicare & Medicaid Services (CMS) sent a letter to State Medicaid Directors directing them to develop and submit a comprehensive two-year provider revalidation strategy to strengthen program integrity. The letter calls on states to detail how they will ensure the accuracy of provider enrollment data, while expanding

oversight of high-risk providers through more frequent revalidation cycles than the current federal minimum of five years. CMS also expects states to outline how they will evaluate providers who lack a National Provider Identifier (NPI) number and to address data consistency across delivery systems, including oversight of managed care organization directories alongside fee-for-service programs.

CMS is looking for state provider revalidation strategies to include the following:

- A proposed methodology and timeline for conducting off-cycle provider revalidation for "high-risk" providers, including those without an NPI.
- The metrics that states will use to measure the progress of their PR strategies.
- The approach that states will use to verify that provider information is kept accurate and up-to-date on an ongoing basis.
- How the states will ensure accuracy or provider data across FFS and managed care delivery systems, including managed care plan provider directories.
- How the states will coordinate with relevant law enforcement partners.

Dr. Oz sent accompanying letters to state Governors, highlighting his request for states to submit, within 10 days, confirmation of their "swift" plans to revalidate high-risk providers. Strategies for all other providers were recommended to be submitted within 30 days and completed within two years.

This initiative marks another area of heightened state oversight from CMS, following recent CMS inquiries into state Medicaid programs as well as the agency's deferral of Medicaid funds to Minnesota. However, it was revealed later that the agency drastically overestimated the amount of Medicaid beneficiaries receiving personal care services by approximately 4.5 million, skewing their perception of the scope of fraud in the program.

What's on Tap

Lawmakers on Capitol Hill are facing a busy week with the blueprint for a second reconciliation package heading to the floor and another vote on an amendment of the Foreign Intelligence Surveillance Act (FISA) that would allow the government to surveil foreigners without a warrant. Last week, the Senate passed a budget resolution to provide the Department of Homeland Security (DHS) Immigration and Customs Enforcement (ICE) and Customs and Border Patrol with $70 billion in funding through the remainder of the presidential term. Before reconciliation proceedings get underway, the House must also approve the budget resolution from the Senate – a task that could prove challenging for the Republican conference. Senate Majority Leader Thune (R-SD) has been advocating for a more narrow reconciliation package, the brunt of which would be focused on funding for immigration enforcement activities.

Many conservatives view the reconciliation package aimed at funding DHS as one of the last chances for their conference to enact substantive legislation ahead of the midterm elections because the Democrats are expected to flip the House and possibly the Senate. In light of this concern, many hardline conservatives are pushing for a slew of their legislative priorities to be included in the forthcoming reconciliation package. Republican leadership have promised their members that they would adopt a third reconciliation package before the November election, but many lawmakers remain skeptical on the feasibility of another spending package passing on a condensed timeline.

Upcoming Events

Senate

- In Session: April 27 – May 1

House

- In Session: April 27 - 30
- Tuesday, April 28 at 10:00am | House Committee on Ways and Means hearing with Health System CEOs | 1100 Longworth House Office Building