

# **Alaska Title IV-E Foster Care Eligibility Review October 1, 2005 through March 31, 2006**

## **Introduction**

The Children's Bureau (CB) Region 10 office conducted a primary review of the State of Alaska's title IV-E program in Juneau from September 11 through September 15, 2006. A team of four CB Regional staff, one CB Central Office staff, two federal contractors and five Alaska Office of Children's Services staff completed the onsite review.

The purpose of the title IV-E foster care eligibility review was: (1) to determine if Alaska was in compliance with the title IV-E eligibility requirements as outlined in 45 CFR 1356.71 and Section 472 of the Social Security Act, and (2) to validate the basis of Alaska's financial claims to ensure that appropriate payments were made on behalf of eligible children..

## **Scope of the Review**

The Alaska title IV-E foster care review encompassed a sample of all of the title IV-E foster care cases that received a foster care maintenance payment during the period of October 1, 2005 through March 31, 2006. A computerized statistical stratified sample of 80 cases was selected. The first stratum sample of children in family foster care was selected from the Adoption and Foster Care Analysis and Reporting System (AFCARS) data, which was transmitted by the State agency to the ACF for the period under review and did not include residential foster care cases. The second stratum sample of children in residential foster care was selected from an Excel file provided by the State for the period under review. The child's case file was reviewed for the determination of title IV-E eligibility and the provider's file was reviewed to ensure that the foster home or child care institution in which the child was placed was licensed or approved for the period of the review.

Of the 80 cases reviewed, 65 cases were determined eligible for title IV-E and 15 cases were determined to be in error for either part or all of the review period. Since the number of error cases exceeded four, the ACF has determined Alaska not to be in substantial compliance. Pursuant to 45 CFR §1356.71(i), you are required to develop a Program Improvement Plan (PIP) designed to correct those areas determined not to be in substantial compliance. The PIP will be developed by the State, in consultation with CB Regional Office staff, and must be submitted to the CB Regional Office within 90 days of the receipt of this report and corresponding letter. Once the State agency has satisfactorily completed the PIP, a secondary review of a sample of 150 title IV-E foster care cases will be conducted.

An additional six (6) cases were identified that contained payments that were claimed improperly. Although these cases are not considered "error cases" for determining substantial compliance, the ineligible maintenance payments and the associated administrative costs are subject to disallowance. A disallowance in the amount of \$2,470

FFP in maintenance payments and \$1,593 FFP in administrative costs are assessed for these ineligible payments.

## Case Record Summary

Below is the summary of the findings for the cases determined to be in error:

- One case (Sample Number 14) was determined to be in error because title IV-E was claimed when the initial contrary to the welfare and reasonable efforts determinations were not made. (42 USC 672(a)(1) and 471(a)(15)(B)(i))
- Two cases (Sample Numbers 3 and 42) were determined to be in error because title IV-E was claimed when the annual reasonable efforts determination had not made in a timely manner. (42 USC 672(a)(1), 671(a)(15)(B)(ii) and (C) and 45 CFR 1356.21(b)(2).
- Six cases (Sample Numbers 4, 24, 35, 49, 52, and 80) were determined to be in error because title IVE was claimed even though the household income exceeded the AFDC income standard in the eligibility month, ie the month court action was initiated or a voluntary placement agreement was signed. (42 USC 672(a)(1) and (4) and 45 CFR 1356.71(d)(1)(v))
- Six cases (Sample Numbers 3, 22, 33, 50, 53, and 73) were found in error because title IV-E was claimed for a child who was not placed into a foster home that had been fully licensed. (42 USC 672(a)(3), (b), and (c) and 45 CFR 1356.71(d)(1)(iv), and 1355.20) .
- Five cases (Sample Numbers 3, 33, 50, 53, and 65) were found in error because title IV-E was claimed for a child who was placed with foster parents for whom the criminal records check requirements had not been met. (42 USC 672(a)(20) and 675((1), and 45 CFR 1356.30.

## Strengths

In the title IV-E cases reviewed, the following strengths were noted:

- “Contrary to the welfare to remain in the home” was addressed as a finding in the first removal order.
- “Reasonable efforts to prevent placement” was addressed as a finding in the first removal order.
- Eligibility files contained clear documentation of income, resources, and deprivation and good documentation of eligibility technician decisions.
- Redeterminations of eligibility were completed in a timely manner.
- Alaska has dedicated knowledgeable eligibility specialists who make consistent determinations with support from knowledgeable central office staff.

## Concerns

In the title IV-E cases reviewed, the following concerns were noted:

- “Reasonable efforts to prevent placement” and “reasonable efforts to finalize the permanency plan determinations” were not as meaningful and case specific as they should be.

- “Reasonable efforts to finalize the permanent plan” findings were not consistently made in a timely manner. In addition to the two cases determined in error, additional cases were incorrectly removed from title IV-E for periods of time in which this requirement was met.
- AFDC-relatedness was not consistently determined using the correct eligibility month and the correct home. The Rosales court decision was incorrectly applied to children who entered care prior the State Plan Rosales effective date (7-1-03). The Rosales decision was also incorrectly applied to children who did not meet the AFDC eligibility criteria in the month court action was initiated.
- Some cases are being determined title IV-E eligible when children are placed with providers who do not meet the full licensing requirements and/or criminal check requirements.
- State makes extensive and lengthy use of emergency licenses instead of moving quickly to have providers meet requirements for full licensure.
- The monitoring of facilities which includes the employee criminal records lacks consistent procedures, documentation and follow-up to ensure safety requirements are met for staff.

## **Payment Issues**

### Overpayments

In addition to the ineligible cases referenced above, we found overpayments totaling \$4,767 (\$2,470 FFP) as identified below, and in Attachment A.

- SSA benefits, which were less than the cost of care, were not applied to reduce the cost of 4 cases (Sample #01, 52, 66 and 77) for some of the time under the PUR and for periods prior to the PUR. (Sample #52 was determined ineligible and therefore, the ineligible amount was not reduced for SSA). We were unable to determine if this was an oversight in developing the retroactive claim that was submitted on the June 30, 2006 report, however, the State must review its policies and procedures to ensure that SSA payments reduce the IV-E claim for all time periods that children are claimed.
- Eligible Sample #15 included payments prior to the PUR to the same ineligible provider as Sample # 65.
- Eligible Sample #61 included payments prior to the PUR to a provider for whom the criminal records check requirements had not been.

### Underpayments

The review identified numerous underpayments for both supplemental maintenance payments and administrative costs for transportation costs amounting to \$13,865 (\$6,953 FFP). The maintenance payments were primarily for child's visitation and the administrative costs were for employee child contact transportation costs. We were unable to determine if

this was an oversight in developing the retroactive claim that was submitted on the June 30, 2006 report or is an ORCA systems' issue.

Additionally, we identified underpayments prior to and during the PUR where no claim had been made for an eligible child or provider. Many of these instances appear to have resulted from the eligibility worker not being able to obtain a copy of the court order to finalize permanency.

Attachment A identifies the individual cases for whom underpayments were identified. The State may submit a prior period increasing adjustment on its expenditure report upon further research to determine if corrections have already been made.

## **Disallowances**

Based upon the results of the review, the State of Alaska has been determined to not be in substantial compliance. Fifteen cases were determined ineligible for funding under title IV-E foster care; consequently, disallowances will be assessed for those ineligible cases and ineligible payments. The disallowance of \$275,396 FFP is as follows:

Summary of Ineligible Payments - Alaska FY 06 IVE Review						
	FY 03	FY 04	FY 05	FY 06	Total	Reference Attachment
<b>Sample #</b>						<b>A</b>
#03				4,640.67	4,640.67	
#04		7,326.99	10,965.25	11,716.01	30,008.25	
#14		4,869.66	9,636.48	7,279.42	21,785.56	
#22				1,182.34	1,182.34	
#24		3,041.84	1,263.08	5,783.62	10,088.54	
#33				973.52	973.52	
#35			5,212.35	7,796.17	13,008.52	
#42				114.42	114.42	
#49			6,284.01	8,935.99	15,220.00	
#50				3,924.56	3,924.56	
#52		274.40	9,603.53	9,472.41	19,350.34	
#53			5,138.57	6,960.55	12,099.12	
#65			200.20	6,559.93	6,760.13	
#73				1,305.08	1,305.08	
#80			9,600.73	2,921.08	12,521.81	
Total		15,512.89	57,904.20	79,565.76	152,982.85	
					-	
Other Ineligibles:		610.24	1,779.80	2,377.45	4,767.49	A
Total Matchable		16,123.13	59,684.00	81,943.21	157,750.34	
FMAP Rate		54.13%	53.23%	50.16%		
Maintenance FFP		8,727	31,770	41,103	81,599.96	
<b>Admin FFP Calculation</b>						<b>B</b>
Error Cases		33,107	68,511	90,586	192,203.23	
Non-Error Cases	33	1,034	526	-	1,593.30	
Total Admin	33	34,141	69,037	90,586	193,796.53	
Total FFP	33	42,868	100,807	131,688	275,396.49	