

**FINAL REPORT
INDIANA TITLE IV-E
FOSTER CARE ELIGIBILITY REVIEW
October 24-28, 2005**

INTRODUCTION

Administration for Children and Families (ACF) staff from the Chicago Regional Office, Central Office and the Indiana Department of Child Services (IDCS) conducted an eligibility review of Indiana's title IV-E foster care program in Indianapolis October 24-28, 2005. The purpose of the Title IV-E Foster Care Eligibility Review was to determine whether payments were made on behalf of eligible children to eligible homes and institutions in accordance with Title IV-E (Sections 471 and 472) of the Social Security Act (the Act) and Title 45 of the Code of Federal regulations (CFR), Section 1356.71.

SCOPE OF THE REVIEW

The Indiana Title IV-E Foster Care Eligibility Review encompassed a sample of all of the title IV-E foster care cases that received a foster care maintenance payment during the period under review, that is, October 1, 2004 to March 31, 2005. A computerized statistical sample of 130 cases (80 plus 50 oversample cases) was drawn from the Adoption and Foster Care Analysis and Reporting System (AFCARS) data, which was transmitted by the State Agency to ACF 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 for the period under review.

This review was Indiana's primary review. Of the 80 cases reviewed two cases were determined to be in error for either part or all of the review period and three cases were found to have received an ineligible payment. Since the number of error cases did not exceed four, ACF has determined Indiana to be in substantial compliance. States which are determined to be in substantial compliance are not required to submit a Program Improvement Plan and must undergo a subsequent review after a minimum of three years.

CASE RECORD SUMMARY

This section summarizes each error case and ineligible payment case. An ineligible payment occurs whenever a title IV-E eligibility criterion is not met and title IV-E funds were claimed for foster care maintenance payments in a time period that occurs outside the period under review and does not affect an eligibility criterion related to the child's entry into foster care. A Federal financial participation (FFP) claim disallowance that includes related administrative costs is to be assessed for all ineligible payments that are identified during the review.

Of the 80 eligible cases, two were error cases and three were ineligible payment cases. The total amount of Federal dollars associated with the error and ineligibility cases was \$18,923. The error cases dealt with AFDC eligibility. The three ineligible payment cases dealt with placement and care, relative placement with conditional status, contrary to the welfare, reasonable efforts and claiming for a child in detention.

Error Cases

In sample case #24 there was no documentation to show earnings in six out of thirteen quarters to qualify for the unemployed parent program. Federal regulations at 45 CFR 233.100 and 45 CFR 233.101 specifically address dependent children with an unemployed parent.

In sample case #48 income was noted as Supplemental Security Income instead of other Social Security Administration unearned income which caused Aid to Families with Dependent Children financial ineligibility. Federal regulations at 45 CFR 233.20 specifically address needs, income, and resources of individuals.

Ineligible payments

In sample case #1 there was an ineligible payment outside the review period due to a relative placement with conditional status. The placement was not fully licensed as defined in 45 CFR 1356.71((1)(iv) and 1355.20.

In sample case #11 there was claiming prior to all eligibility requirements being met and there was claiming for a child in detention. Federal regulations at 45 CFR 1356.21 address reasonable efforts determinations and 45 CFR 1356.71(d) (1)(iv) and 1355.20 address children in detention.

In sample case #76 there were two delayed judicial determinations contributing to ineligibility. The child was removed from the home on March 25, 1996 and the first court order with placement and care responsibility was dated October 29, 1996. Therefore, the child was ineligible for title IV-E payments during this timeframe. In addition, in the first court order addressing the child's removal from the home, contrary to the welfare and reasonable efforts to prevent removal or reunify the child and family occurred July

8, 1996. Therefore, the child was ineligible for payments from March 25, 1996 to July 8, 1996. Federal regulations at 45 CFR 1356.21 specifically address reasonable efforts.

STRENGTHS

The preparation for this review was clearly demonstrated through the well-organized cases and well-prepared State reviewers. Throughout the review process, State staff was eager to discuss case records to further enhance an understanding of Indiana's practices and to obtain additional information. Based on the short time frame allotted for planning the review, Indiana's efforts are commended.

- Permanency planning court orders were timely and appropriate throughout the various counties and, in some cases, listed the specific, detailed efforts made by the agency to make reasonable efforts determinations. Information on the permanency planning meetings was shared with the court. Family case conferences allow for quicker movement of the cases.
- IDCS goes beyond Federal requirements as seen in the redeterminations that are done every six months instead of the required 12 months.
- Available payment histories were clear, concise and thoroughly documented both State and Federal payments. The fiscal staff supplied information timely and in a format that could be easily utilized.

Areas in Need of Improvement

- Some court orders contained wording on referral to, or involvement in, the title IV-E waiver demonstration program that could be interpreted differently. State staff clarified that the intent of the wording in the court orders was to assess the appropriateness of the family for inclusion into the waiver program rather than a mandate for inclusion of the family into the waiver program. In those cases where the reviewer noticed a court order containing such language, further information was needed to determine that the case was not a waiver case to ensure that it was appropriately included in the review sample. The State may want to discuss with the court the need for clarity on the language.
- Indiana should ensure that AFCARS element #59, which addresses whether a child receives a title IV-E payment during the six month AFCARS period, is coded accurately. While Indiana has improved the accuracy since the last review, further progress is needed in integrating the payment system with AFCARS data reporting to ensure that AFCARS reporting accurately reflects title IV-E payment claiming.
- Although there was no impact on the outcome of this review, it was learned that Lake County may delay title IV-E claiming which can result in inaccurate point-in-time payment histories as payments are coded as coming out of a different

funding source. The State should work with Lake County to ensure that claiming for title IV-E is done timely and accurately.

- Martin County court orders show the same date for the hearing and Judge's signature. Instead of a "So Ordered" date being noted on the form as the date of the hearing, Martin County lists the "So Ordered" date as the date of the Judge's signature, thereby delaying the legality of the order. Indiana should consider using the "So Ordered" date as the date of the hearing.
- The issue of placement and care responsibility is of fundamental importance when preserving the safety and well-being of children and families serviced by the child welfare system. In every case, there should be no question regarding whether or not the State Agency administering the title IV-E State Plan approved under Section 471 of the Act, or any other public agency with whom the State Agency administering or supervising the administration of the State Plan approved under Section 471 has made an agreement which is in effect, maintains this responsibility when serving children through the title IV-E program. Nevertheless, it should be noted that Indiana has improved in the area of placement and care court order documentation since the last review.

DISALLOWANCES

The review included a sample of 80 cases. The sample was drawn from a universe of cases that received at least one title IV-E foster care maintenance payment during the six-month AFCARS period of October 1, 2004 to March 31, 2005. Based upon the results of the review, Indiana has been determined to be in substantial compliance. Five cases (two error cases and three ineligible payment cases) were determined not to be eligible for funding under title IV-E foster care. Therefore, a disallowance in the amount of \$18,923 FFP is assessed for the entire period of time that these cases were determined to be ineligible. Of this total, \$8,656 pertains to ineligible title IV-E foster care maintenance payments and \$10,267 pertains to ineligible title IV-E foster care administrative costs.

Moreover, it is noteworthy that the above-referenced disallowance only encompasses the period of ineligibility, ending with the last day of the period under review, March 31, 2005. It does not encompass any disallowances that may be associated with the error cases claimed against the title IV-E foster care program after March 31, 2005. Therefore, we request that Indiana review its records with respect to the five cases referred to above and ascertain whether any additional ineligible maintenance payments and related administrative costs were claimed against the title IV-E foster care program after March 31, 2005.

To the extent that ineligible maintenance payments and administrative costs associated with the above cases were claimed against the title IV-E program subsequent to March 31, 2005, we recommend that Indiana make the appropriate decreasing title IV-E foster care maintenance payment and administrative cost adjustments on its next regularly

scheduled Quarterly Report of Expenditures (Form ACF IV-E-1) report ending December 31, 2005. Indiana should identify the adjustments by Federal fiscal year, by quarter, and by case number when making these adjustments on Part 2, Section B: Decreasing Adjustments of the Form ACF IV-E-1.