

KENTUCKY

TITLE IV-E FOSTER CARE PRIMARY ELIGIBILITY REVIEW

FOR THE PERIOD OCTOBER 1, 2006 THROUGH MARCH 31, 2007

Introduction

During the week of November 5 – November 8, 2007, Children’s Bureau (CB) staff from Central and Regional Offices, cross-state peer reviewers, and State of Kentucky staff conducted an eligibility review of Kentucky’s title IV-E Foster Care Program. The purposes of the title IV-E Foster Care Primary Eligibility Review were: (1) to determine if Kentucky was in compliance with the eligibility requirements as outlined in 45 CFR 1356.71 and Section 472 of the Social Security Act; and (2) to validate the basis of Kentucky’s financial claims to ensure that appropriate payments were made on behalf of eligible children residing in licensed or approved foster family homes and child care institutions.

Scope of the Review:

The Kentucky title IV-E Foster Care Primary Eligibility Review encompassed a sample of the title IV-E foster care cases that received a foster care maintenance payment during the period of October 1, 2006 through March 31, 2007. A statistical sample of eighty (80) cases was drawn from data submitted to the Adoption and Foster Care Analysis and Reporting System (AFCARS) and transmitted by CB to the State agency for the period under review. Each 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.

This review was classified as a primary review as defined by 45 CFR 1356.71.

Case Record Summary:

During the primary review, eighty (80) cases were reviewed. Two cases were determined to be in error for either part or all of the review period. Both cases were determined to be in error due to the safety requirements not being met. The specifics of the findings are listed below:

In case #3, safety requirements of the licensed foster care provider were not met as outlined in 45 CFR 1356.30 during the period under review. Specifically, the child was placed in the foster home on November 13, 2006 through November 29, 2006, however a child abuse and neglect clearance was not in the file for this time period.

In case #72, the child was placed in the foster care facility from June 30, 2005 through November 5, 2007. Criminal records checks were not in the file for the time period of January

18, 2006 through July 9, 2007 which encompasses the period under review. This is not in accordance with 45 CFR 1356.30.

The review team also identified two (2) cases with ineligible payments occurring outside the period under review. In these two cases, judicial determinations were not completed timely in accordance with section 472(a)(1) of the Social Security Act and 45 CFR 1356.21(b)(2). The specific reasons for the additional ineligible payments are as follows:

- In Case #9, a judicial determination was due on December 24, 2002 and was not made until May 19, 2003. Another permanency finding was due on May 19, 2004 and was not made until August 30, 2004. Ineligible payments were claimed during these time periods.
- In Case #62, a judicial determination was due March 27, 2001 and was not made until January 15, 2002. Ineligible payments were claimed for this time period.

Attachments A and B of this report detail each sample case, the reason(s) for ineligibility and the ineligible dollar amounts associated with each case.

Areas Identified Onsite as Strengths in the Title IV-E Foster Care Eligibility System:

- The more recent judicial findings of Reasonable Efforts to Prevent Removal and Reasonable Efforts to Reunify Child and Family were timely.
- Designated title IV-E staff are knowledgeable of the title IV-E requirements.

Areas In Need of Improvement:

- The child's payment history and placement history were inconsistent, which brings into question the accuracy of the placement history. We were unable to determine where the child was at all times during the period under review. Other sources of documentation had to be used to determine the exact location of the child. It seems the State may be under-reporting the number of placement moves. The State should accurately identify and record where the child is placed at all times.

The Aid to Families with Dependent Children (AFDC) eligibility worksheets for title IV-E determination and re-determination contained check boxes, often unchecked, and date lines were not completed. Where worksheets had not been fully completed, the State searched for the needed information elsewhere in order to reconstruct documentation needed to conform to title IV-E requirements.

Findings and Disallowances:

Two (2) cases were determined not eligible for title IV-E foster care maintenance payments, and the State is ineligible to receive Federal Financial Participation (FFP) for these cases under the title IV-E foster care maintenance program. The State is also ineligible for title IV-E foster care

administrative costs relating to these error cases. The amount of ineligible maintenance assistance payments for these cases is \$11,016 in FFP. The respective unallowable administrative cost for these cases is \$2,909 in FFP.

The State also must identify and repay any ineligible payments that occurred for these error cases subsequent to the period under review.

In addition to the above cases found with errors during the period under review, the review team identified two (2) cases with ineligible payments occurring outside the period under review. These additional findings were not considered in the determination of Kentucky's substantial compliance with Federal requirements. The State is, nevertheless, ineligible to receive FFP for these cases under the title IV-E program. The amount of ineligible maintenance assistance payments for these cases is \$31,812 in FFP. The associated unallowable administrative cost for these cases is \$3,718 in FFP.

During our review, we discovered periods of eligibility for children in eight (8) cases where title IV-E funds were inadvertently not claimed. Discussions with State staff confirmed that title IV-E would have been claimed for these periods of eligibility had they not gone unnoticed by administrative staff. These underpayments are not considered in the determination of the State's substantial compliance nor are they considered disallowances. However, the expenditures may be claimed by filing an increasing adjustment on the IV-E-1 Foster Care and Adoption Assistance Report in the next quarter, but no later than two years after the calendar quarter in which the State agency made the expenditure. Information on the underpayments found during our review is reflected on Attachment C.

This report constitutes our formal notice of disallowance of \$49,454 in Federal Financial FFP for title IV-E foster care maintenance payments and related title IV-E foster care administrative costs. The standard methodologies used by CB for the computation of both of these disallowances are enclosed in Attachments A and B.