

# **Tennessee Title IV-E Foster Care Eligibility Review For the period October 1, 2002 to March 31, 2003**

## **Introduction**

During December 1-5, 2003 and January 27-27, 2004, the Administration for Children and Families (ACF) staff from the Central and Regional Offices and State of Tennessee staff conducted an eligibility review of Tennessee's title IV-E foster care program.

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

## **Scope of the Review**

The Tennessee 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, 2002 to March 31, 2003. A statistical sample of eighty cases, and twenty over-sample cases was drawn from data that was transmitted by the State agency to the ACF for the period under review. Despite the twenty over-sample cases, there were not eighty cases in the original sample that were documented to have received a IV-E maintenance payment during the period under review. This necessitated the drawing of another twenty-five over-sample cases and a subsequent second visit.

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 otherwise approved for the period of the review.

## **Case Record Summary**

During the initial primary review, eighty cases were reviewed. Twenty-six cases were determined to be in error for either part or all of the review period. Since the number of error cases is greater than eight, ACF has determined that Tennessee's title IV-E foster care maintenance program is not in substantial compliance with Federal requirements for the period April 1, 2003 through September 30, 2003.

Of the twenty six (26) error cases, there were twenty-nine (29) findings where the provider did not meet all of the State's standards for approval. Specifically, these homes did not meet the standards for pre-care training and/or they had not been screened by way of a criminal background check. More often than not, these homes were kinship or relative homes and State policy at the time provided for a provisional approval of these homes, irrespective of otherwise required pre-care training and criminal background checks. While it is desirable to scrutinize relatives in placement planning, a subsequent bifurcated policy to assure safety conflicts with 45 CFR 1355.20, which states in part "... anything less than full licensure or approval is insufficient for meeting title IV-E eligibility requirements...".

There were three findings where there was an absence of a judicial finding that it would be contrary to the welfare of the child for that child to remain in their home. These cases usually involved a child who first came to the attention of the court as a delinquency case and who was later deemed dependent. There were five findings where cases failed to have a timely permanency hearing.

### **Program Improvement Plan**

Since the number of error cases exceeded eight, ACF has determined Tennessee not to be in substantial compliance. Pursuant to 45 CFR 1356.71(i), Tennessee is 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 ACF Regional Office staff, and must be submitted to the ACF Regional Office for approval by June 30, 2004. The PIP is not to extend beyond one year unless State legislative action is required. In such instances, an extension may be granted with the State and ACF negotiation of the terms and length of the extension. The extension shall not exceed the last day of the first legislative session after the date of the PIP. Once the State has satisfactorily completed the PIP, a secondary review of a sample of 150 title IV-E foster care cases will be conducted. The format of the PIP may vary, but it must include the following components:

- Specific goals;
- Action steps required to correct each identified area in need of improvement;
- A date by which each of the action steps is to be completed; and
- A description of how progress on the plan will be evaluated by the State and reported to the Regional Office, including the frequency and format of the evaluation process.

### **Areas in Need of Improvement**

During the review, the following areas were identified as areas that are in need of improvement.

#### **1. Placement in fully approved foster family home or child care institution:**

In order for foster care payments made on behalf of a child to be eligible for federal reimbursement, the child must be placed in a facility that meets all of the State agency standards of approval. Provisional, temporary, or emergency approval of a facility that has not met all of the standards is not eligible for FFP. Likewise, those facilities or homes that were approved before criminal background checks were imposed cannot be “grandfathered” in, minus criminal background checks, and still receive FFP. Because of the State’s past heavy reliance on relative care homes, an abrupt change of policy could adversely affect the needed availability of foster care resources. The State may want to reconsider safety requirements vis-à-vis criminal background checks for all foster care facilities. A study to determine the efficacy of local background checks versus federal background checks could establish an empirical basis for deciding whether to keep the current requirements, or eliminate one level of background checks, or change what is required at initial approval versus what is required for re-approval, for all foster care resources.

## **2. Connection between the payment and eligibility system and the reporting system:**

The absence of title IV-E payments for the period under review appears to be related to inaccurate data input into the AFCARS reporting system. The State utilizes a statewide system, Chipfins, that makes foster care payments and records the child’s IV-E eligibility. To obtain the necessary 80 cases to be reviewed, the State required an over sample of 27 cases to be pulled, which indicates a significant disconnect between the payment and eligibility system and the information recorded in the AFCARS reporting system. The two systems should contain consistent information and children who have received a title IV-E payment during the reporting period should be appropriately identified.

### **Strengths**

We found that the eligibility staff has a good understanding of AFDC eligibility determination and re-determination, and in most of the cases reviewed we found documentation that the child was financially needy and deprived of parental support at the time of removal. There were no error cases related to AFDC connectedness.

All but three cases reviewed met the requirements for the court order that removed a child from home by containing proper language regarding the judicial determination that continuation in the home was contrary to the child’s welfare. The three cases that did not contain the necessary language were cases that began as juvenile justice cases.

### **Disallowance**

The review included a sample of eighty cases. The sample was drawn from a universe of cases that received at least one title IV-E foster care maintenance payment during the 6-month AFCARS period of October 1, 2002 to March 30, 2003. Twenty-six (26) cases reviewed were determined to have ineligible payments for part or all of the review period.

Therefore, a disallowance in the amount of \$60,036 in Federal Financial Participation (FFP) is assessed for the entire period of time that these cases were determined to be in error.

An additional eighteen (18) cases were identified that contained ineligible payments that were made outside of the period under review. Although these cases are not considered “error cases” for determining substantial compliance, the ineligible maintenance payments and the associated administrative costs are nevertheless subject to disallowance. A disallowance in the amount of \$40,965 in FFP is being assessed for these ineligible payments.

Attachment A contains individual spreadsheets for each of the four “error cases” which show the computations used to determine both the maintenance payment and the associated administration allowance. Similarly, (contact the State for additional information) individual spreadsheets for each of the “non-error cases,” show the computations used to determine the amount of unallowable costs that were made outside of the period under review. Please note that pursuant to ACYF-CB-02-08, no administrative costs are being disallowed for the erroneous payments cited in the area of licensing for foster family homes. This does not apply to one case found in error due to the facility being ineligible for foster care maintenance payments.