

**KENTUCKY TITLE IV-E
FOSTER CARE ELIGIBILITY REVIEW
OCTOBER 1, 2000 – MARCH 31, 2001**

I. INTRODUCTION

Title IV-E foster care funds enable Kentucky to provide foster care for those children who were or would have been eligible for assistance (Aid to Families with Dependent Children) under Kentucky's approved title IV-A plan, but for their removal from the home. The periodic title IV-E foster care eligibility reviews assist in the validation of the accuracy of Kentucky's claim for reimbursement of payments made on behalf of eligible children placed in eligible homes and institutions.

During December 3–6, 2001, Regional and Central Office staff of the Administration for Children and Families (ACF) in partnership with Kentucky staff, conducted an eligibility review of Kentucky's title IV-E foster care program. The review covered the sample period of October 1, 2000 through March 31, 2001. The L&N Building in Louisville, Kentucky was the review site.

This primary review was of eighty cases, plus a 10 percent oversample, selected from the Adoption and Foster Care Analysis and Reporting System (AFCARS) data using a probability sampling methodology. The primary review is the first review in the title IV-E foster care eligibility review process.

The purposes of this title IV-E foster care review are as follows:

1. Determine if Kentucky complies with the child and provider eligibility requirements as outlined in 45 CFR 1356.71 and Section 472 of the Social Security Act.
2. To validate the basis of Kentucky's financial claims to assure that appropriate payment is made on behalf of eligible children and to eligible homes and institutions.
3. To provide timely and specific feedback to Kentucky to impact the proper and efficient administration and implementation of the title IV-E foster care maintenance payments programs.
4. To provide a link to the joint planning, technical assistance and program improvement processes that exist between Kentucky and Region IV of the Administration for Children and Families.

II. SCOPE OF THE REVIEW

The Kentucky title IV-E review encompassed a sample of all the title IV-E foster care cases that received a foster care maintenance payment during the period of October 1, 2000 to March 31, 2001. A computerized statistical sample of eighty cases was drawn from the Adoption and Foster Care Analysis and Reporting System (AFCARS) data that was transmitted by Kentucky's Department for Community Based Services to ACF for the period under review. Each child's case file was reviewed for the determination of title IV-E eligibility. Each provider file was reviewed to ensure that the foster home or childcare institution in which the child was placed was licensed or approved for the period under review.

III. CASE RECORD SUMMARY

Of eighty cases reviewed, six were found ineligible. The following information details the error cases and the reasons for the error, erroneous payments, and appropriate citations.

DETAIL OF ERROR CASES

Sample Number	Error Description	Statutory Citation	Regulatory Citation
6674	Aid to Families with Dependent Children (AFDC) Eligibility	472 (a)(1) and (4)	1356.71(d)(1)(v)
13166	Placement in a Licensed Foster Home or Child Care Institution	472(a)(3), (b), and (c)	1356.71(d)(1)(iv) 1355.20
34769	Placement in a Licensed Foster Home or Child Care Institution	472(A)(3), (b), and (c)	1356.71(d)(1)(iv) 1355.20
56482	Placement in a Licensed Foster Home or Child Care Institution	472(A)(3), (b), and (c)	1356.71(d)(1)(iv) 1355.20
340458	Placement in a Licensed Foster Home or Child Care Institution	472(A)(3), (b), and (c)	1356.71(d)(1)(iv) 1355.20
392711	Aid to Families with Dependent Children (AFDC) Eligibility	472 (a)(1) and (4)	1356.71(d)(1)(v)

The erroneous payments associated with the six error cases are calculated as follows, and include all payments claimed on behalf of the child for the entire period of the error. Of the six sample cases, only one case had erroneous IV-E payments outside the six-month review period. The payments requiring a disallowance were calculated from the client payment history provided prior to the review. The total amount of unallowable costs under the IV-E foster care maintenance payments program based on the six sample cases found to be in error is **\$26,225.36 FFP**.

Sample #	6674	13166	34679	56482	340458	392711	Total	FMAP	FFP
FFY 2000						6,676.02	6,676.02	70.55	4,709.94
FFY 2001	2,725.60	2,216.98	4,427.52	8,338.56	3,164.34	9,693.01	30,566.01	70.39	21,515.42
									26,225.36

The administrative and training costs associated with the ineligible sample cases was calculated by reducing the IV-E penetration rate used for the quarters ending December 31, 2000 and March 31, 2001 by the percent represented by the six sample cases. The reduction of administrative costs for the sample review period totals **\$8,522 FFP**. The reduction of the training grant for the sample review period totals **\$2,578 FFP**. (See Appendix 1 for detailed computations.)

IV. STRENGTHS AND RECOMMENDATIONS

A major strength in Kentucky's title IV-E foster care is that it has staff whose exclusive function is the determination of IV-E eligibility. A direct result of this specialization is more accurate and timely decisions regarding eligibility and redetermination of eligibility. Each case record reviewed was well organized with the required documentation.

A second strength is the part of the foster care program that is operated **directly** by the Cabinet for Community Based Services. In the case records reviewed, adults in all foster homes approved by Cabinet staff underwent criminal record checks. Also, no children are placed in provisional foster homes.

Several of the case errors involved the placement of children in foster homes approved through Private Child Care (PCC) agencies. We encourage Kentucky to develop a quality assurance process to enhance the monitoring of the private agencies' compliance with licensing standards and criminal records checks.

Kentucky is initiating several training initiatives with judicial personnel. Effort should continue to encourage each court to issue orders reflecting the judicial consideration of each child's individualized needs and conditions.

V. REVIEW FINDINGS

During the initial primary review, six cases were determined to be in error for either part or all of the review period for reasons identified in the Case Record Summary section of this report. Since the number of error cases is fewer than nine, Kentucky's title IV-E foster care eligibility program is in substantial compliance with federal regulations and statutes. The next primary review will occur during fiscal year 2005.