

South Carolina

Title IV-E Foster Care Eligibility Review For the period April 1, 2003 to September 30, 2003

Introduction

During April 19-23, 2004, the Administration for Children and Families (ACF) staff from the Central and Regional Offices and State of South Carolina staff conducted an eligibility review of South Carolina's title IV-E foster care program. The purposes of the title IV-E foster care eligibility review were (1) to determine if South Carolina was in 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 South Carolina'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 South Carolina 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 April 1, 2003 to September 30, 2003. A statistical sample of eighty cases was drawn from data which were transmitted by the State agency to the ACF 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.

Case Record Summary

During the primary review, eighty cases were reviewed. Twenty-one (21) cases were determined to be in error for either part or all of the review period. Attachment A of this report details each sample case, the reason(s) for ineligibility and the ineligible dollar amounts associated with that case.

During the onsite review numerous identified errors were due to the lack of required judicial determinations regarding reasonable efforts to finalize the permanency plan (15 cases). Other errors resulting in IV-E ineligibility were: the lack of a judicial determination regarding reasonable efforts to prevent removal (6 cases); the lack of a judicial determination regarding the child's best interest within 180 days of a voluntary placement (1 case); and child age 18 or older and not a full time student and expecting to graduate prior to 19th birthday (1 case).

Program Improvement Plan

Since the number of error cases exceeded four, ACF has determined South Carolina not to be in substantial compliance. Pursuant to 45 CFR 1356.71(i), the State 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 September 20, 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. All of these areas must be addressed in the PIP.

- 1. Judicial Determination of Reasonable Efforts to Prevent Removal.** The State must obtain a court order that addresses Reasonable Efforts to Prevent Removal or to Reunify a Child and Family. If a child entered care after March 27, 2000, the judicial determination that reasonable efforts to prevent removal were made (or were not required) must be made no later than 60 days from the date of the child's removal from home.
- 2. Judicial Determination of Reasonable Efforts to Finalize a Permanency Plan.** The State must obtain a court order that contains a judicial determination that the State agency has made reasonable efforts to finalize the permanency plan that is in effect within twelve months of the date the child is considered to have entered foster care and at least once every twelve months thereafter while the child is in foster care. A copy of the judicial determination must be maintained in each child's IV-E foster care eligibility file.

To address items one and two above, we recommend that collaboration continue with the judicial community regarding the link between judicial findings and title IV-E eligibility. Efforts should continue to encourage each court to issue timely court orders reflecting judicial consideration of each child's individualized needs and conditions, as well as judicial determinations regarding the State agency's activities and efforts to finalize permanency plans.

3. **Judicial Determination Regarding “The Child’s Best Interests Within 180 Days of the Date of Placement” in a Voluntary Placement.** Title IV-E payments may be made on behalf of a child who is in foster care pursuant to a voluntary placement agreement only for the first 180 days of the foster care placement, unless there is a judicial determination that continued voluntary placement is in the child’s best interests.
4. **Child Age Eighteen or Older.** When a child reaches his or her 18th birthday, eligibility for AFDC ceases unless, *as a title IV-E state plan option*, the child is a full-time student in a secondary school or its equivalent and is expected to complete the program *before* age 19. If the State agency *does* exercise this option, eligibility for title IV-E foster care ceases at the end of the month in which the child leaves school or when the child turns 19, whichever occurs earlier.

Strengths

A strength for South Carolina is dedicated centralized staff with responsibility for determination of title IV-E foster care eligibility. This was found to be beneficial to the review process. The IV-E staff of the South Carolina Department of Social Services ensured the review process was well organized. All case records included in the sample were available.

We found that the eligibility staff has a good understanding of AFDC eligibility determination. All cases reviewed contained the necessary documentation for initial determination of AFDC eligibility. However, we recommend that the documentation that the child was financially needy and deprived of parental support at the time of removal and in redeterminations, using criteria in effect in the State's July 16, 1996 IV-A State Plan, be made clearer on the documents provided for review. Documentation for redeterminations was particularly difficult to interpret. We recommend that documentation of redeterminations contain the dates of the period of eligibility and the date the redetermination was completed. We also recommend that the reason for deprivation be given closer attention.

All cases reviewed met the requirements for the court order that removed a child from home by containing proper findings regarding the judicial determination that continuation in the home is contrary to the child’s welfare. Also, all cases reviewed met the requirement for placement in a fully licensed home or facility and safety requirements. We found documentation in court orders for the agency responsibility for placement and care.

A notable strength found in the review was that the methodology for discontinuing claims for federal funding when the state determines the case no longer eligible is very effective. Eligibility status and placement seem to be tied very well to the payment system.

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 April 1, 2003 to September 30, 2003. Based upon the results of the review, the State of South Carolina has been determined to be not in substantial compliance. Twenty-one (21) cases were determined not to be eligible for funding under title IV-E foster care. Therefore, a disallowance in the amount of \$116,841 in Federal Financial Participation (FFP) is assessed for the entire period of time that these cases were determined to be in error. This amount is comprised of \$99,377 in FFP for title IV-E foster care maintenance payments and \$17,464 FFP for related IV-E administrative costs. The enclosed Attachment A includes spreadsheets for each of these cases which show the computations used to determine both the maintenance payment and the associated administrative disallowance for unallowable costs made during the period under review.

An additional twenty-six (26) cases were identified that contained ineligible payments that were made outside of the period under review. Although these cases will not be considered as “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 \$61,955 in FFP is being assessed for these ineligible payments; \$50,224 in FFP for title IV-E foster care maintenance payments and \$11,731 in FFP for related IV-E administrative costs. The enclosed Attachment B includes spreadsheets for each of these cases which show the computations used to determine both the maintenance payment and the associated administrative disallowance for unallowable costs made outside of the period under review.