

ALABAMA

Title IV-E Foster Care Secondary Eligibility Review **For the period October 1, 2005 to March 31, 2006**

Introduction:

During July 10-14, 2006, the Administration for Children and Families (ACF) staff from the Central and Regional Offices, Consultant Reviewers and State of Alabama staff conducted an eligibility review of Alabama's Title IV-E Foster Care Program. The purposes of the Title IV-E Foster Care Secondary Eligibility Review were (1) to determine if Alabama 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 Alabama'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 Alabama Title IV-E Foster Care Secondary Eligibility 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, 2005 to March 31, 2006. A statistical sample of 150 cases was drawn from data which were transmitted by ACF 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 secondary review as defined in the Title IV-E Foster Care Eligibility Review Guide, which was transmitted to State and Territorial agencies by Information Memorandum ACYF-CB-IM-01-11, dated November 30, 2001, and revised in March 2006. In a secondary review an extrapolated disallowance will be assessed if both the child/provider (case) ineligibility and dollar rate exceeds ten percent. Since the percentage of error did not exceed this tolerance, we have determined that Alabama is in substantial compliance with Federal requirements as outlined in 45 CFR 1356.71(h)(2)(i) for the period of October 1, 2005 to March 31, 2006. The next primary review will be conducted in three years.

Case Record Summary:

During the secondary review, 150 cases were reviewed. Five (5) cases were determined to be in error for either part or all of the review. The areas where the five (5) cases were determined to be in error relate to:

- Reasonable efforts to finalize the permanency plan; and
- Placement in a licensed foster care facility.

In addition to the five cases found with errors during the period under review, the review team identified twenty (20) cases with ineligible payments occurring outside the review period. The reasons for these errors were related to reasonable efforts to finalize permanency plans, placement in licensed foster care facilities, and respite payments being paid with title IV-E funds. Attachments A and B of this report detail each sample case, the reason(s) for ineligibility and the ineligible dollar amounts associated with that case.

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

- The State has assigned staff whose primary function is to determine financial eligibility. The staff is very knowledgeable about Federal and State eligibility requirements and implementation of the program.
- Judicial determinations of “contrary to the welfare” and “reasonable efforts to prevent removal” were timely in the cases reviewed.
- There is noted improvement in determinations of “reasonable efforts to finalize the permanency plan.” Most issues were found in older cases. Use of the new form court orders developed by the Court Improvement Program staff has increased, and the quality of those orders has greatly improved. Court oversight appears to be meaningful and well documented in the more recent court orders found in the cases reviewed.
- Safety and criminal records check processes were completed accurately and timely on the cases reviewed.

Areas In Need of Improvement:

During the review, the following areas were identified as areas in need of improvement:

- **Judicial determination of reasonable efforts to finalize the permanency plan.**

Numerous court orders in the cases reviewed were not made available to the eligibility staff nor considered in eligibility determinations. Court reports were also missing in most of the eligibility files reviewed, resulting in the eligibility staff not having complete information on case activity in some cases. Additionally, in some of those cases, court reports were incorporated into orders, making it essential that eligibility staff have copies of the reports.

To assist eligibility staff in accurately determining due dates for judicial determinations of reasonable efforts to finalize the permanency plan, we recommend that all reports to the Court and court orders be sent to the eligibility staff by the counties immediately after they are completed. Eligibility staff must consider all court orders with judicial determinations of

reasonable efforts to finalize the permanency plan, not just annually, to determine the next due date for a judicial determination.

We also recommend continued collaboration with the judicial community regarding the link between judicial findings and title IV-E eligibility to continue the improvements that have been made in this area.

- **Placement in a licensed foster care facility**

In those cases found in error due to the child not being placed in a licensed foster care facility, reliance on incorrect ACWIS information reportedly caused errors in eligibility determinations. Provisional licenses had been issued in two cases, when the system indicated full licensure. In the third case, a child placed with a relative out of state in an approved ICPC placement was reported as placed in a licensed home on the system. We recommend that licensure be verified prior to the eligibility determination.

Findings and Disallowances:

Five (5) 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 assistance program. A total of \$4,119 in FFP must be disallowed based on these five (5) cases. The State is also ineligible for title IV-E foster care administrative costs relating to the error cases. We have calculated the amount of unallowable administrative costs to be \$5,780. The State also has an obligation to 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 twenty (20) cases with ineligible payments occurring outside of the review period. These additional findings were not considered in the determination of Alabama'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 \$44,762 in FFP. The respective unallowable administrative costs for these cases are \$62,398 in FFP.

This report constitutes our formal notice of disallowance of \$117,059 in Federal Financial Participation (FFP) for title IV-E foster care maintenance payments and related title IV-E foster care administrative costs. The standard methodologies used by ACF for the computation of both of these disallowances are enclosed in Attachments A and B for your information.