

Oklahoma Title IV-E Foster Care Eligibility Review (October 1, 2005 to March 31, 2006)

Introduction

From October 23 to October 25, 2006 Administration for Children and Families (ACF) staff from the Central and Regional Offices and State of Oklahoma Department of Human Services (DHS) staff conducted an eligibility review of Oklahoma's title IV-E foster care program in Norman, Oklahoma.

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

Scope of the Review

The Oklahoma title IV-E foster care eligibility 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, 2005 to March 31, 2006. A computerized statistical sample of 100 cases was drawn from the Adoption and Foster Care Analysis and Reporting System (AFCARS) data submission which was transmitted by the State agency to the ACF for the period under review. The 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 childcare institution in which the child was placed was licensed or approved for the period of the review.

During the primary review, 80 cases were reviewed. Three cases were determined to be in error for either part or all of the review period for reasons that are identified in the Case Record Summary section of this report. Since the number of error cases was fewer than five, the ACF has determined Oklahoma to be in substantial compliance.

During the primary review three error cases, three overpayments and five underpayments were identified. An Excel spreadsheet is attached to this report detailing the three error cases, three overpayments, and five possible underpayments, types of ineligible payments, an explanation of the payment issue and amounts. In reviewing the underpayments, there may be some payments that are more than eight quarters and would not be subject to claiming federal financial participation. Oklahoma DHS will need to determine if adjustments to future federal reporting will be made for the underpayments.

Case Record Summary

Error Cases

The following details the three error cases with ineligible payments, reasons for the ineligibility, amount of ineligible payments, and appropriate citations:

Sample number 1: There was no evidence that the child was living with and removed from the same specified relative. [Statutory Citation: §472(a)(1); Regulatory Citation: 45 CFR §1356.21 (k) and (l); and Policy Reference: ACYF-CB-PI-06-06]

Sample number 52: Title IV-E foster care maintenance payments were made three and one half months prior to complete licensure of the foster home. The regulation permits States to claim IV-E reimbursement made for a child placed in a foster family home for a period of time, up to 60 days, between the date the foster family home meets all the licensing or approval criteria and the date the State issues the license or approval. [Statutory Citation: §471 and Questions and Answers on the Final Rule (65 Fr 4020) (1/25/00); Regulatory Citation: 45 CFR 1355.20]

Sample number 59: There was no evidence of a judicial determination that the State agency either made or was not required to make reasonable efforts to prevent a child's removal from the home no later than 60 days from the date the child was removed from the home. [Statutory Citation: §471 (a)(15); Regulatory Citation: 45 CFR 1356.21 (b)]

The erroneous maintenance payments (Main.) and administrative costs (Admin.) associated with the three error cases were calculated as follows, and include all payments claimed on behalf of the child for the entire period of the error. For the three error cases, all payments claimed for the entire period of the error, Federal Medical Assistance Payment [FMAP] rate, and Federal Financial Participation [FFP] are detailed below.

**Oklahoma Maintenance Cost Disallowance
FY 2007 IV-E Eligibility Subsequent Primary Review (conducted October 23, 2006-
October 25, 2006)**

Sample #	FY	Total Main.	FMAP	FFP Main.	FFP Admin.	Total Disallow.
1	FY 2005	\$199	70.18%	\$139.66	\$129	\$268.66
1	FY 2006	\$4,274	67.91%	\$2,902.47	\$1,213	\$4,115.47
52	FY 2006	\$560	67.91%	\$380.30	\$404	\$784.30
59	FY 2005	\$373	70.18%	\$261.77	\$129	\$390.77
59	FY 2006	\$4,670	67.91%	\$3,171.40	\$1,617	\$4,788.40
TOTAL		\$10,076		\$6,856	\$3,492	\$10,348

Non-Error Cases with Ineligible Payments

In addition to the three error cases listed above, the title IV-E review identified three additional cases with ineligible payments. Although not technically error cases, these payments are unallowable expenditures under title IV-E provisions and policies. The ineligible payments total was \$4,229 in Federal Financial Participation (FFP).

Sample Number 4: Judicial determinations of reasonable efforts to achieve permanency were not timely for several years. A second error was determined due to a placement ending within the month and the foster home received a foster care maintenance payment for the entire month. The overpayment was \$3,197 [\$2,239 FFP] as follows:

Fiscal Year	Start Date	End Date	Amount of Overpayment
2001	7-01-01	7-31-01	\$360.00
2004	2-01-04	4-30-04	\$1,260.00
2005	5-01-05	7-31-05	\$1,186.42
2005	12-6-05	12-31-05	\$390.25
Total:			\$3,197

Sample Number 6: The child was returned to the father on June 5, 2006 and foster care maintenance payments to the foster home were made to the end of June 2006. The overpayment was \$293 [\$199 FFP].

Sample Number 26: Based on the payment history title IV-E foster care maintenance payments were paid twice to the foster home from February 3, 2003 to November 18, 2003 and not adjusted. The overpayment was \$2,540 [\$1,791 FFP].

Fiscal Year	Start Date	End Date	Amount of Overpayment
2003	2-03-03	2-28-03	\$260.00
2003	3-01-03	3-31-03	\$300.00
2003	4-01-03	4-30-03	\$300.00
2003	6-01-03	6-30-03	\$300.00
2003	7-01-03	7-31-03	\$300.00
2003	8-01-03	8-31-03	\$300.00
2003	9-01-03	9-30-03	\$300.00
2004	10-01-03	10-31-03	\$300.00
2004	11-01-03	11-18-03	\$180.00
Total:			\$2,540

Possible Underpayments

During the review five cases were found that had payments which may have been eligible to claim under title IV-E foster care maintenance. Oklahoma DHS may want to review these cases and determine if fiscal or policy changes are needed to maximize title IV-E foster care maintenance reimbursement. An Excel spreadsheet attached to this report details the five cases with possible underpayments and an explanation of each case.

Sample Number 3: The foster home was approved on January 25, 2005 and placement occurred September 2004. Oklahoma DHS could begin title IV-E foster care maintenance beginning January 1, 2005. Based on the Child Welfare Policy Manual, if a foster family home or child care institution is licensed for a portion of a month, the State may claim federal financial participation (FFP) for the entire month when an otherwise eligible child has resided in that home for the entire month. [Statutory Citation: 471 (a) (10) and Regulatory Citation: Question and Answers on the Final Rule (65 FR 4020)]. The underpayment was \$320 [\$225 FFP].

Sample Number 10: The foster home was approved on December 30, 2005 and placement occurred on December 6, 2005. DHS could begin title IV-E foster care maintenance beginning December 6, 2005. Based on the Child Welfare Policy Manual, if a foster family home or child care institution is licensed for a portion of a month, the State may claim federal financial participation (FFP) for the entire month when an otherwise eligible child has resided in that home for the entire month. [Statutory Citation: 471 (a) (10) and Regulatory Citation: Question and Answers on the Final Rule (65 FR 4020)]. The underpayment was \$493 [\$335 FFP].

Sample Number 26: Based on the payment history provided by DHS, title IV-E foster care maintenance payments could have been made from April 12, 2004 to August 31, 2005, if all eligibility requirements for the child and the foster care provider were met. The underpayment was \$5,000 [\$3,510 FFP].

Sample Number 40: Based on the payment history provided by DHS, title IV-E foster care maintenance payments could have been made from December 1, 2005 to January 12, 2006, if all eligibility requirements for the child and the foster care provider were met. The underpayment was \$656 [\$445 FFP].

Sample Number 50: The foster home was approved on September 24, 2004 and placement occurred prior to this date. DHS could begin title IV-E foster care maintenance beginning September 1, 2004. Based on the Child Welfare Policy Manual, if a foster family home or child care institution is licensed for a portion of a month, the State may claim federal financial participation (FFP) for the entire month when an otherwise eligible child has resided in that home for the entire month. [Statutory Citation: 471 (a) (10) and Regulatory Citation: Question and Answers on the Final Rule (65 FR 4020)]. The underpayment for the period starting September 24, 2004 to September 30, 2004 was \$78 [\$55 FFP].

Strengths and Model Practices

The review identified numerous strengths and model practices. Oklahoma DHS program, fiscal division and information technology staff appeared to have an ongoing collaborative relationship. This facilitated efforts, when it became apparent that the payment history was incomplete, to obtain the full payment history after the on-site review. Additionally, DHS staff demonstrated exceptional knowledge in title IV-E eligibility cases. Other strengths include the following:

- Although not the focus of this review, kinship care placements appeared as a clear priority for DHS and were seen in many of the sample cases reviewed. Additionally, kinship care providers were approved as foster homes. This is recognized nationally as a best practice in child and family services programs.
- DHS' utilization of specialized eligibility staff, rather than field staff, to complete the eligibility determination process is an excellent program decision. The dedication of resources to the program reduces the possibility of ineligible or erroneous title IV-E foster care maintenance payments.
- Court orders had the appropriate language regarding the findings of reasonable efforts to prevent removal, reasonable efforts to achieve permanency, and contrary to the welfare for

the child to remain in the home. In addition, DHS staff provided child-specific details in their court reports and affidavits.

- Court hearings were timely and often held more frequently than required by federal regulations. This results in more timely achievement of permanency, especially in reunification cases.
- Several of the Tribal court orders, especially those originating with Cherokee Nation, were appropriately child specific from the first court order through the permanency court order.
- Foster home safety requirements were well documented in the provider records.
- Timely foster home and provider safety assessments were documented through the criminal history verification by Oklahoma State Bureau of Investigations. This interagency agreement, which by State statute is required, has assisted DHS in approving foster home providers in a timely manner.
- Eligibility determination and re-determinations were timely and often completed before the due date. This practice assists DHS in controlling potential ineligible title IV-E reimbursements and contributed to the State's substantial compliance.
- DHS staff participating in the on-site review readily collaborated with the federal reviewers and demonstrated good teamwork. This resulted in a positive experience for all the reviewers and completion of the on-site review within three days.
- The KIDS data system design appropriately determines eligibility. The ability for staff to document comments within the eligibility windows ensures a sound audit trail for eligibility determinations. DHS is to be commended for the enhancements made to KIDS to improve the eligibility determination process.

Areas in Need of Improvement

Prior to the on-site title IV-E eligibility review, extensive preparation is required of state and federal staff. Not having a full payment history for the children included in the sample resulted in a delay in determining allowable costs and substantial compliance of the DHS title IV-E eligibility program. The amended and final payment history was received by ACF three weeks after the completion of the on-site review.

Agency Policies

While a program improvement plan is not required, ACF noted that DHS policies regarding title IV-E include information copied directly from the ACF Child Welfare Policy Manual (CWPM). In the absence of state procedures, continuous updates to DHS policy are required when ACF updates the CWPM. Otherwise, the state risks using policies and guidance which are outdated.

Recommendation: DHS should incorporate ACF policy within the State's policy manual when changes and revisions to ACF policy are made.

Court Orders and Court Hearings

During the on-site review many court orders in the sample cases were missing the date of the court hearing on the removal order. Additionally, some affidavits did not provide the date the child was physically removed from the specified relative. This practice made it difficult to verify the removal date other than by referencing the eligibility determination documentation or the investigative narrative.

In some localities the court orders were not child specific or unique based on the type of court hearing held. In some court orders which used checkboxes, there were cases where the court's decision was not clearly documented and no information was provided showing the basis of the court's decision. For example, in sample case # 39, permanency and review hearings did not have the checkboxes completed for reunification efforts. Another example was sample case # 10, where there were conflicting checkboxes marked regarding reasonable efforts to prevent removal being completed and reasonable efforts to prevent removal not being necessary.

In some cases Adjudication Hearings were not held within 60 days as required in State policy.

Recommendation: DHS and the Court Improvement Project (CIP) need to work toward ensuring that the hearing date is included in all court orders and that adjudication hearings are held timely, which facilitates timely movement toward finalization of permanency plans. Further collaborative efforts to develop court orders for each type of court hearing and include child specific determinations would provide more clarity about the court's intent at each court hearing.

Provisional Approval of Foster Home Licenses within KIDS

While the KIDS automation system does not permit foster care maintenance payments to be made to provisionally licensed homes, a waiver to policy allowed KIDS to pay the foster home prior to the foster home meeting all State licensing requirements. Until a provider meets all licensing requirements, a child is not eligible for title IV-E reimbursement.

Recommendation: DHS should amend the program coding in KIDS to prevent title IV-E payments on behalf of a title IV-E eligible child until the provider meets all licensing requirements or ensure that policy waivers do not result in title IV-E payments being made before the foster home is fully licensed. Since regulations permit States to claim title IV-E reimbursement made for children placed in foster family homes for a period of time, up to 60 days, between the date the foster family home meets all the licensing or approval criteria and the date the agency issues the license or approval, the system should provide notice if a home is not fully licensed within 60 days of payment beginning.

Eligibility Determinations

The eligibility determination documents for the initial determination did not require the completion date, provide an effective date or address the parent's income. Custody specialists need to have a process to require case workers to provide court orders timely, especially at re-determination to maximize title IV-E claiming.

Recommendation: DHS should improve documentation on initial determinations to include the date the determination is completed by custody specialist. DHS should consider policy or practice changes requiring case workers to provide court orders and updated income and resource information to custody specialist to ensure timeliness of re-determinations.

Foster Home Assessments and Re-assessments

During the on-site review there were several foster home assessments and re-assessments that did not have the supervisor's approval signature and date on the form as required by State policy. Re-evaluations were frequently late, especially for kinship care providers.

Recommendation: DHS needs to have additional policy or edits in KIDS to ensure supervisor's approval and timely completion of foster home re-determinations.

Tribal Foster Home Assessments

Tribal foster home assessments did not clearly document the approval of the foster home and include the date the foster home was approved.

Recommendation: DHS needs to inform the Tribes of the State's policy that require foster home approvals to be signed by the appropriate Tribal authority and provide the effective date the home is approved.

Disallowances

The review included a sample of 80 cases. The sample was drawn from the universe of cases that received at least one title IV-E foster care maintenance payment during the 6-month AFCARS period from October 1, 2005 to March 31, 2006. Based upon the results of the review, the State of Oklahoma has been determined to be in substantial compliance. Three cases were determined to be in error and ineligible for funding under title IV-E foster care pursuant to 45CFR §1356.71 (j) (1). A disallowance in the amount of \$10,348 in Federal Financial Participation (FFP) is assessed for the entire period of time that these cases were determined to be in error.

The review also determined five cases with ineligible payments (overpayments) for title IV-E foster care maintenance. A disallowance in the amount of \$4,229 in Federal Financial Participation (FFP) is assessed for these cases within the sample.

The total amount of federal funds disallowed is \$14,577.