

History and Purpose

The 1994 Amendments to the Social Security Act (the Act) authorize the Children's Bureau to review state child and family services programs to ensure compliance with the requirements in titles IV-B and IV-E of the Act. This includes systematic monitoring of the Title IV-E Foster Care Program, which provides funds to title IV-E agencies (states and Tribes) to assist with the costs of foster care maintenance for eligible children; administrative expenses to manage the program; and training for staff, foster parents, and certain private agency staff. Title IV-E foster care funds are awarded to the 50 States, the District of Columbia, Puerto Rico, and federally-recognized Indian Tribes, Indian Tribal organizations and Tribal consortia with approved title IV-E plans, and are available as open-ended entitlement grants through single-year appropriations. The program's focus, which is articulated in statute, is children eligible under the pre-welfare reform Aid to Families with Dependent Children (AFDC) program and removed from their homes due to maltreatment, lack of care, lack of supervision, or other problems attributed to a relative caregiver. Specifically, the program permits title IV-E agencies to claim reimbursement for a portion of foster care expenditures for children who are removed from home and placed in foster care, and who are eligible based on the former AFDC program (in effect July 16, 1996).

In 2000, HHS published a final rule in the Federal Register to establish a new approach to monitoring state title IV-E agencies.

Title IV-E Foster Care Eligibility Reviews

The Children's Bureau conducts title IV-E foster care eligibility reviews (IV-E reviews) in accordance with 45 CFR §1356.71 to monitor the title IV-E agency's substantial compliance with certain requirements of title IV-E at §472(a) of the Act and implementing federal regulations at 45 CFR Parts 1355 and 1356 pertaining to:

- Judicial determinations regarding "reasonable efforts" and "contrary to the welfare"
- Voluntary placement agreements
- Responsibility for placement and care vested with the title IV-E agency
- Child's eligibility for Aid to Families with Dependent Children (AFDC) under the state plan in effect July 16, 1996
- Child's placement in a licensed foster family home or child care institution
- Safety requirements are met by the child's foster care provider

The IV-E reviews are conducted by a team of federal and title IV-E agency representatives. The review team examines a random sample of foster care cases, provider files and payment documentation on children for whom the title IV-E agency claims reimbursement of title IV-E foster care maintenance payments. The IV-E reviews

periodically monitor the title IV-E agency's compliance in meeting title IV-E eligibility requirements; validate the accuracy of the agency's claims for reimbursement of title IV-E payments made on behalf of children in foster care, and identify and recover improper payments.

The IV-E reviews, through a systematic evaluation of case record and payment documentation, provide a snapshot of decisions about the child's foster care episode and, thus, the agency's child welfare practice and fiscal accountability. As such, the IV-E reviews help to ensure fiscal accountability, improve child welfare practice and support the goals of child safety, permanency, and well-being.

The Review Process

During the on-site review, the review team examines child case records, including placement and payment histories, court orders, provider licensing and safety documentation, and other relevant case materials. The review team completes a Title IV-E Foster Care Eligibility On-Site Review Instrument and Instructions for each case in the review sample in which at least one IV-E foster care maintenance payment was made for a period during the 6-month period under review. The review is conducted on site during a 5-day period.

Title IV-E agencies undergo a primary review and, when necessary, a secondary review. In a primary review, a sample of 80 foster care cases is examined. A finding of four or fewer error cases allows a title IV-E agency to be found in substantial compliance with the eligibility requirements. Title IV-E agencies determined in substantial compliance based on the primary review are reviewed at 3-year intervals. If five or more cases in the primary review do not meet federal requirements, the title IV-E agency is determined not in substantial compliance. Title IV-E agencies determined not in substantial compliance are required to develop and implement a Program Improvement Plan (PIP) to correct areas of noncompliance, improve performance on future reviews and strengthen overall program operation.

Following the PIP completion date, the Children's Bureau conducts a secondary review that assesses a sample of 150 cases. If the title IV-E agency exceeds the compliance threshold of more than 10 percent for both the case error rate and the dollar error rate, the agency is not in substantial compliance and an additional disallowance is assessed on the basis of the agency's total foster care population for the 6-month period under review. Title IV-E agencies undergo their next primary review 3 years from the date of the secondary review, regardless of the compliance outcome of the secondary review.

Each IV-E review determines: the title-IV-E agency's performance level in regard to the review's threshold for compliance; the amount of disallowances that must be recovered for ineligible title IV-E payments claimed; and the amount of underpayments that the title IV-E agency can claim for eligible title IV-E payments not claimed previously. Each eligibility review also details the strengths and weaknesses of the title IV-E agency's program and identifies technical assistance for further program improvement.

A more detailed commentary on the history and procedures of the IV-E reviews can be found in the [Title IV-E Foster Care Eligibility Review Guide](#), which is available on the Children's Bureau website.