

ARIZONA TITLE IV-E FOSTER CARE ELIGIBILITY REVIEW
January 26 – January 29, 2004

A. INTRODUCTION

During the week of January 26 to January 29, 2004, Administration for Children and Families (ACF) staff from the Regional and Central Offices in partnership with State Division of Children, Youth and Families staff conducted an eligibility review of Arizona's Title IV-E foster care program.

The purpose of the Title IV-E foster care eligibility review was to validate the accuracy of Arizona's financial claims to assure that appropriate payments were made on behalf of eligible children, to eligible homes and institutions and at allowable rates.

B. SCOPE OF THE REVIEW

The Arizona Title IV-E foster care eligibility review, which was conducted in Phoenix, encompassed all Title IV-E foster care cases during the period April 1 through September 30, 2003. A computerized statistical sample of 100 cases (80 cases and 20 over-sample cases) was drawn from the Adoption and Foster Care Analysis and Reporting System (AFCARS) data and transmitted by the State Agency to ACF. The sampling frame consisted of cases of individual children who received at least one Title IV-E foster care maintenance payment during the six-month period noted above. For each sample case, the child's case file was reviewed for the determination of Title IV-E eligibility and to ensure that the foster home in which the child was placed was licensed for the period of the review.

C. CASE RECORD SUMMARY

Below is a brief summary of the findings for the one (1) ineligible case for the PUR.

Sample number 1: Temporary order did not provide a judicial determination that the continuation in the home would be contrary to the child's welfare and reasonable efforts were provided to prevent removal or to reunify child and family (sections 472(a)(1) and 471(a)(15)(B)(i) of the Social Security Act).

Below is a brief summary of the findings for the three (3) ineligible cases **outside** the PUR.

Sample number 19: AFDC ineligible for one month outside the PUR (section 472(a) (4) of the Social Security Act). Deprivation and financial need was not established during the month of removal. All IV-E eligibility requirements were not met until May 1, 1999.

Sample number 31: AFDC ineligible for one month outside the PUR (section 472(a) (4) of the Social Security Act). Deprivation and financial need was not established during the month of removal. All IV-E eligibility requirements were not met until March 1, 2003.

Sample number 36: AFDC ineligible for two quarters outside the PUR. States can only retroactively claim Title IV-E reimbursement within eight quarters in which the State agency made the expenditure (45 CFR 95.7).

D. STRENGTHS AND MODEL PRACTICES

There are several areas that we saw as strengths and/or as best practices. They are as follows:

1. Judicial determinations that the State Agency provided reasonable efforts to prevent removal or reunify the child with the family were completed in less than 60 days in the cases reviewed and individualized efforts were reflected in the court orders (checklist number 12).
2. Judicial determinations made on the reasonable efforts of the State Agency in achieving the permanency plan for the child within 12 months of the date the child is considered to have entered foster care, reflect that the permanency plan for each child was reviewed by the court and the permanency goal for the child is stated clearly on the court orders (checklist number 16).
3. Information provided in the petitions and court reports were clear, complete and child specific.

E. AREAS IN NEED OF IMPROVEMENT

The AFDC linkage (checklist 17 – 22) was the only area identified for improvement and was discussed during the exit conference.

AFDC Linkage

1. The State needs to clearly identify the month used to make the eligibility determination, the home for which eligibility is based (parent or other relative), and whether it is an initial or a redetermination of eligibility.
2. Staff need to be trained on when an initial eligibility determination should be made and when to do a redetermination, such as when a child is under State custody and is initially placed with a relative in an unpaid placement and then moved to a paid placement. The initial eligibility needs to be done when the child is brought into State custody regardless of whether it is a paid or non-paid placement.
3. The State needs to improve documentation on how it determined financial resources and deprivation factors used to determine eligibility (the CHILDS system only reflects checks on the screen but not the source of the information).
4. The State needs to clearly state the deprivation factor and financial need resources used in the eligibility determination and redetermination (i.e., deprivation due to the unemployment of the principal wage earner, financial need due to no income or assets).

F. DISALLOWANCE

The review included a sample of 80 cases. It was determined that 79 cases were eligible for Title IV-E and one case was ineligible. There were three ineligible cases that were not counted as errors because ineligible payments were made outside of the PUR. The financial penalty for the one ineligible case payment, which includes maintenance payment and administrative cost, amounts to \$4,217.36 (Federal share) for the PUR and the three ineligible case payments outside of the PUR amounts to \$3,240.76 (Federal share). The total financial penalty to be taken is \$7,458.12 (Federal share). See the enclosure for the financial details on the ineligible cases.

Based upon the results of the review, Arizona did not exceed the five percent error rate. Arizona has been determined to be in substantial conformity and will undergo another primary review in three years.