

CALIFORNIA 2003 REVISED FINDING  
AND DISALLOWANCE LETTER



**DEPARTMENT OF HEALTH & HUMAN SERVICES**

**Administration for  
Children & Families**

**Refer to:**

**Region IX  
50 United Nations Plaza  
San Francisco, CA 94102**

November 3, 2003

Sylvia Pizzini, Deputy Director  
Children and Family Services Division  
California Department of Social Services  
744 P Street  
Sacramento, California 95814

Dear Ms. Pizzini:

I am issuing this letter as an addendum to the July 2, 2003 report of findings from the June 2 through June 5, 2003 title IV-E Foster Care Eligibility Review. That report identified ten cases found in error and six non-error cases that had ineligible payments.

On October 15, 2003, I reversed the error finding for case sample number 66 based on documentation submitted on October 8th that substantiated the provider's eligibility and reduced the disallowance amount accordingly. On October 20, 2003, we received documentation sufficient for me to reverse the error finding for an additional case – case sample number 33. The court order submitted demonstrates that the agency had obtained the timely judicial determination that reasonable efforts were made to finalize permanency. This reduces the number of cases found in error to eight.

Therefore, I hereby deem California's title IV-E foster care maintenance program to be in substantial compliance with Federal child and provider eligibility requirements for the period April 1, 2002 through September 30, 2002. Consequently, pursuant to 45 CFR 1356.71(i), California is not required to develop a Program Improvement Plan (PIP). Also, pursuant to 45 CFR Section 1356.71(j)(2), a secondary review will not be held and, pursuant to 45 CFR 1356.71(h)(4), the next primary review will be conducted no sooner than June 2006, three years following the June 2003 review.

The financial penalty taken for this primary review will be for the payments, including the administrative costs, associated with the eight error cases and the six non-error cases that had ineligible payments. This letter constitutes our formal notice of disallowance of \$176,950 in Federal Financial Participation (FFP) for title IV-E foster care maintenance payments and related administrative costs. We revised the charts included with our original report of findings to reflect the revisions made as a result of these decisions; the revised charts are enclosed.

The State submitted a PIP on October 6, 2003 and my staff provided feedback to your staff on October 16, 2003 via email. Since the State is no longer required to implement a PIP, this letter will also confirm our understanding that the State withdraws the PIP. Nevertheless, I encourage the State to implement the planned improvements to help

Ms. Sylvia Pizzini – Page 2

ensure a substantial compliance finding results from the next primary review that will be more rigorous given that the error tolerance level is reduced to no more than five<sup>1</sup> cases.

If you have any questions about this decision, please call John Kersey at (415) 437-8415 or Pat Pianko at (415) 437-8462. Questions concerning the disallowance should be directed to John McGee at (415) 437-8408.

Sincerely,

/s/

Sharon M. Fujii  
Regional Administrator

Enclosures

cc: Pat Aguiar, CDSS  
Paul Johnson, Office of the General Counsel  
Joe Bock, Children's Bureau  
Emily Cooke, Children's Bureau

---

<sup>1</sup> The original November 3, 2003 letter referred to future error tolerance levels for primary reviews incorrectly. Consequently, the State was notified in writing on November 13, 2003 that the error tolerance for future primary reviews is reduced to no more than four cases in error, not the "five" as originally written.

**Error Cases - Revised October 2003**

	<b>Sample Number</b>	<b>Reason for Error</b>	<b>Social Security Act (SSA) and Code of Federal Regulations (CFR) Citation</b>	<b>Period of Ineligibility</b>
		<b>Child Ineligible due to Lack of Requisite Judicial Determinations</b>		
1	29	Judicial determination regarding <b>reasonable efforts to prevent removal</b> not obtained within 60 days from removal.	SSA 472(a)(1) and 471(a)(15)(B)(i) & 45 CFR 1356.21(b)(1)	07/02-present
2	65	Judicial determination regarding <b>reasonable efforts to finalize permanency</b> not timely. (Due March 2001. Completed November 2002. Earlier court order language that indicates "read and considered" report was insufficient.)	SSA 472(a)(1) and 471(a)(15)(B)(ii) and (C) & 45 CFR 1356.21(b)(2)	04/01 - 10/02
		<b>Child Ineligibility – Lack Requisite Judicial Determinations. Provider Ineligibility – Lack Background Clearances</b>		
3	70	(1) Judicial determination regarding <b>reasonable efforts to finalize permanency</b> not completed. (Due March 2001. None completed.) (2) Background clearances not obtained prior to placement. (Child placed October 2000. Clearances obtained November 2002.)	(1) SSA 472(a)(1) and 471(a)(15)(B)(ii) and (C) & 45 CFR 1356.21(b)(2); (2) 45 CFR 1356.30(e)	(1) 04/01 - present; (2) & (3) 10/00-10/02
		<b>Child Ineligible due to Nonbinding Voluntary Placement Agreement</b>		
4	37	Voluntary Placement Agreement not signed by Child Welfare Agency	SSA 472(f)	4/01 - Present
		<b>Child Ineligible due to Not Meeting AFDC Linkage Requirements</b>		
5	20	Child did not live with specified relative (mom) from whom removed within six months of petition. (Child had been living with a relative guardian at the time of removal.)	SSA 472(a)(4)	06/94 - present
		<b>Provider Ineligible Because Not Licensed/Approved</b>		
6	19	Foster Family Home not approved/licensed. (The Foster Family Agency (FFA) <b>de-certified</b> the home effective March 2002 when related caretaker started receiving Adoption Assistance Program payments. IV-E foster care maintenance was paid for one day in Sept	SSA 472(c) & 45 CFR 1355.20(a)	09/02
		<b>Provider Ineligible Because "Other Safety Considerations" Not Met</b>		
7	30	Child placed with <b>relatives</b> (9/15/99) before background clearances obtained (Foster mother clearances obtained 11/02. Foster father never cleared or exempted.)	SSA 471(a)(20) & 1356.30	9/99 - 5/02
		<b>Provider Ineligible Because Not Licensed/Approved and "Other Safety Considerations" Not Met</b>		
8	69	(1) Foster Family Home not approved/licensed. (Non-Relative Extended Family Member approved December 2002. Child placed September 2002.) (2) Background clearances not obtained prior to claiming IV-E	(1) SSA 472(c) & 45 CFR 1355.20(a); (2) SSA 471(a)(20) & 45 CFR 1356.30(e)	09/02-11/02

