

Connecticut Title IV-E Foster Care Eligibility Review Review Period 4/1/2008 – 9/30/2008

Introduction

During the week of April 6, 2009, the Children's Bureau (CB), within the Administration for Children and Families (ACF), conducted a subsequent primary eligibility review of Connecticut's title IV-E foster care program. The onsite review was conducted by a team comprised of staff from the CB Central and Regional offices, ACF Region I Office of Grants Management, and the Connecticut Department of Children and Families (DCF). The review was conducted at DCF's Office of Revenue Enhancement located in Meriden, Connecticut.

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

Scope of the Review

The Connecticut 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 April 1, 2008 through September 30, 2008. A computerized statistical sample of 80 cases and an over-sample of 20 cases were drawn from the Adoption and Foster Care Analysis and Reporting System (AFCARS) data submission which was transmitted by the State agency to the Children's Bureau for the above period under review (PUR). 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 had undergone the required criminal records and/or safety checks and was fully licensed or approved for the PUR.

During this review, 14 of the 80 cases reviewed 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 exceeded four, the Children's Bureau has determined that Connecticut is not in substantial compliance. Pursuant to 45 CFR §1356.71(i), DCF is required to develop a Program Improvement Plan (PIP) designed to correct those areas determined not in substantial compliance. The PIP implementation period may not exceed one year. The PIP will be developed by the State, in consultation with CB Regional Office staff, and must be submitted to the CB Regional Office within 90 days of the date of this report's cover letter. Once the State agency has completed the PIP, a secondary review of a sample of 150 title IV-E foster care cases will be conducted.

In addition to the error cases, one non-error case was identified that contained payments that were claimed improperly. Although this case is not considered an "error case" for determining

compliance, the ineligible maintenance payments and associated administrative costs are subject to disallowance.

Strengths and Model Practices

- All of the cases reviewed were found to have the required initial determinations and re-determinations for Aid to Families with Dependent Children (AFDC). The State has maintained a reliable system for determining and documenting financial need and deprivation of parental support according to the State's July 16, 1996 guidelines for AFDC, as required for title IV-E eligibility determinations of children removed from the home and placed into foster care. DCF's eligibility worksheets provide a clear, evidence-based path documenting the eligibility decision, basis of the decision, and period of eligibility, and were clearly signed and dated.
- All of the cases reviewed were found to have the required judicial determinations of "contrary to the welfare of the child" to remain in the home, and "reasonable efforts to prevent placement." These findings are critical protections that must be afforded to all children and their families to assure that unnecessary removals are minimized. The judicial determinations were made within the required timeframes, and sufficiently documented in the appropriate court orders. However, reviewers did note one concern with court forms, as discussed later in this report.
- Two cases in the sample were those of children removed from the home pursuant to a voluntary placement agreement. In both instances, the placement agreement included the required signatures of the parent or legal guardian and a representative of the State agency. The requirement to obtain a judicial determination within 180 days of the child entering care that continued voluntary placement is in the child's best interest was also met.

Areas in Need of Improvement

Licensing and Placement in an Eligible Foster Care Facility

To be eligible for title IV-E payments a child must be placed in a title IV-E allowable foster care facility and that facility must meet the standards for full licensure or approval established by the State. Five¹ cases were in error because reviewers were unable to substantiate that the child's foster care placement was fully licensed for the entire time the child resided in the placement during the PUR. We recommend DCF review its licensing and record-keeping practices to ensure sufficient oversight of licensed homes. The agency should ensure that licensing procedures are being adhered to, gaps in licensing do not occur, requirements for renewal are being met on a consistent and timely basis, and licensing decisions are documented.

Federal regulations at 45 CFR §1355.20(a) define an allowable foster care facility as a foster family home, group home, private childcare institution, or public childcare institution

¹ The number of errors identified will exceed the total number of cases determined to be in error as some cases had more than one error.

accommodating 25 children or fewer. A child who is not placed in one of these types of facilities is not eligible for title IV-E payments. One case was found to be in error because a miscellaneous payment was claimed for services rendered while the child was placed in an unallowable foster care facility. Based on conversations held between DCF and ACF staff, both during and subsequent to the onsite review, it is our understanding that the State's automated data system is set up to ensure that maintenance payments made on behalf of eligible children at public institutions with more than 25 children are not claimed. The current data system does not, however, have the capability to automatically exclude claims for ancillary items purchased while at these facilities and a manual process is relied upon instead. It is our further understanding that the State anticipates moving from a manual to an automated systems check for this process.

The regulations at 45 CFR §1355.20(a) further state that anything less than full licensure or approval is insufficient for meeting title IV-E eligibility requirements. Licenses or approvals, such as probationary or provisional, that are issued because the facility fails to satisfy all of the State's standards for full licensure or approval, render the children placed in such a facility ineligible for title IV-E funding. Two cases were found to be in error because children were placed with foster parents only provisionally licensed. Reviewers noted several instances where provisional licenses were continually issued over the course of many months, raising the question of why the homes were unable to meet full licensure requirements. Another case was in error because title IV-E payments were claimed for a child placed in an unlicensed foster home pending completion of a special study. We recommend DCF institute internal controls to ensure that title IV-E funds are not claimed until the home in which the child is placed meets the standards for full licensure. We understand that DCF is developing a new automated system that, once implemented, will prevent claiming for children in homes that are not fully licensed.

Two cases were in error because insufficient information was provided to reviewers to determine the exact placement of the child during the PUR. In one of these cases, LINK, Connecticut's statewide automated child welfare information system (SACWIS), only recorded the address for the child-placing agency overseeing the home in which the child was placed. However, for title IV-E purposes the agency must identify the child's exact placement and provide documentation that the home in which the child is placed is fully licensed. It is not sufficient to identify the child-placing agency. DCF reports that it identified this issue prior to the review and that the LINK system is being programmed to correct the issue.

Finally, one case was determined to have an improper payment because, prior to the period under review, title IV-E maintenance payments were claimed while a child was placed in a relative foster home prior to full licensure. Again, this issue should be addressed by the new automated system DCF will be implementing.

Safety Requirements for Children Placed in Foster Care

To ensure that a child is not placed in a foster care setting where the potential caregiver has caused or is likely to cause harm to a child, federal regulations at 45 CFR §1356.30 require States to examine the potential safety risks posed to the child by a foster care provider. The State agency must document that the foster care provider meets the established safety standards before a child is placed with the foster care provider and must do so before claiming title IV-E funds.

The State must provide documentation that criminal records checks are conducted with respect to each prospective foster parent in the home. It is not sufficient to document that a request was made for a criminal records check. Acceptable documentation is evidence that contains the results of the criminal records check and that substantiates that the requirement is met for the child's duration of the placement during the PUR. The State agency is expected to adhere to the safety standards established within the State's laws and policies.

At the time of initial licensure, DCF Policy 41-16-3.1 (effective March 15, 2003) requires all prospective foster parents and household members, age 16 or older who reside in the candidate's home to undergo the following criminal records searches: local and State police searches by name and date of birth; and State and FBI fingerprint searches. A new license is issued every two years. Prior to relicensure, the following criminal records searches must be conducted: local and State police searches by name and date of birth; and State and FBI fingerprint searches for any household member age 16 or older who has not previously completed them. Further, at the time of initial inquiry and prior to renewal a search of LINK and Connecticut's legacy Case Management System must be conducted for all foster parents and household members to determine if there is any prior protective service history. Three cases were found to be in error because the licensing files for foster parents were missing evidence of required background checks. One case was found to be in error because the child was placed in a foster home where the foster care license was issued before the results of criminal records checks were received by the agency.

Federal regulations at 45 CFR §1356.30(f) require States to establish procedures that address safety considerations with respect to the staff of childcare institutions. The State must provide documentation verifying that these safety considerations are satisfied for the duration of the child's placement during the PUR. DCF procedures are to review the personnel files for all staff of a childcare institution seeking initial licensure. The files must contain background checks from the State police and a DCF protective services history check. The State licensing policy does not permit the agency to grant an initial license until the applicant has demonstrated compliance with all requirements. A new license is issued every two years. Upon renewal, the personnel files of all staff hired within the previous two years must be reviewed for these same requirements. Failure to meet these requirements results in a plan of correction, during which time the facility remains fully licensed.

Two cases were found to be in error. In the first case, reviewers were unable to substantiate that the State's required check of personnel files was completed prior to issuing a license for the childcare institution where each child resided during the PUR. The state agency did not provide any documentation to show that it had reviewed the facility's personnel files or that safety checks were completed prior to licensure. In the second case, documentation that safety checks were completed prior to renewal was provided; however, the documentation showed the background checks were not completed on all required staff of the childcare facility. Reviewers also were unable to substantiate that the facility entered into the State-required plan of correction for the incomplete background checks in the personnel files.

The mechanism a State uses to satisfy the requirements around safety considerations for staff of childcare institutions should be written into State policy, procedures, or statutes and incorporated into the licensing documentation. DCF is strongly encouraged to finalize the draft licensing policy covering these facilities and to provide additional training to appropriate staff on these requirements.

During the review week, the full licensing file was not available to reviewers. In the limited information made available to reviewers there was a wide variation in how background checks were documented. Additional documentation had to be requested to answer questions, and information that may have allowed for a more comprehensive review was not present. Ultimately, DCF was unable to substantiate compliance with safety requirements in a number of cases, as described above. It may be prudent for the State to review the efficiency and efficacy of its procedures in this area in order to ensure that safety standards are being adhered to, verified on a regular basis, and documented consistently. Further, in preparation for the next title IV-E review, discussion will occur between CB and DCF staff to ensure that the entire licensing file is available onsite for the review process.

Judicial Determinations

A judicial determination regarding reasonable efforts to finalize the permanency plan must be made within twelve months of the date on which the child is considered to have entered foster care and at least once every twelve months thereafter while the child is in placement. This finding represents the court's judgment on whether the agency's activities during the previous twelve months were meaningful in bringing about permanency for the child. Two cases were found to be in error because they were missing timely judicial determinations of reasonable efforts to make and finalize a permanency plan that were due during its PUR. In one case, the judge deferred assessment of reasonable efforts to finalize until a termination of parental rights hearing was held, resulting in the finding not being made timely. In the other case, the finding was not made for a child over the age of 18 who had voluntarily agreed to remain under the placement and care responsibility of the agency. In order for the child to maintain eligibility for title IV-E payments, the State must continue to meet the requirements on reasonable efforts to finalize the permanency plan regardless of the child's age, so long as the child is in foster care. Addressing delays in timely court determinations and ensuring that appropriate findings are made will require DCF and the Connecticut courts to work closely together. DCF is further advised to institute internal controls to ensure that title IV-E funds are not claimed when there is a delay in the required annual judicial determination of reasonable efforts to finalize the permanency plan.

Although it did not result in an error, reviewers expressed concern over court form JD-JM-25 revised 9-07, "Order of Commitment/Extension of Commitment of Child From Family With Service Needs." Reviewers noted that while the required finding of contrary to the welfare is made, the finding could be misread due to how the form is structured. We strongly recommend revising this form so that the court's findings are clearly delineated in the written order.

Placement and Care Responsibility

The State agency must document that it has placement and care responsibility for a child in order for that child to be eligible for title IV-E payments, as required by §472(a)(2) of the Act. This

responsibility may be granted in a removal court order, subsequent court ruling, or in the voluntary placement agreement, but no Federal Financial Participation (FFP) may be claimed before this requirement is met. Most cases in the sample met this requirement, with court orders clearly committing children to DCF. Connecticut General Statute §46b-129 allows commitment to DCF to remain in effect until revoked by the court. One case was found to be in error because custody of the child transferred to an aunt and DCF continued to claim title IV-E payments for that child for a month during its PUR after the agency's placement and care authority ended. Reviewers thought this error was likely due to a data entry problem, with the wrong date of custody transfer entered into LINK.

Aid to Families with Dependent Children Eligibility

The purpose of the title IV-E foster care program is to provide financial assistance to States to help care for children in foster care who meet the eligibility requirements for the Aid to Families with Dependent Children (AFDC) program and cannot remain safely in their homes. Thus, a child's eligibility for title IV-E maintenance is, in part, predicated on the child's eligibility for AFDC. AFDC eligibility is generally limited to children under the age of 18. However, States may have elected to include in their AFDC State Plans eligibility coverage for youth over age 18 who are full-time students in a secondary school and who may reasonably be expected to graduate before reaching age 19. Connecticut has exercised this eligibility option. One case was determined to be in error because title IV-E payments continued to be claimed after it became evident that the 18-year-old youth was no longer expected to graduate before age 19.

Additional Recommendations

We recommend the agency provide additional training to Revenue Enhancement staff to ensure accurate criteria and appropriate documentation is being used during eligibility determinations. CB Regional Office staff are available to assist with this effort.

We further recommend that the agency implement a quality assurance process to ensure all cases for which title IV-E maintenance payments are being claimed meet all eligibility requirements. DCF should consider pulling a random sample of cases on a regular basis to conduct its own eligibility reviews. Training should be implemented, as warranted, on any ongoing areas of concern identified by this process.

Case Record Summary

The following details the error and non-error cases, reasons for ineligibility, ineligible periods and the amount for each ineligible claim. The Federal Medical Assistance Percentage rate for determining the payment disallowance on Maintenance Payments and Administrative Costs is 50%.

Sample #	Case ID	Reason*	Ineligible Period	Disallowance	
				Main.	Adm.
				\$	\$
Error Cases:					
7	54013	1	7/1/08-present	5,646	2,922
14	736904	1	4/24/08-present	4,158	5,844
26	1696420	1	11/19/07-6/1/08	9,323	10,226
32	121612	1	12/26/07-4/14/08	3,135	4,382
34	257411	1	6/24/08-present	100	0
35	858563	1,2	8/19/07-4/30/07	6,700	7,304
			7/1/08-7/17/08	720	1,404
36	289168	3,4	4/1/08-present	3,815	4,382
51	162356	1	4/1/08-9/30/08	192	0
63	117479	1,2	4/1/08-9/3/08	13,933	7,304
65	439737	2	3/1/08-5/23/08	1,526	2,922
72	868853	1,2,3	8/1/08-present	252	0
75	1637760	5	7/1/08-present	798	1,460
79	1026495	1,2	4/1/08-9/30/08	21,037	7,304
OS-2	801704	1	10/12/07-6/16/08	6,121	11,688
Subtotal				\$ 77,456	\$ 67,142
Non-Error Case					
9	1728652	1	5/17/07-7/30/07	1,212	0
Total				\$ 78,668	\$ 67,142
FFP at 50%				\$ 39,334	\$ 33,571

* Ineligible Codes for Improper Payment Cases

1. Provider not fully licensed according to requirements at §472(b) and (c) of the Act and 45 CFR §1355.20
2. Criminal records checks and other safety considerations for foster care providers not fully addressed as required by §471(a)(20) and 45 CFR §1356.30

3. Reasonable efforts to finalize a permanency plan court determination not met according to requirements at 45 CFR §1356.21(b)(2)
4. AFDC eligibility (as in effect on July 16, 1996) not met according to requirements at §472(a)(3) of the Act
5. State agency responsibility for placement and care not met according to requirements at §472(a)(2)(B) of the Act

Disallowances

Pursuant to 45 CFR 1356.71(j), a disallowance in the amount of \$39,334 in maintenance payments and \$33,571 in administrative costs is assessed for the ineligible payments claimed for error and non-error cases. The total disallowance is \$72,905 in FFP. The erroneous maintenance payments and administrative costs include all payments claimed through the fiscal reporting quarter that ended September 30, 2008. In addition to this amount, any costs claimed subsequent to 9/30/08, pertaining to the cases and ineligible periods noted above, must also be refunded to the Administration for Children and Families.