

**Final Report**  
**State of Connecticut**  
**Department of Children and Families**  
**Primary Review**  
**Title IV-E Foster Care Eligibility**

**Report of Findings for**  
**April 1, 2014– September 30, 2014**

**Introduction**

During the week of April 27, 2015, the Children's Bureau (CB) of the Administration for Children and Families conducted a primary review of Connecticut's title IV-E foster care program. The title IV-E foster care review (IV-E review) was conducted in collaboration with the state and was completed by a review team comprised of representatives from the Connecticut Department of Children and Families (DCF), CB Central and Regional Offices, and ACF Regional Grants Management.

The purposes of the IV-E review were (1) to determine whether the Connecticut title IV-E foster care program is in compliance with the 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 the state's financial claims to ensure appropriate payments were made on behalf of eligible children.

**Scope of the Review**

The IV-E review encompassed a sample of the state's foster care cases in which a title IV-E maintenance payment was made for an activity that occurred in the six-month period under review (PUR) of April 1, 2014 through September 30, 2014. A computerized statistical sample of 100 cases (80 cases plus 20 oversample cases) was drawn from data the state submitted to the Adoption and Foster Care Analysis and Reporting System (AFCARS) for the above period. Eighty (80) cases were reviewed, which consisted of seventy nine (79) cases from the original sample plus one (1) oversample case. One case was excluded from the original sample because no title IV-E foster care maintenance payment was made for a period of activity during the PUR. The state provided documentation to support excluding this case from the review sample and replacing it with a case from the oversample.

In accordance with federal provisions at 45 CFR §1356.71, the state was reviewed against the requirements of title IV-E of the Act and federal regulations regarding:

- Judicial determinations regarding reasonable efforts and contrary to the welfare as set forth in §472(a)(2)(A) of the Act and 45 CFR §§1356.21(b) and (c), respectively;
- Voluntary placement agreements as set forth in §§472(a)(2)(A)(i) and (d)-(g) of the Act and 45 CFR §1356.22;
- Responsibility for placement and care vested with state agency as stipulated in §472(a)(2)(B) of the Act and 45 CFR §1356.71(d)(1)(iii);

- Eligibility for Aid to Families with Dependent Children (AFDC) under the state plan in effect July 16, 1996 as required by §472(a)(3) of the Act and 45 CFR §1356.71(d)(1)(v);
- Placement in a licensed foster family home or child care institution as defined in §§472 (b) and (c) of the Act and 45 CFR §1355.20(a) and §1356.71(d)(1)(iv); and
- Safety requirements for the child's foster care placement as required at §471(a)(20)(A) of the Act and 45 CFR § 1356.30.

The case record of each child in the selected sample was reviewed to verify title IV-E eligibility. The foster care provider's record also was examined to ensure the foster family home or child care institution where the child resided during the PUR was fully licensed and met the safety requirements. Payments made on behalf of each child also were reviewed to verify expenditures were properly claimed under title IV-E and to identify underpayments eligible for claiming.

A sample case was assigned an error rating when the child was not eligible on the date of activity in the PUR for which title IV-E maintenance was paid. A sample case was cited as non-error with ineligible payment when the child was not eligible on the activity date outside the PUR or the child was eligible in the PUR on the date of an unallowable activity and title IV-E maintenance was paid for the unallowable activity in either situation. In addition, underpayments were identified for a sample case when the state unintentionally failed to claim an allowable title IV-E maintenance payment for an eligible child within the 2-year filing period specified in 45 CFR §95.7 and the filing period had not expired.

The Children's Bureau and Connecticut agreed the state would have two weeks following the onsite review to submit additional documentation for a case during the onsite review identified as in error or in "undetermined" status. The state did not submit any additional documentation following completion of the onsite review.

### **Compliance Finding**

The review team determined that 76 of the 80 cases met all eligibility requirements (i.e., were deemed non-error cases) for the PUR. Four (4) cases were determined to be in error for not meeting the eligibility requirements either for periods only during the PUR or for the entire foster care episode. There were no additional cases identified for which title IV-E maintenance payments were improperly claimed. There also were no cases identified as having underpayments.

The Children's Bureau has determined the Connecticut title IV-E foster care program is in substantial compliance for the PUR. Substantial compliance in a primary IV-E review means the total number of error cases is four or fewer cases determined as not meeting eligibility requirements for the PUR. Since the state is in substantial compliance, a secondary review of 150 sample cases is not required. The next primary review will be held in three years.

### **Case Summary**

The following chart records the improper payment cases comprised of: error cases; reasons for the improper payments; improper payment amounts; and federal provisions for which the state

did not meet the compliance mandates. Calculation of improper payments is based on the federal financial participation (FFP) rates of maintenance payments at the state's Federal Medical Assistance Percentages (FMAP) for applicable year(s) for each sample case.

**Error Cases:**

<b>Sample Number</b>	<b>Improper Payment Reason &amp; Ineligibility Period April 1, 2014 – September 30, 2014</b>	<b>Improper Payments (FFP)</b>
15	<p>Foster home not fully licensed during child's placement. [§472(b) &amp;(c) of the Act; 45 CFR §1356.71(d)(l)(iv)]</p> <p>Ineligible: 07/01/2014—09/14/2014</p> <p>Safety requirements not met; No documentation of fingerprint-based background checks for foster parents. [§471(a)(20) of the Act; 45 CFR 1356.30]</p> <p>Ineligible: 07/01/2014 – 09/14/2014</p>	<p>\$4,785 Maint. \$2,163 Admin.</p>
43	<p>AFDC requirements not met. Child living with and removed from a legal guardian who is not a specified relative. Additionally, the child's allegation regarding having spent time with her mother after running away from the guardian's home does not support the AFDC "living with" requirement in that there is no evidence that the child was living with the mother in a place maintained or being established as her own home. [§472(a)(l) &amp; (3) of the Act; 45 CFR §1356.21(k) &amp; (l); 45 CFR §233.90(c)(l)(v)]</p> <p>Ineligible: Entire FC episode</p> <p>Note: Disallowance period through this report is 03/20/2013-09/30/2014. Further state decreasing adjustments are required for any payments for case activity that occurs after the disallowance period end date.</p>	<p>\$48,588 Maint. \$12,978 Admin.</p>
52	<p>Foster home not fully licensed during child's placement. [§472(b) &amp;(c) of the Act; 45 CFR §1356.71(d)(l)(iv)]</p> <p>Ineligible: 04/11/2014—04/30/2014</p>	<p>\$1,442 Maint. \$0 Admin.</p>
79	<p>Foster home not fully licensed during child's placement. [§472(b) &amp;(c) of the Act; 45 CFR §1356.71(d)(l)(iv)]</p>	<p>\$503 Maint. \$1,082 Admin.</p>

Sample Number	Improper Payment Reason & Ineligibility Period April 1, 2014 – September 30, 2014	Improper Payments (FFP)
	Ineligible: 09/01/2014—09/30/2014	

**Total: \$71,541**

### Areas Needing Improvement

Findings of this review indicate the state needs to further develop and implement procedures to improve program performance in the following areas. For each issue, there is a discussion of the nature of the area needing improvement, the specific title IV-E requirement to which it relates and the corrective action the state should undertake.

Issue #1: Unlicensed Placements. Three (3) cases were in error due to children being placed in foster homes either prior to complete licensure or because the license expired and was not renewed timely according to state licensing policy. In one of the three cases both situations occurred. In two instances, errors resulted because the license of an out-of-state placement expired and the state was unable to document continued licensing. In two other instances, errors resulted because the child changed placements into a home that was not yet fully licensed.

Title IV-E Requirement: To qualify for title IV-E foster care maintenance payments, federal provisions at §472(b) & (c) of the Act and 45 CFR §1356.71(d)(1)(iv) require children to be placed in a foster family home licensed by the state in which it is located, or approved by the state as meeting the standards established for licensing. 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.

Recommended Corrective Action: The state's IV-E Eligibility Management System is programmed to alert eligibility staff when a license expires, allowing eligibility staff to examine the case and make appropriate changes to eligibility status. Reviewers identified several cases in the sample where title IV-E claims were appropriately ceased when the home in which the child was placed was no longer licensed. However, license expirations for out-of-state placements do not trigger the same automated alert. There also is no alert when a child changes placement into a home that may not be fully licensed. Having these two types of alerts could have prevented each of the errors related to unlicensed placements identified in this review. The state is encouraged to review its quality assurance procedures to determine whether adding these types of automated alerts is feasible, or whether additional processes can be put in place to address these kinds of circumstances.

In two (2) of the three (3) cases found in error due to unlicensed placements, the state had self-identified the issue through its ongoing eligibility redetermination process. This process assesses whether title IV-E requirements were met in particular cases for the preceding twelve months. The state then initiated action to back out title IV-E claims associated with these cases prior to the onsite review. However, the adjusted claim was not received by CB or the ACF Grants Management Regional Office before the review sample was provided to DCF, as directed in the Title IV-E Foster Care Eligibility Review Guide. Therefore, in accordance with review procedures, these two cases remained in the case sample and were identified as error cases. The state is encouraged to review its redetermination process so that errors resulting from this type of timing issue do not recur in future title IV-E reviews.

Issue #2: Lack of Criminal Background Checks for Foster Parents. One (1) case was in error because the state was unable to document that required criminal background checks for foster parents were completed prior to the state's claim for the period of the child's placement in the relative foster home.

Title IV-E Requirement: Federal provisions at §471(a)(20) of the Act and 45 CFR §1356.30 require the state to provide documentation that criminal records checks have been conducted on all prospective foster parents before they receive final approval for placement of a child. Fingerprint-based checks must be conducted for all prospective foster parents licensed on or after October 1, 2008. While this does not prohibit the state from placing a child in the home of a prospective foster parent prior to completion of the criminal background check, the state may not claim title IV-E funds until the required check is completed and the records reveal that the foster parents did not commit any prohibited felonies in §471(a)(20)(A)(i) and (ii) of the Act. These requirements apply equally to relative and non-relative foster homes.

Recommended Corrective Action: The state must take steps to ensure all required criminal background checks are completed on foster parents caring for children, in particular for children on whose behalf title IV-E foster care payments are made. The error occurred because the child had a change of placement into the home of an unlicensed relative on whom the required fingerprint-based background checks had not yet been completed. As previously noted, DCF's automated system does not alert eligibility workers when a change in placement occurs. The state is urged to consider what quality assurance measures can be put in place to ensure the accuracy of eligibility determinations when a child changes placement.

Issue #3: Child Not Living With a Specified Relative. One (1) case was in error because the state did not establish that the child was living with, and removed from, the home of a specified relative. Court documentation indicates the child could have been judicially removed from the guardian or the mother, but neither scenario complies with the applicable title IV-E requirement.

The case file for this case indicates the legal guardian is an individual the mother met two years prior to initiation of the guardianship. No documentation was provided to demonstrate the legal guardian meets the definition of a specified relative. A specified relative is defined in federal regulations at 45 CFR §233.90(c)(1)(v) as any relation by blood, marriage or adoption who is within the fifth degree of kinship to the dependent child.

The court order and the petition identify the mother as well as the legal guardian. If the child was removed from her mother the "living with" requirement is not met since the requirement examines whether the child is living with a specified relative in a place maintained or being established as his own home. Consistent with federal regulations at 45 CFR §233.90(c)(1)(v)(B), there must be evidence of the assumption and continuation of responsibility for day-to-day care and control of the child by the relative with whom the child is living. The specified relative with whom the child is living is considered to be the one who exercises responsibility for the care and control of the child even when there is temporary absence from the customary home. Also, the child must have lived with the specified relative within 6 months of the initiation of court proceedings or signing of the voluntary placement agreement for removal [45 CFR §1356.21(1)].

The case documentation in the form of the court petition indicates only that the child alleges to have spent time with the mother, but notes that this statement is not substantiated. The petition further states that removal was initiated because the child had specialized needs that could not be addressed in the home. Although the specific home in mind was not specified, the removal petition goes on to note that the child was beyond her guardian's control and that the mother was not a resource for the child due to her alleged transience and unaddressed substance abuse issues. Therefore, there is no evidence that the mother provided a "home" for the child as prescribed in the federal regulations at 45 CFR §233.90(c)(1)(v)(B), as follows:

"(B) A home is the family setting maintained or in process of being established, as evidenced by assumption and continuation of responsibility for day to day care of the child by the relative with whom the child is living. A home exists so long as the relative exercises responsibility for the care and control of the child, even though either the child or the relative is temporarily absent from the customary family setting. Within this interpretation, the child is considered to be living with his relative even though:

- 1) He is under the jurisdiction of the court (e.g., receiving probation services or protective supervision); or
- 2) Legal custody is held by an agency that does not have physical possession of the child."

Consequently, CB has determined that regardless of whether the removal in this case was from the home of the child's unrelated legal guardian or the child's mother, neither scenario satisfies the applicable title IV-E requirement.

Title IV-E Requirement: Consistent with §471(a) of the Act and 45 CFR §1356.21(k) & (1), the state must establish that the child was living with and removed from the home of a specified relative. If the child is not living with the specified relative from whom there is a judicial removal or voluntary placement, the child must have been living with that specified relative at some time within the six months prior to the month of the initiation of court proceedings leading to the judicial removal or of the voluntary placement agreement. A child is considered to meet the requirements of living with one of the relatives specified in the regulations at 45 CFR §233.90(c)(1)(v) if the child lived with any relation by blood, marriage or adoption who is within the fifth degree of kinship.

Recommended Corrective Action: Only one case was determined to be in error due to an inaccurate AFDC eligibility determination. The legal guardian was referred to on the title IV-E eligibility worksheet as "other relative". Information in the case record referred to this individual as both the child's godmother and someone the mother had met two years prior to giving the legal guardian temporary custody of the child. In making eligibility determinations, the state should review the petition supporting removal of the child from the home and other available case documentation to gain a better understanding of what the family situation was at the time of removal, to reconcile discrepancies in case information, and to clearly specify the child's relation to the individual from whom he or she is both judicially and physically removed. The state should also consider revising its court orders to clearly specify the home that is the subject of the child's removal, particularly when there is more than one potential home involved.

## **Program Strengths and Promising Practices**

The following positive practices and processes of the state's title IV-E program were observed during the review. These approaches seem to have led to improved program performance and successful program operations.

Automation of title IV-E Eligibility: Connecticut has a well-designed and effective IV-E Eligibility Management System, which is part of its Statewide Automated Child Welfare Information System (SACWIS), known as LINK. The system facilitates timely eligibility decisions and tracks eligibility throughout the foster care episode. Functionality includes automated AFDC eligibility worksheets which eliminate much of the potential for error inherent in manual processes; automated alerts to review child eligibility at appropriate points in time, such as when a judicial determination is due or a license is due for renewal; and scanning capability that allows eligibility staff easier access to complete licensing and criminal background check documentation. The system is also able to electronically communicate with DCF's sister agency, the Department of Social Services, to obtain information pertinent in determining financial need and deprivation for AFDC eligibility. This electronic system interface increases the authenticity of data used for eligibility determinations.

Centralized Eligibility Determinations: Connecticut has a dedicated unit for making determination and re-determinations of title IV-E eligibility. This centralized unit facilitates ongoing staff training and support, resulting in consistent and less error-prone eligibility decisions. Connecticut also has a regular quality assurance process in place that self-identified two of the four errors prior to the beginning of the onsite review.

Judicial Determinations: Connecticut has continually improved performance on requirements related to judicial determinations. For court-ordered removals, there must be a judicial determination to the effect that it is contrary to the welfare of a child to remain in the home, that the IV-E agency has made reasonable efforts to prevent removal or that reasonable efforts need not be made, and that the agency has made reasonable efforts to finalize a permanency plan. In order to meet title IV-E requirements, judicial determinations must be: timely; made on a case-by-case basis; child-specific; and explicitly stated in the court order. Each case reviewed was found to have the required judicial determinations, made within federal regulatory timeframes, and sufficiently documented. The state credits a strong working relationship between the title IV-E agency and the courts with facilitating access to the necessary documents. Internal controls have also been implemented via the automated system to ensure title IV-E funds are not claimed until the appropriate findings have been made and documented. When reflecting on further opportunities to enhance performance in this area, the state should consider adding space on the court order form templates to permit a judge to either include or otherwise reference the specific facts on which the determination is based directly in the court order.

## **Disallowances**

A disallowance in the amount of \$55,318 in maintenance payments and \$16,223 in related administrative costs of Federal Financial Participation (FFP) is assessed for title IV-E foster care payments claimed for the error cases. The total disallowance as a result of this IV-E review is \$71,541 in FFP.

Connecticut also must identify and repay any ineligible payments for the error cases that occurred for periods subsequent to the PUR. No future claims should be submitted on these cases until it is determined that all eligibility requirements are met.

CB understands that the state may have already processed decreasing prior quarter adjustments for a portion of the disallowed title IV-E claims. If so, please provide documentation of any such adjustments and process decreasing adjustments for the remaining portion of the disallowed claims.

## **Next Steps**

As part of the state's ongoing efforts to improve its title IV-E foster care eligibility determination process, the Children's Bureau recommends Connecticut examine the identified areas needing improvement and develop strategies to address the problems hindering the state from operating a fully accurate foster care eligibility program. Appropriate corrective action must be taken in instances of noncompliance with federal laws, regulations and policies. The Children's Bureau Region 1 staff is available to assist the state in identifying corrective action to help the state address issues and concerns raised during this IV-E review.