

Delaware Title IV-E Foster Care Report
Eligibility Review
October 1, 2005 – March 31, 2006
September 15, 2006

Introduction

During the week of August 14, 2006, Administration for Children and Families' (ACF) staff from the Central and Regional Offices and State of Delaware staff conducted an eligibility review of Delaware's title IV-E foster care program in Newark, Delaware.

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

Scope of the Review

The Delaware title IV-E foster care 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 October 1, 2005 to March 31, 2006. A computerized statistical sample of 80 cases was drawn from the Adoption and Foster Care Analysis and Reporting System (AFCARS) data which was transmitted by the State agency to the ACF for the period under review. 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 child care institution in which the child was placed was licensed or approved for the period of the review.

During this primary review, 80 cases were reviewed. Six cases 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 ACF has determined Delaware not to be in substantial compliance. Pursuant to 45 CFR 1356.71(i), you are required to develop a Program Improvement Plan (PIP) designed to correct those areas determined not to be in substantial compliance. The PIP will be developed by the State, in consultation with ACF Regional Office staff, and must be submitted to the ACF Regional Office by December 18, 2006 which is 90 days from date of the cover letter for this report. Once the State has satisfactorily completed the PIP, a secondary review of a sample of 150 title IV-E foster care cases will be conducted.

Case Record Summary

The following details the error cases, reasons for the error, appropriate citations and period of ineligibility:

Sample #	Reason Case Was Not Eligible/Period
18	The child is not title IV-E eligible because the child is no longer under the placement and care of the State agency. (472 (a) (2)): (45 CFR 1356.71(d) (1) (iii)) Period: 12/29/05 – 12/31/05
51	There was not a judicial determination that remaining in the home would be contrary to the welfare of the child. (472(a) (1), 471(a) (15) (B) (i), 45 CFR 1356.21 (c). Periods: 3/03, 4/01/05 – 12/31/05 and 1/01/06 – 2/28/06
54 (OS 11)	The foster family provider was not licensed or approved for the period the child was placed in the home. (472(a) (3), (b) & (c); 45 CFR 1355.20(a); 45 CFR 1356.71(d) (1) (v)) Period: 12/01/05 – 12/31/05
62	The child was not removed from the home of a specified relative; therefore, the child was not AFDC eligible. (472(a) (4) (A) & (B); 45 CFR 1356.71(d) (1) (v)) Period: 10/01/05 – 6/30/06
71	The foster family provider was not licensed or approved for the period the child was placed in the home. (472(a) (3), (b) & (c); 45 CFR 1355.20(a); 45 CFR 1356.71(d) (1) (v)) Period: 12/01/05 – 6/30/06
72	The judicial determination that addressed reasonable efforts to finalize the permanency plan was not obtained within a twelve month period. (472(a) (1); 471(a) (15) (B) (ii); 45 CFR 1356.21(b) (2)). The child aged out of care and payments continued to be made. 472(a) (1) and (4); 45 CFR 1356.71(d) (1) (v). Period: 12/01/04 – 5/31/06

The erroneous payments associated with the six error cases are calculated on the attached spreadsheet and include all of the payments claimed on behalf of the child for the entire period of the error. The spreadsheet contains the error cases, all payments claimed for the entire period of the error for each case, the Federal Medical Assistance Payment [FMAP] rate, and Federal Financial Participation [FFP]. Here is a summary of the disallowed dollars associated with the six error cases:

Maintenance Payments	\$ 42,991
Administrative Costs	\$ 49,945
TOTAL	\$ 92,936

Strengths and Model Practices

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

- Judicial determinations that included contrary to welfare and reasonable efforts to prevent removal or reunify the child with the family were completed promptly, were child specific, discussed the exact circumstances of the child and family and discussed the educational status of the child. The case record review found that determinations of contrary-to-welfare and reasonable efforts to prevent placement or reunify were made on a timely basis for 79 of the 80 sample cases.
- The case record review showed that there is a high frequency of court hearings that address removal and reasonable efforts determinations. We saw children achieve permanency on a timely basis due to frequent court hearings in which the case was thoroughly reviewed.
- The initial eligibility determinations were completed in a timely manner in all cases except one. Re-determinations were also done timely and were completed more frequently than annually. Court orders were included in the AFDC records.
- Generally, case documentation showed that permanency hearings were occurring more frequently than once every twelve months.
- The Family and Child Tracking System (FACTS) was very helpful in finding child and family information and in helping to understand case situations.

Areas in Need of Improvement

Four main areas were identified for improvement and these were discussed during the exit conference.

IV-E Sampling Issues

- The State has a high rate of non-IV-E payments listed in the Adoption and Foster Care Analysis and Reporting System (AFCARS) Element #59. The original universe of IV-E cases in Element #59 was 193 which is a very small universe. A sample of 80 cases and an additional 20 over samples were drawn from the universe. There were 20 cases of the 100 cases drawn that were incorrectly coded as having IV-E payments. This means that 20% of the sample should not have been included in AFCARS Element #59. We recommend that the State address this issue and clean up the eligibility files to make sure that only title IV-E payments are included in AFCARS Element #59.
- The State apparently has a backlog of cases in the client eligibility determination unit. This means that title IV-E funds due the State are not being claimed

appropriately. This is further supported by our finding that 10 cases in the sample had underpayments which means the State is not claiming all the title IV-E funds it is entitled to receive. We recommend that the State address this backlog and the underpayment issue and begin to claim title IV-E funds appropriately.

- The State does not have an automated system for identifying adjustments to individual title IV-E payments. It is apparent that many payment adjustments are being made manually. We understand that the manual adjustments take considerable staff effort and that the automated system does not identify eligibility automatically in certain circumstances. We recommend that the State address the adjustment of title IV-E payments in the current system.

AFDC

- The State needs to clearly identify the month used to make the initial eligibility determination and redeterminations. Currently the State selects a day during the month rather than simply indicating the end of the month.
- The State needs to change policy to require that the specified relative from whom a child is removed is also listed as a respondent on the removal order or the child is not AFDC eligible.

Licensing and Safety

- The State needs to revamp the foster home licensing process to clearly show that the foster family home is approved and for what period.
- The State needs to clearly identify the month-day-year that the foster family home is approved and the month-day-year that the approval ends. Currently the State selects a day during the month rather than simply indicating the end of the month. Foster home licensing practice would be more consistent if the State selected the day of the month the license begins and ends for example the license would begin on the first day of the month and end on the last day of the month.
- The State needs to be more consistent in licensing practice in such areas as timeframes for approval, approval dates, and the use of certificates or letters. There needs to be more consistency throughout the State, but also between the State Agency's foster homes and the foster homes approved by licensed child placing agencies.
- In order to claim title IV-E foster care for provisionally licensed foster homes, the State needs to revise its foster home licensing and approval process to assure that provisional approvals are only awarded to new homes and facilities and are not awarded to homes and facilities with deficiencies.

Court Orders

Termination of parental rights hearings in Delaware did not always include judicial determinations addressing reasonable efforts to finalize permanency plans. After the termination of parental rights the courts did not continue to address reasonable efforts to finalize the permanency plan. Technical assistance and training for the State Agency and the courts is available and is recommended to make sure that judicial determinations for reasonable effort to finalize permanency continue to be made until the child's permanency goal is achieved.

Underpayments

The Delaware title IV-E review identified ten cases which appeared to have appropriate foster care payments for which title IV-E funds were not claimed by the State. The case sample number, PID number and periods are listed in the Summary below.

<u>Summary</u>		
<u>Sample Number</u>	<u>PID Number</u>	<u>Period</u>
9 (OS-19)	516845	1/23/04-2/29/04
15 (OS-3)	447366	10/2/02–8/26/03
22	19188	1/27/05-1/31/05
27	460860	12/8/03 – 1/31/04
37	66398	Start – 2/28/05
49 (OS 9)	631096	5/25/05-7/31/05
59	459678	2/25/04-2/29/04
61	590400	10/26/05-10/31/05
77	494767	5/19/05-8/2/05
79	49537	11/3/05 – 7/5/06

The attached spreadsheet summarizes the underpayment amounts associated with these cases. The State may file a claim for these cases once they verify that all eligibility criteria was met during the aforementioned time periods, and only for claims that are within the two-year time limitation as described in 45 CFR 95.7.

Ineligible Payments

The Delaware title IV-E review identified three cases which did not have judicial determinations at 12 month intervals prior to the period under review. The title IV-E amounts claimed for these periods are disallowed as ineligible payments. The case sample number, PID number and periods are listed in the Summary below. See the attached spreadsheet.

Summary

<u>Sample Number</u>	<u>PID Number</u>	<u>Period</u>
46 (OS-8)	341615	6/1/05 - 9/30/05
47	133874	11/1/03 – 12/31/03
66	495472	4/1/06 - Present

Disallowances

The review included a sample of 80 cases. The sample was drawn from a universe of cases that received at least one title IV-E foster care maintenance payment during the 6-month AFCARS period of October 1, 2005 to March 31, 2006. Based upon the results of the review, the State of Delaware has been determined to be not in substantial compliance. Therefore, a disallowance in the amount of \$104,414 in Federal Financial Participation (FFP) is assessed for the entire period of time that these cases were determined to be in error or had ineligible payments.

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