HAWAII TITLE IV-E FOSTER CARE ELIGIBILITY REVIEW
March 8 – March 12, 2004

A. INTRODUCTION

During the week of March 8 through March 12, 2004, Administration for Children and Families (ACF) staff from the Regional and Central Offices in partnership with State Child Welfare Services Branch staff conducted an eligibility review of Hawaii's title IV-E foster care program. This review was a secondary review, which was required as a result of Hawaii being found not in substantial compliance during the primary review conducted April 2 – April 6, 2001.

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

There were two cases in error comprising $1,385.21 amount of Federal funds claimed. Therefore, because the case ineligibility and dollar error rates did not exceed 10 percent, Hawaii's title IV-E foster care maintenance program is in substantial compliance with Federal child and provider eligibility requirements for the period of April 1, 2003 through September 30, 2003.

B. SCOPE OF THE REVIEW

The Hawaii title IV-E foster care eligibility review, which was conducted in Honolulu, encompassed all title IV-E foster care cases during the period under review (PUR) of April 1 through September 30, 2003. A computerized statistical sample of 180 cases (150 cases and 30 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 State's determination of title IV-E eligibility and to ensure that the foster home in which the child was placed was licensed for the period under review.

During the secondary review, all 150 cases plus one case from the over sample were reviewed. (Although one of the 150 cases was reported by the computer as being a foster care case, no claim for title IV-E foster care was submitted for it during the period under review.)

C. CASE RECORD SUMMARY

<u>Below is a brief summary of the findings for the two (2) error cases for the PUR.</u>

Sample number 8: The child was residing in a foster family home that was not fully licensed for the month of September, 2003. To be eligible for title IV-E payments, a foster family home must meet all licensing requirements (sections 471(a)(10) and 472(c) of the Social Security Act).

Sample number 45: The child was residing in a foster family home that was not fully licensed for the period August 1, 2003 – November 30, 2003. To be eligible for title IV-E payments, a foster family home must meet all licensing requirements (sections 471(a)(10) and 472(c) of the Social Security Act).

The payment disallowance in the two error cases does not include the associated administrative costs. The error cases are due to unlicensed foster family homes, and the State can claim Federal Financial Participation (FFP) for the administrative costs according to ACYF-CB-PI-02-08.

Below is a brief summary of the findings for the five (5) ineligible cases **outside** the PUR.

Sample number 5: title IV-E payment continued to a foster family home after the child left the home. When notified after the fact that the child had run away from the home, the State stopped payment to the home. However, the effective date of the action was three days after the correct date.

This ineligible payment in this case is only the amount of the incorrect maintenance payment to the foster family home and does not include the associated administrative cost. The associated administrative cost is not included in the disallowance as we permit States to claim administrative costs associated with children in runaway status (section 474 of the Act; 45 CFR 1356.60; Child Welfare Policy Manual Section 8.3c.2).

Sample number 10: The judicial determinations that continuation in the home would be contrary to the child's welfare and that reasonable efforts were provided to prevent removal or to reunify child and family were made the month after the month of removal (sections 472(a)(1) and 471(a)(15)(B)(i) of the Social Security Act). The child entered care in March 2000. All title IV-E eligibility requirements were not met until April 1, 2000; however, a claim for title IV-E was made for March 2000.

Sample number 116: The judicial determinations that the continuation in the home would be contrary to the child's welfare and that reasonable efforts were provided to prevent removal were made the month after the month of removal (sections 472(a)(1) and 471(a)(15)(B)(i) of the Social Security Act). All title IV-E eligibility requirements were not met until June 1, 2002; however, a claim for title IV-E was made for May 2002. It should be noted that in this sample case, the child was removed from home the later part of May and the first judicial determination was obtained in early June.

Sample number 138: The judicial determinations that the continuation in the home would be contrary to the child's welfare and that reasonable efforts were provided to prevent removal were made the month after the month of removal (sections 472(a)(1) and 471(a)(15)(B)(i) of the Social Security Act). All title IV-E eligibility requirements were not met until October 1, 2002; however, a claim for title IV-E was made for September 2002. It was noted that in this sample case, the child was removed the later part of September and the first judicial determination was obtained in early October.

Over sample number 1 (replaced sample number 131): The judicial determinations that the continuation in the home would be contrary to the child's welfare and that reasonable efforts were provided to prevent removal or to reunify child and family were made the month after the month of removal (sections 472(a)(1) and 471(a)(15)(B)(i) of the Social Security Act). All title IV-E eligibility requirements were not met until January 1, 1998; however, a claim for title IV-E was made for the month of December 1997. It was noted that in this sample case, the child was removed the later part of December and that the first judicial determination was obtained in early January.

D. STRENGTHS AND MODEL PRACTICES

There are several areas that we saw as strengths and promising practices. They are as follows:

Court Activities

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 judicial findings concerning the Agency's efforts were reflected in the court orders (checklist number 12).

Review of the requirement pertaining to judicial determinations of the State Agency's efforts in achieving a permanency plan for the child within 12 months of the date the child is considered to have entered foster care, reflects that the permanency plan for each child was reviewed by the court; the court orders clearly stated the permanency plan goal for the child; and the orders often cited the basis for the findings. When checklist lists were used, they were child specific and contained explicit judicial findings. In addition, the court hearing for this determination is scheduled to be held every six (6) months.(checklist number 16).

In general, information provided in the court orders, petitions, and court reports was clear, complete and child specific. Judicial determinations often were attained timely.

AFDC Eligibility Linkages

We noted that, with the exception of the three ineligible payment cases, Hawaii continues to have an excellent grasp of the AFDC eligibility linkage. Hawaii's performance in this area was noted in the primary review conducted in April, 2001 and this performance has continued.

The State workers participating with ACF on the review were IV-E Eligibility Workers, who displayed proficient knowledge of the AFDC and title IV-E eligibility requirements. The forms the State uses to determine initial eligibility and recertification are very effective in documenting how eligibility was confirmed. The Review Team also found the forms to be very useful in completing the title IV-E review instrument because the forms clearly captured the data demonstrating applicable income and resources, the steps for making eligibility decisions and whether deprivation of parental support exists. In some cases, however, for children determined eligible "but not claimable", the reason for this determination was not noted on the form or in the eligibility file. The eligibility files contained all the information necessary for reviewers to assess whether the State Agency appropriately and accurately substantiated child and provider eligibility.

Another strength regarding eligibility that continues since the April, 2001 primary review is that Hawaii conducts recertification eligibility reviews every six months and the forms identifies the periods of eligibility. This results in more accurate claiming for Federal funding.

Licensing

Although licensing continues to be an area of concern, as noted in the two error cases and below, we did see much improvement since the primary review conducted in April, 2001. The State is generally not claiming title IV-E funds before a foster home is fully licensed. In addition, when a foster home's license comes up for renewal, the State generally takes prompt action to stop claiming title IV-E funds until the home is again fully licensed.

Automated System

It was evident that the State has made necessary changes to its automated system since the review in April, 2001 so that it recognizes and authorizes claims for payments made only on behalf of eligible children to eligible providers. The system is incredibly adept at identifying days for which a case meets all eligibility requirements, including placement in a licensed home/facility. We saw many cases where the child or the facility was ineligible for a period of time, but the State had not claimed title IV-E funds because the computer knew that not all requirements were met!

E. AREA IN NEED OF IMPROVEMENT

Licensing

As noted above, when a foster home's license comes up for renewal, the State generally takes prompt action to stop claiming title IV-E funds until the home is again fully licensed. Our concern is with the amount of time that it takes for the renewal activities to be completed. We saw several instances where it took up to four months for these activities to be completed. It appears that renewal activities are not begun on a timely basis to ensure their completion prior to the end of the home's licensure period.

F. DISALLOWANCE

The review included a sample of 150 cases. It was determined that 148 cases were eligible for title IV-E FFP and 2 cases were ineligible. There were five (5) sample cases that were not counted as errors because ineligible payments for these cases were made outside of the PUR. The financial disallowance for the two error case payments, which includes maintenance payments only, amounts to $1,385.21 (Federal share) for the PUR and the five ineligible case payments outside of the PUR amounts to $1,469.97 (Federal share). The total payment disallowance to be taken is $2,855.18 (Federal share). See the enclosure for the financial details on the error cases and the ineligible payment cases.

Based upon the results of the review, Hawaii did not exceed the ten percent error rate or the ten percent dollar error rate. Hawaii has been determined to be in substantial compliance with the title IV-E eligibility requirements. The State will undergo a primary review in three years.