

**Illinois Department of Child and Family Services**  
**Primary Review**  
**Title IV-E Foster Care Eligibility**  
**Report of Findings for**  
**October 1, 2012 – March 31, 2013**

**Introduction**

During the week of July 15, 2013 the Children's Bureau (CB) of the Administration for Children and Families (ACF) conducted a *primary* review of the State's title IV-E foster care program. The review was conducted in collaboration with the Illinois Department of Child and Family Services (IDCFS) and was completed by a review team comprised of representatives from the State agency, CB Central and Regional Offices, and ACF Regional Grants Management Office.

The purposes of the title IV-E foster care eligibility review were (1) to determine whether IDCFS; title IV-E foster care program was 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 that appropriate payments were made on behalf of eligible children.

**Scope of the Review**

The primary review encompassed a sample of the State's foster care cases that received a title IV-E maintenance payment for the six-month period under review (PUR) of October 1, 2012 through March 31, 2013. A computerized statistical sample of 100 cases (80 cases plus 20 oversample cases) was drawn from the State data submitted to the Adoption and Foster Care Analysis and Reporting System (AFCARS) for the above period. Eighty (80) cases were reviewed, which consisted of the 80 cases from the original sample. There were eight (8) Illinois Alcohol and Other Drug Abuse (AODA) waiver cases that were included in the sample. After a comprehensive discussion between the CB and the State it was agreed that all AODA waiver cases should remain in the title IV-E review sample due to the Terms and Conditions of the waiver not modifying any of the title IV-E foster care eligibility requirements of the children assigned to the waiver.

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)(1) and (2), and (c), respectively;
- Voluntary placement agreements as set forth in §§472(a)(2)(A) and 472(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
- Safety requirements for the child's foster care placement as required at 45 CFR §1356.30.

The case file of each child in the selected sample was reviewed to verify title IV-E eligibility. The foster care provider’s file also was examined to ensure the foster family home or child care institution where the child was placed during the PUR was licensed or approved and that safety requirements were appropriately documented. Payments made on behalf of each child also were reviewed to verify the expenditures were allowable under title IV-E and to identify underpayments that were 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 a non-error case 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 service date of an unallowable activity and title IV-E maintenance was paid for the unallowable activity. The CB and State agreed the State would have two weeks following the onsite review to submit additional documentation for a case that during the onsite review was identified as in error, in undetermined status, or not in error but with ineligible payments.

### Compliance Finding

The review team determined that 79 of the 80 cases met eligibility requirements (i.e., were deemed non-error cases) for the PUR. One (1) case was determined in error for either part or all of the PUR and one (1) non-error case was ineligible for Federal funding for a period of claiming. Accordingly, Federal funds claimed for title IV-E foster care maintenance payments, including related administrative costs, associated with the error case with the ineligible payment is being disallowed. Because the number of cases in error is not greater than four (4), the Illinois Department of Child and Family Services is in substantial compliance for the PUR.

### Case Summary

The following charts record the error and non-error case with ineligible payments, reasons for the improper payments, improper payment amounts, and Federal provisions for which the State did not meet the compliance mandates.

#### Error Case

Sample Number	Improper Payment Reason	Social Security Act or Code of Federal Regulations	Ineligibility Period	Improper Payments (FFP)
#14	AFDC eligibility requirement, that the child lived with a specified relative within 6 months of being judicially removed, was not met.	§472(a)(1) and (3) of the Act; 45 CFR §1356.21(1)	Child is ineligible for entire Foster Care episode. Reported Disallowance Period: 4/12 to present	\$3,261 Maintenance \$11,771 Administration

**Total: \$15,032**

## Non-error Case with Ineligible Payments

Sample Number	Improper Payment Reason	Social Security Act or Code of Federal Regulations	Ineligibility Period	Improper Payments (FFP)
#59	Title IV-E claiming was made for the period prior to the month in which the judicial determinations of reasonable efforts to prevent removal and contrary to welfare were met.	§472(a)(2)(A) of the Act; 45 CFR §1356.21(b)(1) and (c)	Ineligible Payment Period: 1/1/04 to 1/31/04 Reported disallowance period: 1/1/04 to 1/31/04	\$12 Maintenance \$0 Administration

**Total: \$12**

## Areas in Need of Improvement

### Issue #1: AFDC eligibility requirement of living with a specified relative was not met:

During the on-site review one (1) case was identified as in error due to the child not living with a specified relative within 6 months of the initiation of court proceeding leading to the judicial removal.

### Title IV-E Requirement:

Federal provisions at §472(a)(1) and (3) of the Act, 45 CFR § 1356.21(1) and 45 CFR §233.90(c)(1)(v), under title IV-E and the former Aid to Families with Dependent Children (AFDC) programs, respectively, require a child to have lived in the home of a parent or other specified relative during the month the court proceedings are initiated to remove the child from that relative's home, or the month the specified relative signed a voluntary placement agreement. The only exception to this requirement is when a child has not been living with that specified relative in such month, but has lived with that relative at some time within 6 months of the initiation of court proceedings leading to the judicial removal or of the voluntary placement agreement.

### Recommended Corrective Action:

It is recommended that the State re-emphasize, through training and appropriate administrative guidance, the requirements for living with a specified relative under the title IV-E program. This guidance and training should specify the verification of the requirements and the sources that are appropriate to document compliance. All necessary staff should receive information to ensure that title IV-E eligibility determinations, specifically around "living with" specified relative requirements, are accurate and timely.

### Issue #2: Ineligible payment due to claiming prior to judicial determinations:

In one (1) case title IV-E maintenance payments were made for a period prior to the month in which reasonable efforts to prevent removal and contrary to the welfare eligibility requirements were met. The ineligibility period was outside of the PUR.

### Title IV-E Requirement:

§472(a)(2)(A) of the Act; 45 CFR §§1356.21(b)(1) and (c) require, among other things, that reasonable efforts to prevent removal and contrary to the welfare judicial determinations be attained before a child is eligible to have title IV-E maintenance payments made for the child's care.

### Recommended Corrective Action:

It is recommended that the State provide additional monitoring that focuses on ensuring that children meet all of the eligibility requirements prior to claiming for reimbursements under the title IV-E program. The CB also recommends that the State provide supplementary guidance to the necessary staff as it relates to the elimination of improper payments that can potentially contribute to the claiming for ineligible children.

### **Systemic Areas Needing Improvement:**

#### Court orders and judicial oversight

We would like to commend the IDCFS as there were no error cases attributed to the judicial process. In all 80 cases reviewed placement and care responsibility were clearly vested with the IDCFS at the point temporary custody was taken of the child and remained with the State for the life of the case. In addition, judicial determinations of contrary to the welfare, reasonable efforts to prevent removal and to finalize the permanency plan were made timely. Nevertheless, during the on-site review it was noted by the review team that while all of the court orders met the federal mandates required, the quality of court orders should be an area identified as needing improvement. Reviewers found that in many cases court orders were not comprehensive and/or child-specific, difficult to read due to the use of check boxes and hand written notes on the documents and at times the court transcripts and court orders were inconsistent. During the on-site review, one case was determined to be in error because reasonable efforts to prevent removal findings were not documented in the court order. However, after a review of the court transcript of the focus child's sibling, it was determined that the court had in fact made reasonable efforts to prevent removal findings and had also used child-specific language that was not recorded or reflected in the court order.

Additionally, reviewers found that the required language around permanency hearings, contrary to the welfare and reasonable efforts findings documented in court orders and court transcripts were often vague and difficult to discern. For example, check boxes were used in court orders without details of any supporting documentation delineating the agency's efforts to prevent removal and language such as "parent stipulation" was given as basis of finding without any elaboration. The CB recommends that IDCFS, the Illinois Court Improvement Program (CIP) and the Administrative Office of Illinois Courts (AOIC) work together to examine current practices and implement best practice standards into court hearings and the subsequent court orders.

#### Licensing/Background Checks

During the on-site review, it was noted that there were several areas of concern regarding licensing and background check practices for foster homes. First, reviewers found it was difficult to identify consistent practices with respect to the licensing department's documentation for, and verification of, background check results by background check staff. Secondly, there were extended lapses between the completion of background checks and the foster home license issuance. Thirdly, while leadership and staff turnover has occurred, the State was not able to provide details about the historical and present processes for licensing safety checks. For example, staff were not familiar with coding used in the past specifically, CL\* (clear\*), so it was difficult to discern the designation behind historical codes which were not memorialized. This necessitated numerous discussions and review of additional information during the review to determine compliance with requirements. The process was additionally complicated because specific units under the licensing division were only familiar with their piece of the process and did not have a good understanding of what was needed to meet the entire safety check requirements. The CB recommends that the State examines its current practice of

documenting background check results, as well as the communication between licensing and the background check units, in order to develop improved practices that will ensure accurate and timely foster care licensing.

## **Strengths**

The following positive practices and processes of the title IV-E foster care eligibility program were observed during the review. We duly note the beneficial work conducted by the State's Federal Financial Participation (FFP) team which consists of experienced eligibility workers who are dedicated to a specific task of ensuring eligibility determination. The FFP team's provision of ongoing eligibility training to the field, as well as the team's internal training has made positive impacts. These approaches seem to have led to improved program performance and successful program operations. We particularly note the improvements in properly claiming foster care maintenance payments for eligible children and allowable program activities. The 2010 title IV-E Foster Care Review identified claiming concerns with seven (7) non-error cases as opposed to one (1) in this review period. Even though AFDC determination was not met in one (1) of the 80 cases reviewed, overall the State continues to implement an efficient AFDC determination process. The AFDC eligibility files included financial need information, with clear and comprehensive documentation about the specified relative's employment and income history. Deprivation documentation and determinations continue to be comprehensive and explicit, even with regard to special case situations such as married parents living in the same household, and Supplemental Security Income and parental incapacity. In addition, financial need and deprivation was established on missing parents.

## **Disallowances**

A disallowance in the amount of \$3,2621 in maintenance payments and \$11,771 in related administrative costs of Federal Financial Participation (FFP) is assessed for title IV-E foster care payments claimed for the error case. An additional amount of \$12 in maintenance payments is disallowed for title IV-E foster care payments claimed improperly for the non-error case. The total disallowance as a result of this review is \$15,044 in FFP. The State also must identify and repay any ineligible payments that occurred for the error and non-error cases subsequent to the PUR. No future claims should be submitted on these cases until it is determined that all eligibility requirements are met.

## **Next Steps**

Since Illinois was found to be in substantial compliance, no formal corrective action plan is required in follow-up to this review. We commend the State for its ongoing efforts in examining program deficiencies and implementing measures that have resulted in improvements to its title IV-E program. As part of the State's continued efforts to improve its title IV-E foster care eligibility program, CB recommends that IDCFS examine identified program deficiencies and develop measurable, sustainable strategies that target the root cause of any areas hindering the State from operating an accurate foster care eligibility program and implement a quality assurance system to regularly monitor eligibility and payment decisions to reduce or eliminate ineligible payments and underpayments. The CB Regional Office is available to assist the State in identifying strategies and obtaining existing technical assistance to support in the proper and efficient administration of the title IV-E foster care maintenance program. The next title IV-E foster care eligibility review will be held in three years.