

Louisiana Title IV-E Foster Care Secondary Eligibility Review

On-site Review Conducted: September 17 - 21, 2007
Period Under Review: October 1, 2006 - March 31, 2007

Introduction

During September 17-21, 2007, Children's Bureau (CB) staff from the Central and Regional Offices, Administration for Children and Families (ACF) Grants Management staff, and State of Louisiana Office of Community Services (OCS) and Office of Youth Development (OYD) staff conducted an eligibility review in Baton Rouge of Louisiana's title IV-E foster care program.

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

This secondary review was conducted due to the findings of the primary review completed during the week of July 26, 2004. At that time, Louisiana was determined not to be in substantial compliance with the title IV-E eligibility requirements for the period under review (PUR). As required, Louisiana submitted a Program Improvement Plan (PIP) to correct the areas found deficient in its eligibility program for foster care. Approval by CB, ACF, of the PIP was based on the State's reports of progress and final implementation of the planned improvements. Louisiana's PIP was in effect when Hurricanes Katrina and Rita occurred, causing special, unavoidable State circumstances. The PIP was renegotiated shortly afterward, to reflect new issues that were brought about by the disasters.

Scope of the Review

The Louisiana 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 October 1, 2006 to March 31, 2007. A computerized statistical sample of 180 cases was drawn from the Adoption and Foster Care Analysis and Reporting System (AFCARS) data submission which was transmitted by the State agency to CB for the PUR. From the sample drawn, 150 cases were 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 was licensed or approved for the PUR.

Case Record Summary

The total dollar value of the IV-E maintenance and administrative payments made during the PUR for the sample cases was \$990,395.00, while the dollar value of the error and non-error cases for IV-E maintenance and administrative payments totaled \$9771.95 during the PUR.

These data indicate that Louisiana's dollar error rate of .99% was less than 10 percent and the error case rate of 2.67% was less than 10 percent. Therefore, Louisiana is considered to be in substantial compliance.

Within the 150 cases reviewed, four 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. Subject to disallowance are \$20,460.72 (\$6,671.72 in maintenance payments and \$13,789.00 in administrative costs) in Federal Financial Participation (FFP) for title IV-E foster care claimed for the four error cases.

Three additional cases contained payments that were claimed improperly. Although these cases are not considered "error cases" for determining substantial compliance, the ineligible maintenance payments and the associated administrative costs are subject to disallowance. A disallowance in the amount of \$13,944.87 (\$9,412.87 in maintenance payments and \$4,532.00 in administrative costs) is assessed for these ineligible payments. In addition, underpayments totaling \$3,528.67 were identified in three cases in which payments appeared to have been eligible for title IV-E funds, but remained unclaimed.

The following list summarizes each of the error cases and non-error cases with ineligible payments, reasons for the ineligibility, ineligible payments, and relevant statutory and regulatory citations:

Error Cases

Sample number 8: The foster care provider was not fully licensed during the child's placement that fell within the PUR. IV-E maintenance funds were claimed for a child who had been placed in a non-licensed relative foster home from 12/24/2006 until the home became fully licensed on 02/22/2007. The State requested appropriate financial adjustments, but they had not been completed before the sample was drawn. [Statutory Citation: §472(b) and (c); Regulatory Citation: 45 CFR 1355.20, 45 CFR §1356.71(d)(1)(iv), and 45 CFR 1356.71(g)(1)(iv)].

Sample number 104: The child had not lived with the specified relative within six months of removal. IV-E maintenance funds were claimed for a child who had been living with her grandparents, who were not the child's legal custodians, for over one year. For the determination of Aid to Families with Dependent Children (AFDC) eligibility, the child's biological mother was considered the specified relative, whom the child had not lived with for over six months. [Statutory Citation: §472(a)(1) and (4); Regulatory Citation: 45 CFR §1356.21(1)(1)].

Sample number 121: Initial financial need had not been established. IV-E maintenance funds had been claimed based on an incorrect determination of financial need of the child's uncle, who was not the child's legal custodian. The State later identified the error and corrected it by determining financial need on the child's mother, who did not meet the standard of financial need. The State sought financial adjustments for the error, but they had not been completed as of the date the sample was drawn. [Statutory Citation: §472(a)(1) and (4); Regulatory Citation: 45 CFR §1356.71(d)(1)(v)].

Sample number 132: Initial deprivation of parental support had not been established. IV-E maintenance funds were claimed for a child whose mother and father had been incorrectly determined to be incapacitated. The State attempted to make appropriate financial adjustments when the incorrect determination was discovered, but they had not been made as of the date the sample was drawn. [Statutory Citation: §472(a)(1) and (4); Regulatory Citation: 45 CFR §1356.71(d)(1)(v)].

Non-error Cases with Ineligible Payments

Sample number 18: Before the PUR, a required judicial determination that reasonable efforts were made to finalize the child's permanency plan was not made timely. [Statutory Citation: §§472(a)(1), 471(a)(15)(B)(ii) and (C); Regulatory Citation: 45 CFR §1356.21(b)(2)].

Sample number 31: Before the PUR, the child was placed with a foster care provider that was not fully licensed. [Regulatory Citation: §472(b) and (c); (45 CFR §§1356.71(d)(1)(iv), 1355.20)].

Sample number 66: After the PUR, a required judicial determination that reasonable efforts were made to finalize the child's permanency plan was not made timely. [Statutory Citation: §§472(a)(1), 471(a)(15)(B)(ii) and (C); Regulatory Citation: 45 CFR §1356.21(b)(2)].

Underpayments

In sample cases numbered 36, 59 and 63, payments remained unclaimed for eligible children and licensed providers. The State is encouraged to provide supports, including improved fiscal processes, improvements in policy and practice and ongoing technical assistance to IV-E eligibility staff in order to ensure that all eligible claims are made at the time, or by later claiming through the prior period adjustment process, as appropriate.

Disallowances

Pursuant to disallowance criteria provided in 45 CFR §1356.71(j), the amount of funds disallowed was determined by the extent to which Louisiana was not in substantial compliance with recipient or provider eligibility provisions of title IV-E.

Erroneous maintenance payments (Maint.) and administrative costs (Admin.) associated with the four error cases include all payments claimed on behalf of the child for the entire period of the error and were calculated as follows:

Sample #	FY	FMAP Rate	Total Ineligible IV-E Maint Pymts.	FFP Maint.	FFP Admin.	Total Disallowance
8	2007	69.69%	\$213.08	\$148.50	\$0.00	\$148.50
			<u>\$213.08</u>	<u>\$148.50</u>	<u>\$0.00</u>	<u>\$148.50</u>

104	2007	69.69%	\$3,696.64	\$2,576.19	\$6,022.00	\$8,598.19
	2006	69.79%	\$1,118.72	\$780.75	\$1,745.00	\$2,525.75
			<u>\$4,815.36</u>	<u>\$3,356.94</u>	<u>\$7,767.00</u>	<u>\$11,123.94</u>

121	2007	69.69%	\$4,043.93	\$2,818.21	\$5,420.00	\$8,238.21
			<u>\$4,043.93</u>	<u>\$2,818.21</u>	<u>\$5,420.00</u>	<u>\$8,238.21</u>

132	2007	69.69%	\$499.46	\$348.07	\$602.00	\$950.07
			<u>\$499.46</u>	<u>\$348.07</u>	<u>\$602.00</u>	<u>\$950.07</u>

Totals for Error Cases (4)			<u>\$9,571.83</u>	<u>\$6,671.72</u>	<u>\$13,789.00</u>	<u>\$20,460.72</u>
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Ineligible maintenance payments and administrative costs associated with the three non-error cases were calculated as follows:

Sample #	FY	FMAP Rate	Total Ineligible IV-E Maint Pymts.	FFP Maint.	FFP Admin.	Total Disallowance
18	2002	70.30%	\$1,193.25	\$838.85	\$495.00	\$1,333.85
	2001	70.53%	\$10,978.87	\$7,743.40	\$2,905.00	\$10,648.40
			<u>\$12,172.12</u>	<u>\$8,582.25</u>	<u>\$3,400.00</u>	<u>\$11,982.25</u>
31	2004	71.63%	\$703.59	\$503.98	\$530.00	\$1,033.98
			<u>\$703.59</u>	<u>\$503.98</u>	<u>\$530.00</u>	<u>\$1,033.98</u>
66	2007	69.69%	\$468.70	\$326.64	\$602.00	\$928.64
			<u>\$468.70</u>	<u>\$326.64</u>	<u>\$602.00</u>	<u>\$928.64</u>
Totals for Ineligible Payments Cases (3)			<u>\$13,344.41</u>	<u>\$9,412.87</u>	<u>\$4,532.00</u>	<u>\$13,944.87</u>

Underpayments

Underpayments associated with the three cases in which reviewers identified that eligible IV-E maintenance payments remained unclaimed were calculated as follows:

Sample #	Person ID	Payment Amount	Payment Began	Payment Ended	FMAP Rate	FFP Maint.
36	954096420	\$26.58	3/30/2007	3/31/2007	69.69%	\$18.52
59	955002125	\$4,058.90	1/1/2007	2/26/2007	69.69%	\$2,828.65
63	951869171	\$976.50	6/21/2006	6/30/2006	69.79%	\$681.50
Total Underpayments (3)		\$5,061.98				\$3,528.67

Strengths and Model Practices

Many strengths and model practices were identified during the review, which resulted in the positive outcome experienced for this review. Strengths included, but were not limited to, the following:

Hurricane Recovery and Reform

As one of many proactive recovery and reform efforts Louisiana achieved since the 2005 hurricanes, Louisiana staff maintained a productive working relationship with Federal staff and served as consultant IV-E eligibility reviewers in other States, which resulted in increased knowledge and skills. The State also conducted a complete review of all IV-E Foster Care cases to ensure comprehensive preparation for the Federal review. This voluntary self-review was a large undertaking, but proved to be a wise investment as evidenced by the positive outcome of the Federal review.

Transfer of title IV-E Eligibility Knowledge and Skills

The State invited retired staff who were knowledgeable about IV-E eligibility to work alongside current IV-E eligibility staff to prepare for the Federal review and participate as reviewers. This strategy resulted in excellent preparation for the review and ongoing training opportunities through which current and former staff shared knowledge and expertise.

Partnership with the State's Office of Youth Development

Staff from the Louisiana Office of Youth Development, the State Juvenile Justice agency, participated on the review team and displayed an excellent understanding of title IV-E requirements. No errors or ineligible payments were identified among the cases involving juvenile justice placements. The collaborative partnership between the Office of Community Services and the Office of Youth Development should be maintained and developed as improvements are made to the State's policies and procedures.

Judicial Determinations Regarding Reasonable Efforts to Finalize the Permanency Plan

Judicial determinations that the State made reasonable efforts to finalize the permanency plan were generally timely, despite the significant effects of the 2005 hurricanes on the court system.

IV-E Eligibility Redeterminations

IV-E eligibility redeterminations for children were conducted every six months, which strengthened the State's ability to achieve timely annual redeterminations as required by Federal statute.

Development of Information Technology Systems and Fiscal Processes

Louisiana is currently in the process of developing a Statewide Automated Child Welfare Information System (SACWIS) concurrently with a web-based comprehensive case management and eligibility system named A

The new ACESS system is expected to automate many business and administrative functions for IV-E Foster Care as well as other social service programs.

Well-functioning eligibility and accounting systems are critical to ensuring appropriate IV-E claiming, fiscal reports and achieving successful IV-E Eligibility Reviews. The State is strongly encouraged to ensure ongoing collaboration among IV-E eligibility staff and information technology staff developing SACWIS and ACESS as these systems are developed and revised.

"LA CARTE" Credit Cards

In addition to the above strengths that directly influence the effective implementation of the State title IV-E eligibility program, the "LA CARTE" credit card system is a notable State endeavor. The Office of Community Services allows certain workers to use the agency's "LA CARTE" credit card program to purchase allowable necessities for children entering foster care, especially those entering care outside of regular business hours. The flexibility of "LA CARTE" allowed caseworkers to more efficiently respond to children's immediate needs and helped foster parents better care for children placed in their homes.

Areas in Need of Improvement

Although this review was successful, some areas remain in need of improvement in order to ensure successful future reviews. Overall, the State should clarify policy and procedures, provide ongoing training and supports to staff and judges regarding Federal IV-E eligibility requirements and State policy and procedures, and improve fiscal and information systems. Based on the error cases, overpayments and other concerns identified during the review, improvements in the following areas are recommended:

Foster Care Provider Licensure/Approval

In two sample cases, children had been placed in foster homes that were not fully licensed.

Recommendation:

The State should ensure that staff are trained regarding Federal foster care provider licensure requirements [Statutory Citation: §472(b) and (c); Regulatory Citation: 45 CFR 1355.20, 45 CFR 1356.71(d)(1)(iv), and 45 CFR 1356.71(g)(1)(iv)]. In addition, safeguards should be in place to prevent IV-E maintenance payments from being claimed for children placed in any homes, including relatives' homes, that have not been fully approved or licensed as foster care providers. The Child Welfare Policy Manual Section 8.3A.8c provides further guidance regarding relative foster care provider licensure.

Judicial Determinations

In two sample cases, judicial determinations that reasonable efforts were made to finalize the permanency plan had not been made timely. In addition, court orders, primarily "Instantter" orders, did not always clearly identify whether reasonable efforts to prevent removal were made or were not necessary.

Recommendation:

The State should ensure that workers are trained and have the support needed to ensure timely judicial determinations as required by 45 CFR 1355.20 and 1356.21(b)(2). The Office of Community Services may wish to consult the Louisiana Court Improvement Program in efforts to support judges in issuing timely judicial determinations. Finally, the State should ensure that safeguards are in place to prevent IV-E maintenance payments from being claimed when judicial determinations are not made timely.

The State should ensure that court orders, especially "Instantter" orders, clearly address all appropriate IV-E eligibility requirements. The Office of Community Services may wish to collaborate with the Louisiana Court Improvement Program to improve training and supports in this area to staff and judges.

Aid to Families with Dependent Children (AFDC) eligibility as in effect on July 16, 1996

In three sample cases AFDC eligibility criteria had not been met. Criteria included determination of parental deprivation, financial need and consideration of a specified relative.

Recommendation:

State policy and procedures should provide clear guidance regarding which household members must be included in the AFDC family unit when the child was living with and removed from a specified relative other than the parent. Based on a legal opinion produced by the State during the review, Louisiana's title IV-A State Plan allows an assistance unit of one under certain circumstances. Policy and procedures should be clarified based on the legal opinion produced, and staff should be trained.

The regulations at 45 CFR 1356.71 (d)(1)(v), in accordance with sections §472(a)(1) and (3) of the Social Security Act (the Act), require the State to document that financial need be established based on the circumstances in the specified relative's home, from whom the child was legally removed pursuant to the requisite judicial findings or a voluntary placement agreement, during the month the removal petition is filed. In court-ordered removals, deprivation of parental support or care also must be based on the conditions in that specified relative's home during the month the removal petition is filed. Eligibility staff should ensure complete documentation, as well as efforts to obtain and/or verify documentation, of both income and deprivation is included in every case at both initial eligibility and re-determinations. This documentation will include, but is not limited to, when the child last lived with the specified relative, employment of the specified relative, income and deprivation.

Foster Care Provider Safety Requirements

Reviewers observed that State policy and procedures were unclear regarding safety considerations when a foster home was closed or had become inactive, then later re-opened.

Recommendation:

State policy and procedures should provide clear guidance, and staff should be adequately trained to ensure the guidelines are correctly enforced. Safeguards should be in place in order to ensure that safety considerations have been adequately met when any foster home closes or becomes inactive and is later re-opened.

Relative Placements

Several error cases, and cases with overpayments, involved relative placements. Although CB acknowledges that the placement of children with appropriate relatives is a model practice that is good for children, the unique circumstances that accompanied relative placements appeared to impact workers' ability to ensure that IV-E funds were appropriately claimed.

Recommendation:

The State should ensure that workers and eligibility staff understand Federal IV-E requirements in the context of relative placements, that State policy and procedures in such cases are clear and that staff consistently determines eligibility correctly. Before title IV-E payments are claimed, the State must ensure that the otherwise eligible child's placement is a fully licensed or approved foster care provider that meets the Federal safety requirements.

Reserved Slots for Children in IV-E Foster Care Placements

Although this issue did not result in error or overpayment cases, the review revealed a lack of clarity regarding using IV-E maintenance payments to reserve places for children who were temporarily absent from their IV-E foster care placements.

Recommendation:

Question 24 of Section 8.1B of the Child Welfare Policy Manual allows a full month's title IV-E foster care maintenance payment to be provided to the licensed provider if the specific child's absence does not exceed 14 days and there is a plan in place for the child to return to the same provider. IV-E funds can be used to reserve a slot for a specific child with a licensed provider for up to 14 days at the regular payment rate and for 14 - 30 days at a pro-rated rate. IV-E funds cannot be used to hold a bed beyond 30 days or for an unspecified child.

The State should strongly consider clarifying State policy and procedures and improving practice related to reserving slots with IV-E funds for children who are temporarily absent from a foster care placement.

Fiscal Processes and Payment History

The State's inability to successfully complete prior period adjustments when eligibility-related mistakes were made contributed to error cases and, possibly, underpayments identified during this review.

Louisiana's IV-E maintenance payment history included both IV-E maintenance and administrative costs as well as obsolete internal codes.

Recommendation:

The State's accounting processes should allow corrections for prior claims to be made, completed and reflected in any IV-E maintenance payment history produced. Such improvements would likely reduce ineligible claims and increase eligible claims.

Title IV-E related fiscal processes, maintenance payment histories and payment codes can be improved by clearly distinguishing title IV-E maintenance and administrative costs and by deleting obsolete payment codes. Such clarification should increase worker accuracy and reduce the likelihood of ineligible IV-E claims.

Underpayments

In three cases, the State had not claimed allowable IV-E maintenance funds. In one case, IV-E funds had not been claimed from the first day of placement, but instead were claimed from the first day of the following month. In two cases, allowable IV-E funds had not been claimed due to an incorrect initial AFDC eligibility determination and an incorrect redetermination. The State identified all three underpayments based on internal audits before the IV-E review occurred. However, funds had not been claimed as of the IV-E review. Additionally, IV-E administrative training funds were not maximized to fund some allowable foster and adoptive parent training sessions.

Recommendation:

In order to maximize the State's use of title IV-E maintenance funds, the State should first assess the reasons for oversights that resulted in underpayments and seek improvements. Such improvements may include additional eligibility staff training and supports regarding timely verification of foster placement licensure/approvals and completing accurate AFDC eligibility determinations and redeterminations. The State may also consider making improvements to State policy and procedures and to information and accounting systems that support timely prior period adjustments.

In order to maximize use of IV-E funds for foster and adoptive parent training, Office of Community Services Training and Planning Unit staff should jointly review all potential foster and adoptive parent training sessions to assess whether each training may be IV-E allowable.

Conclusion

The Louisiana title IV-E Eligibility Review included a sample of 150 cases with a total dollar value of \$990,395.00 for the PUR. 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, 2006 to March 31, 2007. Based on the results of the review, the State of Louisiana has been found to be in substantial compliance. However, four cases were determined to be in error and are not eligible for funding under title IV-E foster care. Additional ineligible payments were identified in three non-error cases. Therefore, a total disallowance in the amount of \$34,405.59 in FFP is assessed for the entire period of time that cases were either determined to be in error or when ineligible payments were identified in non-error cases. Underpayments totaling \$3,528.67 were identified in three cases in which IV-E maintenance payments were allowable, but remained unclaimed.