

**State of Massachusetts  
Department of Children and Families  
Title IV-E Foster Care Eligibility  
Secondary Review  
Report of Findings for  
October 1, 2011 – March 31, 2012**

**Introduction**

During the week of September 17, 2012, the Children's Bureau (CB), Administration for Children and Families (ACF), conducted a secondary review of Massachusetts title IV-E foster care program. The review was conducted in Boston, Massachusetts in collaboration with the Massachusetts Department of Children and Families (DCF) and was completed by a review team comprised of representatives from Massachusetts DCF, CB Central and Regional Offices, ACF Regional Grants Management Office and peer reviewers.

The purposes of the title IV-E foster care eligibility review were (1) to determine whether Massachusetts' 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 Massachusetts' financial claims to ensure that appropriate payments were made on behalf of eligible children.

This secondary review was conducted as a result of the findings of the primary review completed during the week of November 2, 2009. At that time, Massachusetts DCF was determined not in substantial compliance with the title IV-E eligibility requirements for the period under review (PUR) of October 1, 2008 through March 31, 2009. As required, Massachusetts DCF submitted a Program Improvement Plan (PIP) to correct the areas found deficient in its title IV-E foster care program. The PIP, approved in CB correspondence to DCF dated October 1, 2010, was jointly developed by the State and CB's RO staff. The State provided periodic reports of progress and final implementation of the planned improvements. The PIP goals and activities included, but were not limited, to the following:

- Improve the title IV-E eligibility review process to assure appropriate determinations related to valid and timely removals by developing and implementing a quality control process to review for valid and timely removals.
- Revise the process to document that child care institution providers meet safety standards as required by Department of Early Education and Care (EEC) regulations.
- Ensure that foster care providers meet full licensing requirements by revising the process for requesting and receiving licensing information on out-of-state foster family homes.
- Establish a new monitoring process to verify the licensing status of out-of-state foster family homes.
- Improve the title IV-E claiming process for children placed at in-state foster family homes by revising the Massachusetts Standard of Operations for title IV-E claiming and by developing and releasing guidance on provider licensing requirements to eligibility staff and by training as necessary.

During the PIP implementation period, Massachusetts DCF strengthened its practices and revised forms and procedures to improve the State's title IV-E eligibility determination system. Key to the State's successful implementation of its PIP was the involvement of agency staff at all levels and the collaboration with the Department of Early Education and Care (EEC).

### **Scope of the Review**

The Massachusetts title IV-E foster care program secondary eligibility review encompassed a sample of the State's foster care cases that received a title IV-E maintenance payment during the six-month PUR of October 1, 2011 through March 31, 2012. This is the six-month period that followed the State's approved PIP completion date. A computerized statistical sample of 180 cases (150 cases plus 30 oversample cases) was drawn from State data submitted to the Adoption and Foster Care Analysis and Reporting System (AFCARS) for the above period. One hundred fifty (150) cases were reviewed consisting of 143 cases from the original sample plus 7 oversample cases. The oversample cases were selected for review to replace cases for which no title IV-E maintenance payment was made for an activity during the PUR. The State provided documentation to support excluding these cases from the review sample and replacing them with the cases 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 of 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);
- Voluntary placement agreements as set forth in §§472(a)(2)(A) 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 childcare 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. Foster care provider information was examined to ensure the foster family home or childcare institution in which the child was placed during the PUR was licensed or approved and safety considerations were met. Payments made on behalf of each child also were reviewed to verify the expenditures were allowable under title IV-E and to identify any underpayments that were eligible for title IV-E claiming. A sample case was determined to be in error when a title IV-E payment for a maintenance claim was made for an activity during the PUR on behalf of a child determined not to meet the criteria for title IV-E eligibility during the foster care episode. A sample case was cited as non-error with ineligible payment when a title IV-E payment for a maintenance cost was made for an activity solely outside the PUR on behalf of a child determined not to meet the criteria for title IV-E eligibility. A case also may have been cited as non-error with ineligible payment when the title IV-E eligibility criteria was fully met but an

unallowable title IV-E maintenance payment (e.g. for a duplicate payment; for an overpayment; or for any other unallowable program cost) was paid for an activity during or outside of the PUR. Any ineligible payments claimed for activities during the PUR are considered in the calculation of the dollar error rate for a secondary review. In addition, potential underpayments were identified for two sample cases where it appears that an allowable title IV-E maintenance payment was not claimed by the State. The underpayments may still be claimed for an allowable title IV-E activity with a period of eligibility during the two-year filing period specified in 45 CFR 95.7.

The CB and the State agreed that, subsequent to the onsite review, the State would have three weeks to submit additional documentation for the five cases that during the onsite review were identified as being in undetermined status. The State was able to provide documentation to establish eligibility for one of these cases. However, the four remaining have been determined to be error cases.

### **Compliance Finding**

The review team determined that 146 of the 150 reviewed cases met eligibility requirements (i.e., were deemed non-error cases) for the PUR. Four (4) cases were determined to be in error for either part or all of the PUR, resulting in a case error rate of less than 10 percent. Because the case error rate did not exceed the threshold, it was not necessary to calculate the dollar error rate.

Based on these review findings, CB has determined that the Massachusetts DCF title IV-E foster care program is found in substantial compliance with Federal eligibility requirements for the PUR. Substantial compliance in a secondary review is achieved when either the case error rate or dollar error rate does not exceed 10 percent. States are found not in substantial compliance with title IV-E program requirements when both the case error rate and the dollar error rate exceed 10 percent. The next review of Massachusetts' title IV-E eligibility program will be a primary review, conducted within three years from the date of the secondary review.

Three (3) non-error cases also were determined to be ineligible for title IV-E funding for a period of claiming. Although these cases are not considered "error cases" for determining substantial compliance, the ineligible maintenance payments and associated administrative costs are subject to disallowance. In two of the cases, a relative foster care provider was unlicensed for a period of time before the PUR. In the third case, title IV-E payments were made prior to the completion of a criminal records check for the foster parent.

### **Case Record Summary**

The following charts record the error cases; non-error cases 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 Cases:**

<b>Sample Number</b>	<b>Improper Payment Reason &amp; Ineligibility Period</b>	<b>Improper Maintenance Payment FFP</b>	<b>Improper Administrative Payment FFP</b>
6	Fingerprint-based criminal records check of national crime information databases not completed for foster parent. [§471(a)(20) of the Act; 45 CFR 1356.30(a)] Ineligible: 9/26/11 – 3/31/12	\$3,625	\$3,112
18	Deprivation and financial need were not established for AFDC eligibility. [§472(a)(1) and (4) of the Act; 45 CFR 1356.71(d)(1)(v)] Ineligible: 10/4/10 – 3/31/12 (Entire Episode)	\$4,657	\$7,306
104	Financial need was not established for AFDC eligibility. [§472(a)(1) and (4) of the Act and 45 CFR 1356.71(d)(1)(v)] Ineligible: 11/19/10 – 3/31/12 (Entire Episode)	\$3,871	\$7,285
113	Deprivation and financial need were not established for AFDC eligibility. [§472(a)(1) and (4) of the Act; and 45 CFR 1356.71(d)(1)(v)] Ineligible: 3/18/10 – 3/31/12 (Entire Episode)	\$4,875	\$6,643
	Subtotal:	\$17,028	\$24,346

**Total: \$41,374**

**Non-error Cases with Ineligible Payments**

<b>Sample Number</b>	<b>Improper Payment Reason &amp; Ineligibility Period</b>	<b>Improper Maintenance Payment FFP</b>	<b>Improper Administrative Payment FFP</b>
39	Foster care provider was not fully licensed (relative). [§472(b) and (c) of the Act; 45 CFR 1356.71(d)(1)(iv) and 1355.20] Ineligible: 1/7/11 – 2/28/11	\$657	\$0
60	Fingerprint-based criminal records check of national crime information databases not completed for foster parent. [§471(a)(20) of the Act; 45 CFR 1356.30(f)] Ineligible: 12/2/08 – 5/18/10	\$4,031	\$4,675
65	Foster care provider was not fully licensed. (relative) [§472(b) and (c) of the Act; 45 CFR 1356.71(d)(1)(iv) and 1355.20] Ineligible: 7/1/11 - 7/31/11	\$421	\$0
Subtotal:		\$5,109	\$4,675

**Total: \$9,784**

**Areas in Need of Improvement**

Our review of the eligibility files during the onsite review revealed that the State needs to include additional documentation in the case files for future reviews in order to provide more complete information that will assist reviewers in making an accurate determination about a child’s title IV-E eligibility. Massachusetts has developed a fully automated system with the exception of the court and residential licensing information. Since most of the case record information has been entered into the State’s SACWIS system (Family Net), DCF provided reviewers with screen prints of relevant eligibility information. If additional information was required, the reviewers were able to access Family Net with assistance from DCF staff. However, in three specific areas many case files did not contain important documentation necessary for an accurate determination of title IV-E eligibility. This missing information included (1) documentation of

all judicial proceedings during the 60-day period following the child's removal in order to determine a child's date of entry into foster care for the purpose of establishing due dates for certain judicial determinations; (2) additional documentation such as case narrative or an affidavit from the social worker that identifies from whom the child was removed which is needed to determine title IV-E eligibility; and (3) a detailed list of the crimes that correspond to the Codes (A, B, C) which are used to identify disqualifying convictions from the results of criminal background checks completed on prospective foster parents.

Prior to the onsite review the State worked closely with the Department of Early Education and Care (EEC) in revising the Certification of Employee Background Checks form. We recognize that this work with EEC was completed just prior to the onsite review and is ongoing. During the onsite review we noted that some of the forms contained the licensor's typed name. In the future, we recommend that the licensor sign the form. However, if typed or electronic signatures are used, the State should have a policy for accepting or authenticating signatures that are not handwritten.

### **Error cases**

A brief description of the issues identified in the four (4) error cases is provided as follows:

#### **Issue #1: Title IV-E Requirements related to AFDC**

In three (3) cases, title IV-E payments were made improperly because AFDC financial need and/or deprivation were not correctly determined. One case (1) involved a two-parent household for which the agency indicated that deprivation was based on the underemployment of both parents. Case information showed that the mother had wages and that the father was working although the father's wages were not recorded in the case record. Subsequent information was provided documenting the father's earning. However, when combined with the mother's earned income, the family's income exceeded the AFDC need standard. Information in the second case indicated deprivation based upon underemployment. However, no information was available as to either parent's earned income and no other form of deprivation was indicated. In the third case, the case file indicated that the child had income from an unspecified source and the mother had income, but the case file did not contain verification of either income source. As a result, financial need could not be established.

*Title IV-E Requirement:* Consistent with section 472(a)(3) of the Act and 45 CFR 1356.71(d)(1)(v), the State agency must establish that the child is financially needy and deprived of parental support or care using criteria in effect as of July 16, 1996 in the State's title IV-A plan.

*Recommended Corrective Action:* Additional training for eligibility staff related to making AFDC determinations in accordance with the State's 1996 AFDC plan is recommended, specifically regarding establishing deprivation and financial need. The emphasis should be placed on ensuring that the income of both parents is verified and that appropriate documentation is used as a reference for verifying eligibility.

## **Issue #2: Safety Requirements of Provider**

One (1) case was found to be in error due to the safety requirements of the foster parents not being met. Fingerprint-based criminal background checks were not completed on either parent.

*Title IV-E Requirement:* Consistent with section 471(a) (20) of the Act and 45 CFR 1356.30 the State agency must provide documentation that safety requirements for foster care and adoptive home providers be provided prior to license approval.

*Recommended Corrective Action:* While one (1) case was found to be in error, a non-error case was found also to have ineligible payments for the same reason as the error case. We recommend that eligibility staff be reminded that October 1, 2008 was the effective date in Massachusetts for requiring a fingerprint-based check of the national crime information databases for all prospective foster parents.

## **Program Strengths & Promising Practices**

The State has a highly-automated system which provides access to demographic information from DCF's Family Net and family financial information through the TANF and Medicaid automated systems operated by other State agencies. Overall the automated worksheets provide clear documentation of the eligibility decision, basis for the decision, and period of eligibility. As previously stated, there are areas in which additional documentation would be helpful for reviewers. Court documents clearly explained the contrary to welfare and reasonable efforts findings. The removal court orders were completed timely, usually the next day if an emergency removal occurred after hours. All required judicial findings were obtained in the sample cases reviewed. The State has made improvements in the licensing of foster care placements as all foster homes were fully licensed during the PUR. We also noted the Interstate Compact for the Placement of Children cases in the review sample contained all necessary information to document title IV-E eligibility. This represents a substantial improvement from our prior onsite review where four cases were determined to have ineligible payments due to the lack of documentation that the foster care provider was licensed by the receiving State. Finally, DCF has worked with EEC to improve the documentation of criminal background checks for residential facilities. All cases involving a residential placement contained the information necessary to document compliance.

## **Disallowance**

A disallowance in the amount of \$22,137 in maintenance payments and \$29,021 in related administrative costs of FFP is assessed for title IV-E foster care payments claimed for the error cases and non-error cases with ineligible payments. The total disallowance as a result of this review is \$51,158 in FFP. The State also must identify and repay any ineligible payments that occurred for the error cases and other ineligible cases subsequent to the payments provided in the payment histories. No future claims should be submitted on these cases until it is determined that all eligibility requirements are met.

## **Next Steps**

As part of the State's ongoing efforts to improve its title IV-E foster care eligibility determination process, CB recommends that DCF examine identified payment errors and develop measurable, sustainable strategies that target the root cause of problems that hinder State efforts to operate a fully accurate foster care eligibility program. Appropriate corrective action should be taken in instances of noncompliance with Federal laws and regulations and to address general case management and documentation issues.