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Room 276, Federal Office Building  
601 East 12th Street  
Kansas City, Missouri 64106

August 26, 2005

Mr. Gary Sherman, Director  
Missouri Department of Social Services  
Broadway State Office Building  
P.O. Box 1527  
Jefferson City, Missouri 65102-1527

Dear Mr. Sherman:

During the week of July 25, 2005, Administration for Children and Families' (ACF) staff from the Central and Regional Offices and State of Missouri staff conducted an eligibility review of Missouri's title IV-E foster care program in Jefferson City.

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

We commend the State for its continuing excellent efforts to improve the title IV-E foster care eligibility determination process, resulting in a more accurate title IV-E foster care eligibility program. The enclosed report identifies program strengths and provides recommendations for further improvement.

This is to inform you that the ACF has determined the State of Missouri's title IV-E foster care maintenance payment program to be in substantial compliance with Federal child and provider eligibility requirements for the period October 1, 2004 through March 31, 2005. Because Missouri was found to be in substantial compliance, a secondary review will not be required. The next primary review must be held in three years. The financial penalty to be taken for this review will be for the payments, including the administrative costs, associated with the two error cases and one ineligible payment as indicated below.

This letter also constitutes our formal notice of disallowance of **\$11,028.82** in Federal Financial Participation (FFP) for title IV-E foster care maintenance payments and related administrative costs.

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A review of a sample of 80 cases was drawn from a universe of title IV-E payments for the period noted above. The review team determined that two cases were ineligible for Federal funding during the period under review. In addition, one ineligible payment that occurred outside the review period was determined.

Since the amount of disallowed funds was previously included in Federal payments made to the State, you must repay these funds by including a prior period decreasing adjustment on the Quarterly Report of Expenditures (Form ACF IVE-1), Part 1, Line 1, Columns (c) and (d). A supplemental IVE-1 form must be submitted within 30 days of the date of this letter in order to avoid the assessment of interest. A supplemental submission must contain only the adjustment described above; other claims or revisions must not be included and will not be accepted. The original report should be submitted to the following address with a copy to the ACF Regional Office:

Administration on Children and Families  
Office of Grants Management  
Division of Mandatory Grants  
370 L'Enfant Promenade, S.W.  
Washington, D.C. 20447

This is the final decision of the Administration for Children and Families. Under regulations at 45 CFR Part 16, you have an opportunity to appeal this decision to the Departmental Appeals Board (Board). This decision shall be the final decision of the Board unless, within 30 days of receiving this decision, you deliver or mail (using registered or certified mail to establish the date) a written notice of appeal to:

Department of Health and Human Services  
Departmental Appeals Board, MS 6127  
Appellate Division  
330 Independence Ave., S.W.  
Cohen Building, Room G-644  
Washington, D.C. 20201

You must attach to the notice a copy of this decision, note that you intend to appeal, state the amount in dispute, and briefly state why you think this decision is wrong. A copy of your appeal also should be sent to my attention in the ACF Regional Office. The Board will notify you of further procedures.

If you appeal, you may elect to repay the amount at issue pending a decision by the Departmental Appeals Board, or you may retain the funds pending that decision. An adjustment to return the disallowed funds for the purposes of

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avoiding interest assessment must be made through the use of a supplemental submission of the IVE-1 form, as described above. If you retain the funds and the Board sustains all or part of the disallowance, interest will be charged starting from the date of this letter on the funds the Board decides were properly disallowed. Regulations at 45 CFR Part 30 detail how interest will be computed.

In the event you choose to take no action to return the funds, it will be assumed you have elected to retain the funds either to appeal or to delay recoupment of the funds until the next issued grant award. Interest will continue to accrue on the Federal funds retained by the State during this period.

We thank you and your staff for the excellent efforts that were made to prepare for and participate with us in this review. We look forward to working with you and your staff to continue to improve State implementation of the Federal requirements and to improve services to children and families. Please contact Ann Burds at (816) 426-2260 if you have any questions about this review. Questions concerning the disallowance should be directed to Mike Factor at (816) 426-2232.

Sincerely,

Linda K. Lewis  
Regional Administrator

Enclosure

cc: Fred Simmens, Director  
Children's Division

## **Missouri Title IV-E Foster Care Eligibility Review October 1, 2004 to March 31, 2005**

### **Introduction**

During the week of July 25, 2005, Administration for Children and Families' (ACF) staff from the Central and Regional Offices and State of Missouri staff conducted an eligibility review of Missouri's title IV-E foster care program in Jefferson City.

The purpose of the title IV-E foster care eligibility review was (1) to determine if Missouri 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 Missouri'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 Missouri 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, 2004 to March 31, 2005. A computerized statistical sample of 100 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 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 the primary review, 80 cases were reviewed. Two cases were determined to be in error for all of the review period for reasons that are identified in the Case Record Summary section of this report. One additional ineligible payment was found but it occurred outside the period under review. Since the number of error cases was fewer than five, the ACF has determined Missouri to be in substantial compliance.

### **Case Record Summary**

The following details the error cases and reasons for the error, erroneous payments, and appropriate citations:

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**Sample number 34 (DCN # 33460809) and Sample number 44 (DCN # 52328765):** These two siblings were placed in foster care by the Phelps Circuit Court. The children did not have a judicial determination regarding reasonable efforts to finalize the permanency plan within 12 months of the date they entered foster care [45 CFR 1356.21(b)(2)]. Erroneous payments were made from July 2004 through March 2005.

**Sample number 16 (DCN # 551644405):** This child was placed by the St. Clair Circuit Court. No ineligible payments were made during the period under review. However, an ineligible payment was made in September of 2003 because the child did not have a judicial determination regarding reasonable efforts to finalize the permanency plan within 12 months of the date he entered foster care [45 CFR 1356.21(b)(2)].

Sample	#16	#34	#44	Total Main.	FMAP	FFP Main.	FFP Admin.	Total Disallow
FFY 02	\$86.13			\$86.13	61.06%	\$52.59	\$325	\$377.59
FFY 03								
FFY 04		\$1,131	\$1,635	\$2,766	61.47%	\$1,700.25	\$2,072	\$3,772.25
FFY 05		\$2,262	\$1,962	\$4,224	61.15%	\$2,582.98	\$4,296	\$6,878.98
Total	\$86.13	\$3,393	\$3,597	\$7,076.		\$4,335.83	\$6,693	\$11,028.82

## Areas in Need of Improvement

### 1. Court

- Judicial determinations of the agency's efforts to finalize a permanency plan should include more descriptive documentation.
- Judicial determinations of the agency's efforts to finalize a permanency plan should always be held in a timely manner.
- Court orders with check boxes are problematic when the box isn't checked.
- Eligibility Specialists should develop a method to monitor timeliness of judicial determinations.
- Termination of parental rights court orders should not be used as a substitute for the judicial determination of the agency's effort to finalize a permanency plan.

### 2. Procedural

- Referral form (FFP-1) should be thoroughly completed by the worker in a timely manner.
  - When the licensing file indicates there is a criminal background history, the worker should document the reasons why the placement occurred.
  - The eligibility specialist should document when there is a discrepancy between an actual situation and the information printed from the computer (i.e. date of placement).
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### 3. Child Welfare Information System

- A screen should be developed to show when criminal background checks are completed and the results.
- When printing information from the Child Welfare Information System screens, a method to highlight the “yes” and “no” answers should be developed.

#### **Strengths/Model Practices**

- The 42<sup>nd</sup> Circuit court developed exemplary court orders with detailed findings of the agency’s efforts to prevent placement and to finalize permanency plans.
- The review team observed several orders where the court considered ICWA provisions and placement with relatives.
- Case records were well organized in individual boxes, clearly labeled and payment history forms were included in each file.
- State members of the review team were knowledgeable and conscientious.
- It was helpful to have staff from the Court Improvement Program as members of the review team.
- Resource staff (licensing, fiscal) were readily available and responsive to the review team’s requests.
- The majority of the cases reviewed had only one placement during the period under review.
- Redeterminations of eligibility were completed in a timely manner.
- Many of the cases reviewed had achieved permanency through reunification, adoption or legal guardianship.
- The reviewers worked well as a team and issues were resolved jointly.

#### **Issues to consider for the next primary review:**

- The Child Welfare Information System forms (seven screens) used at the time of IV-E eligibility redetermination will need to be printed for each month of the period under review.
  - Eligibility specialists will need to develop a method of monitoring the expiration of 180 days from the date voluntary placement agreements are signed.
  - Payment histories should show monthly IV-E total payments and the names of the recipient providers.
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## **Disallowances**

The review included a sample of 80 cases with a total dollar value of **\$154,631**. The total Federal Financial Participation (FFP) claimed was **\$94,557**. The sample was drawn from a universe of cases that received at least one title IV-E foster care maintenance payment during the six-month AFCARS period of October 1, 2004 to March 31, 2005. Based on the results of the review, the State of Missouri has been found to be in substantial compliance; however two cases were found ineligible during the period under review and one additional case had an ineligible payment outside the period under review. Therefore, a disallowance in the amount of **\$11,028.82** in FFP is assessed for the entire period of time that these cases were determined to be in error.

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