

**State of Missouri**  
**Primary Review**  
**Title IV-E Foster Care Eligibility**  
**Department for Children and Families**  
**Report of Findings for**  
**October 1, 2013 through March 31, 2014**

***Introduction***

During the week of August 25, 2014, 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 state of Missouri Department of Social Service Children's Division (CD) and was completed by a review team comprised of representatives from Missouri CD, CB central office and regional office (RO), ACF Regional Grants Management Office, and cross-state peer reviewers. The review was conducted at the Jefferson State Office Building in Jefferson City, Missouri.

The purposes of the title IV-E foster care eligibility review were: (1) to determine whether the Missouri CD 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 for which the state received a title IV-E maintenance payment for the six-month period under review (PUR) of October 1, 2013 - March 31, 2014. A computerized statistical sample of 100 cases (80 cases plus 20 oversample cases) was drawn from state data submitted to the Adoption and Foster Care Analysis and Reporting System (AFCARS) for the above period. Eighty cases were reviewed, which included 76 from the initial sample. Four oversample cases were reviewed because no title IV-E maintenance payments were made for a period in the PUR for four cases in the original sample.

In accordance with federal provisions at 45 CFR §1356.71, the state was reviewed according to 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), (c) and (d), respectively;
- Voluntary placement agreements as set forth in §472(a)(2)(A)(i) 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 title IV-A plan in effect July 16, 1996 as required by §472(a)(1) and (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); and
- Safety requirements for the child’s foster care placement as required at 45 CFR §1356.30.

The case file information of each child in the selected sample was reviewed to verify title IV-E eligibility. The foster care provider’s file information also was examined to ensure the foster family home or child care institution where the child resided during the PUR was licensed or approved and that safety requirements were appropriately documented. Payments made on behalf of each child were reviewed to verify that 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 if the child was not eligible on the date of activity in the PUR for which title IV-E maintenance was claimed. A sample case was cited as non-error with an 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 claimed for the unallowable activity. In addition, underpayments were identified for a sample case when allowable title IV-E maintenance costs were not claimed by the state for an eligible child during the two year filing period specified in 45 CFR §95.7 unless the title IV-E agency elected not to claim the payment or the filing period had expired.

### ***Compliance Finding***

The review team determined that 76 of the cases met eligibility requirements (i.e., were deemed non-error cases) for the PUR. Four cases were identified as in error for either part or all of the review period and an additional nine non-error cases were ineligible for federal funding for a period for which payments were claimed. Also, there were two non-error cases with identified underpayments.

Based on these review findings, CB has determined that the Missouri CD title IV-E foster care program is in substantial compliance with federal eligibility requirements for the PUR. Substantial compliance in a primary review is achieved when four or fewer cases are in error. The next review of Missouri’s title IV-E eligibility program will be a primary review conducted within three years from the date of this review.

**Case Record Summary**

The following charts record the error cases; non-error cases with ineligible payments, underpayments, reasons for the improper payments, improper payment amounts and federal provisions for which the state did not meet the compliance mandates.

<b>Sample Number</b>	<b>Error Reason &amp; Eligibility Period</b>	<b>Payment</b>
MO 20	State was not in compliance with its policy that addresses safety considerations with respect to staff in childcare institutions [45 CFR §1356.30(f)]  Ineligible Period: 11/01/2013 – 11/30/2013	FFP Maintenance \$1,037  Administrative \$330
MO 22	There was not a timely judicial finding regarding reasonable efforts to finalize permanency plan. [45 CFR §1356.21(b)(2)]  Ineligible Period: 01/01/2014 – 03/31/2014	FFP Maintenance \$837  Administrative \$991
	The foster family’s license ended so the home was not fully licensed during the child’s placement. [45 CFR §§ 1355.20 and 1356.71(d)(1)(iv)]  Ineligible Period: 06/01/2013 – 08/30/2013	FFP Maintenance \$285
MO 61	The foster family’s license ended so the home was not fully licensed during the child’s placement. [45 CFR §§ 1355.20 and 1356.71(d)(1)(iv)]  Ineligible Period: 11/01/2013 – 11/30/2013	FFP Maintenance \$530  Administrative \$330
MO 69	State was not in compliance with its policy that addresses safety considerations with respect to staff in childcare institutions [45 CFR §1356.30(f)]  Ineligible Period: 11/01/2013 – 04/30/2014	FFP Maintenance \$1,597  Administrative \$1,982

Maintenance: \$4,286  
 Administrative: \$3,633  
**Total: \$7,919**

**Non-error Cases with Ineligible Payments**

<b>Sample Number</b>	<b>Improper Payment Reason &amp; Ineligibility Period</b>	<b>Payment</b>
MO 02	The child was placed in a relative placement that was not fully licensed and federal funds were paid. [45 CFR §§ 1355.20 and 1356.71(d)(1)(iv)]  Ineligible Period:10/01/2012 – 02/06/2013	FFP Maintenance \$843
MO 13	The child was placed in a relative placement that was not fully licensed and federal funds were paid. [45 CFR §§ 1355.20 and 1356.71(d)(1)(iv)]  Ineligible Period: 12/18/2012 & 04/15/2013 – 04/30/2013	FFP Maintenance \$23
MO 15	IV-E funds were paid by contracted provider for non IV-E allowable expense (therapy). [45 CFR 1356.60(c)] Ineligible Period: 12/20/2012 -12/31//2012	FFP Maintenance \$313
MO 29	Foster care maintenance payment continued for foster care placement after the child was moved from the placement. [§475(4) of the Act; 45 CFR 1356.60(a)(1)(i)]  Ineligible Period: 04/22/2014 – 04/30/2014	FFP Maintenance \$294
MO 49	The foster home was not fully licensed and clothing costs under IV-E Maintenance were claimed. [§472 (b) and (c) of the Act and 45 CFR §1355.20(a) and 1356.71(d)(1)(iv)]  Ineligible Period: 05/20/2013 – 06/30/2013	FFP Maintenance \$347
MO 51	The child was placed in a relative placement that was not fully licensed and federal funds were paid. [45 CFR §§ 1355.20 and 1356.71(d)(1)(iv)]  Ineligible Period: 08/01/2011 – 08/31/2011	FFP Maintenance \$32
MO 59	A duplicate payment was made as the foster family continued to receive IV-E maintenance payment while the child was placed in a shelter placement which also received a IV-maintenance payment. [§475(4) of the Act; 45 CFR 1356.60(a)(1)(i)]  Ineligible Period: 03/24/2014 – 04/17/2014	FFP Maintenance \$237

<b>Sample Number</b>	<b>Improper Payment Reason &amp; Ineligibility Period</b>	<b>Payment</b>
MO 60	The foster family's license ended so the home was not fully licensed during the child's placement. [45 CFR §§ 1355.20 and 1356.71(d)(1)(iv)]  Ineligible Period:01/07/2013 – 04/24/2013	FFP Maintenance \$842
MO OS3	The foster family's license ended so the home was not fully licensed during the child's placement. Missouri CD backed the payment out; however, missed one day. [45 CFR §§ 1355.20 and 1356.71(d)(1)(iv)]  Ineligible Period: 09/09/2012	FFP Maintenance \$32

**Total: \$2,963**

**Underpayment Cases**

<b>Sample Number</b>	<b>Underpayment Reason &amp; Eligibility Period</b>	<b>Payment</b>
MO 47	The foster family was fully licensed through 10/16/2013 when the family voluntarily ended their license. [45 CFR §§ 1355.20 and 1356.71(d)(1)(iv)]  Eligible period: 10/01/2013 – 10/16/2013	FFP Maintenance \$137
MO 50	The foster home was fully licensed and a clothing allowance was provided. IV-E Maintenance funds could have been claimed. [\$472 (b) and (c) of the Act and 45 CFR §1355.20(a) and 1356.71(d)(1)(iv)]  Eligible period: 11/01/2013 – 02/28/2014	FFP Maintenance \$3,150

***Recommendations for Further Improvement***

Even though Missouri is in substantial compliance in this primary review, the findings of this review indicate the state could further develop and implement procedures to improve program performance in the areas listed below. Steps the state takes now to improve quality will support positive outcomes for future reviews and program improvement initiatives. We have provided a discussion below regarding the nature of the areas needing improvement, the specific title IV-E requirement to which it relates and the improvement action the state should undertake.

### **Issue #1, Payment History:**

The required full payment history was not received until the middle of the on-site review, and was provided in 2 separate files (one for the Family and Children Electronic System (FACES) payments—non-contracted—and one for Foster Care Case Management (FCCM) payments—contracted). Prior to the review, only partial histories were provided. Several discussions were required with Missouri fiscal staff throughout the on-site review week to clarify and obtain the payment history data needed for the review and obtain a clearer understanding of the FCCM information in particular. The FCCM payment history involved several concerns, some involving unallowable claiming and some preventing a proper review to determine whether title IV-E funds were properly claimed. Specifically:

- FCCM and FACES payment listing column headings were so different that they were essentially impossible to combine into a single payment history; the most challenging difference was the payment date columns.
- Contractors reported several different types of expenditures that involved several different payment sources on single payment lines;
- Contractors reported extended service dates that went well beyond one month and often covering several months;
- Contractors reported payment lines with overlapping service dates.
- Unallowable “Client Therapeutic Services” and “Social Services Expenses” were being claimed to title IV-E;
- The allowability of “Other Special (other FC Maintenance)” was questionable since it could be duplicative.

Missouri noted that all transportation claimed to title IV-E is claimed as administration (at the 50% FFP rate). There was one error case (MO61) and several non-error cases with ineligible payments made in which title IV-E payments were claimed for a child placed in a foster home that was not fully licensed. The CB is addressing the licensing concern here as it appears to be a problem within the payment system rather than a licensing issue. Missouri has some strong licensing practices which will be addressed later in this report, however there are payments made out of the payment system utilizing improper funds based on the licensure status of the foster homes.

### ***Title IV-E Requirement:***

For each of the sample and oversample case records, the state agency must provide CB RO with the complete payment history before the on-site review as outlined in federal regulations at 45 CFR 1356.71(b)(2). The complete payment history consists of all foster care payments, which includes title IV-E maintenance payments and administrative costs, claimed by the title IV-E agency for the most recent foster care episode. All payments in the payment history should include the following: 1) the invoice number or other identifier; 2) the amount paid and service period covered; 3) the activity or service paid and funding source; 4) the date of payment; 5) the date of payment adjustment or reversal and period covered; 6) the child’s name and case number; and 7) the provider’s name and number. The state should consult CB’s “Title IV-E Foster Care Eligibility Review

Guide” for further guidance on the payment history and the expected elements of it for the eligibility review.

***Recommendations for Quality Improvement:***

The state must be able to develop a consistent, reliable and accurate payment history that is able to track all foster care maintenance and administrative payments made on behalf of each child in its care. This record, either in electronic or paper form, must include all information necessary to provide a complete account of payment activity, as listed above. The CB urges the state to identify the systemic factors underlying its payment history deficiencies and to develop strategies to correct them in advance of the next title IV-E eligibility review. The CB would also encourage Missouri to require its contracted providers to utilize the state’s Statewide Automated Child Welfare Information System (SACWIS) system so there is one complete payment history.

In addition, Missouri determined that the unallowable claiming of “Client Therapeutic Services” and “Social Services Expenses” was a technical problem that began around the fall of 2013 and will adjust out all unallowable claims on its next title IV-E foster care expenditure report.

As noted above, many of the ineligible payments, underpayments, and all of the errors involved the FCCM contractors. We recommend that Missouri ensure it collects readily reviewable supporting data and documentation from its contractors to ensure accurate claiming and prevent improper payments.

**Issue #2 Safety Checks Compliance:**

During the review of cases, it was noted that state policy regarding safety checks in licensed facilities was not complied with in two cases (MO20 and MO69), resulting in their being identified as error cases. State policy permits a facility to hire an individual without the completed Family Care Safety Registry (FCSR) checks, but the provider must submit the screening request within 10 days of employment and then annually thereafter. In both cases the provider failed to do so. The review of cases found delays in the submission of checks ranging from one month to over eight months. This did not appear to be a statewide or regional problem, but was limited to a few facilities within the state. However, it is important that the state ensure compliance with its own requirements, particularly in light of the fact that an individual can be hired prior to his or her clearing the registry check.

***Title IV-E Requirement:***

Title IV-E agencies are reviewed against the statutory and regulatory safety requirements specified in §471(a)(20)(A) of the Act and 45 CFR § 1356.30, respectively. As a condition of the title IV-E plan and child eligibility, the agencies must have procedures that address safety considerations of the caregiver staff of childcare institutions. The title IV-E agencies must complete the safety requirements before licensing or approving a childcare institution and before title IV-E maintenance payments can be claimed for the

period of the child's placement in the childcare institution. In addition, federal requirements mandate the title IV-E agency to document that the background safety checks with respect to the caregiver staff of the childcare institution are completed in accordance with the licensing agency's requirements where the childcare institution is located.

***Recommendations for Quality Improvement:***

It is recommended that Missouri CD develop a Continuous Quality Improvement (CQI) process for ensuring that facility staff are adequately trained on the safety check process and that CD licensing staff are ensuring compliance on their licensing visits.

**Issue # 3 Judicial Determinations:**

In sample MO22 there was not a timely judicial determination that the agency had made reasonable efforts to finalize a permanency plan. The previous determination was made in January 2013 with the next being due in January 2014; however, there was not a hearing or determination made on the case until the termination hearing that was held in April 2014.

Although all of the other cases in the review sample were determined to have satisfied the eligibility requirement at §472(a)(2)(A) of the Act, there were general concerns about the quality of some of the court orders. Reviewers found in some of the cases that court orders appeared to be form orders that did not address the child-specific facts of the case, the circumstances that were responsible for the child being in care, or the agency's efforts to achieve the child's permanency plan. For example, several of the court orders referencing sibling groups did not individualize the specific circumstances of each child. Also, several of the court orders relied on a template or had a check box/fill in the blank which did not allow the judge to address the specific facts of the case, the circumstances that were responsible for the child being in care, and/or the activities that were completed towards achieving permanency.

***Title IV-E Requirement:***

Title IV-E eligibility requirements include protections for children and families as an important aspect of eligibility criteria. Once title IV-E eligibility is established, a judicial determination to the effect that the title IV-E agency has made reasonable efforts to finalize a permanency plan is required annually to maintain title IV-E eligibility. [45 CFR § 1356.21(b)(2)] The court's ruling regarding "reasonable efforts to finalize" may be based on (1) the agency's efforts to implement the permanency plan that was in effect at the time that the title IV-E agency sought the judicial determination; (2) the circumstances of a permanency plan that had been in effect for a brief period immediately preceding the judicial ruling; or (3) the activities related to achieving permanency that took place over the 12 months immediately preceding the judicial ruling, even if the plan had been abandoned during that 12-month period.

Generally, a finding that the agency is making reasonable efforts to reunify the family is not sufficient if the goal of the permanency plan is not or has not been reunification

during the past 12 months. The judicial determination should reflect the court’s judgment as to whether the agency activities that are performed during the previous 12 months are meaningful and consistent with the permanency plan and whether they are sufficient to bring about the achievement of the permanency goal for the child. For example, a finding that merely states reasonable efforts are made to provide services or are made to meet the needs of the child does not satisfy the judicial requirement of “reasonable efforts to finalize the permanency plan”. Although a provision of services is one of the activities the title IV-E agency undertakes to finalize the plan, the judicial determination needs to convey whether the court finds that the services and other agency activities reasonably advanced the implementation of the permanency plan toward finalization.

***Recommendations for Quality Improvement:***

We encourage Missouri to continue its efforts to educate court officials and agency staff on the necessity of clearly and accurately reflecting judicial determinations that are explicitly documented as part of their continuous quality improvement process for the title IV-E eligibility program. The court orders also must be specific to the circumstances and events of each child’s case. Including in the court order the facts upon which the “contrary to the welfare” and “reasonable efforts” determinations are based significantly improves the quality of the court order and provides a historical accounting of the child’s situation leading to judicial decisions. As such, each court order should include child-specific determinations starting with the emergency order for removal, and continuing into orders for permanency hearings, reunification, adoption or another planned arrangement for permanency. Based on this review, we recommend a continued focus on strategies to make sure all court orders are meaningful and specific to the unique circumstances of the children and families involved.

It is recommended that Missouri CD continue its collaboration with the state Court Improvement Program to improve the quality of the court orders for child welfare and juvenile justice cases. Missouri clearly has some exemplary orders on which to model continued statewide improvement efforts. Examples of these orders as well as those marginally meeting requirements will be utilized in the CB regional office’s efforts to provide technical assistance to Missouri CD and the Office of State Courts Administrator.

**Issue #4 AFCARS Element 59 Coding:**

In preparation for this review Missouri CD completed two AFCARS re-submissions for data clean up and to ensure an accurate sample; however, there were still four cases in the sample for which no title IV-E payment was made for a period in the PUR.

***Title IV-E Requirement:***

The validity of the sample and oversample depends on the accuracy with which the title IV-E agency completes the AFCARS data element 59, title IV-E Foster Care. Consistent with Appendix A of 45 CFR §1355.40, foster care element 59 is coded as “1” to indicate title IV-E foster care when title IV-E foster care maintenance assistance is the applicable source of income for the child’s care at any time during the six-month AFCARS period for a child meeting all title IV-E eligibility criteria. Element 59 is coded as “0” when title

IV-E foster care maintenance payments is not the applicable income source for the child's care..

***Recommendations for Quality Improvement:***

The CB recommends that Missouri routinely check and review cases for accuracy of the AFCARS coding. Title IV-E foster care maintenance payments may not be claimed for a period of activity unless it is determined the child meets all of the title IV-E eligibility requirements including those related to the child's placement.

**Issue #5 Underpayments:**

Both of the underpayments were situations where title IV-E funds were not claimed for a child residing with a foster care provider who obtained their license while the child was placed with them. We addressed this earlier in the report as there were also ineligible payments made to foster care providers who were not fully licensed. As noted above, this does not appear to be a licensing issue, but rather a payment system issue.

***Title IV-E Requirement:***

Federal regulations at 45 CFR 1356.60 provide that title IV-E foster care maintenance payments may be claimed for allowable costs of expenditures that are covered by the federal definition of foster care maintenance found at §475(4) of the Act. Under §472 of the Act, title IV-E maintenance payments may be claimed from the first day of the foster care placement in the month in which all title IV-E eligibility criteria are met. The payment may be claimed for the entire month when an eligible child has resided in the foster care placement for the entire month. However, if the eligible child is placed on a date in the month other than the first of the month, title IV-E funds may be claimed for the period beginning with the actual date of foster care placement.

***Recommendations for Quality Improvement:***

We recommend that Missouri enhance its Continuous Quality Improvement (CQI) system to include the review of IV-E cases to ensure that Missouri is maximizing its potential of claiming title IV-E maintenance funds for eligible children including when they are in fully-licensed placements. This will help Missouri identify gaps and ensure complete and proper claiming for children in fully licensed placements.

**Strengths**

**Eligibility Determinations**

During this review the review team did not have any case in which AFDC program requirements for title IV-E eligibility was not determined timely or accurately. Missouri has a well-trained, knowledgeable, and tenured eligibility staff. The eligibility staff are stationed in the regional offices throughout Missouri. The eligibility staff work well with the various field staff throughout the state to help ensure that the case files and documentation are thorough and complete. Missouri eligibility staff are detail- oriented,

thorough in their practices, and diligent in their pursuit of accuracy. To facilitate eligibility determination, the staff have access to: FACES (Missouri SACWIS system), Social Security IIVE (income and income avenues for parents and children), IMES (Employment Security which checks for individuals working in the state of Missouri for the previous quarter, FAMIS (Missouri Income maintenance system that checks if the family is on TANF or Food Stamps and also for checking income, relationships, birth information), MACC (Child Support Enforcement screens to see if there is income from Child Support), and IBTH and IDTH (Missouri databases which check for deaths and birth records).

The staff have a clear understanding of title IV-E foster care eligibility requirements related to the AFDC requirements of financial need, deprivation, and living with and removal from a specified relative. As evidenced by the cases reviewed, eligibility staff are verifying and clearly documenting the persons in the home at the time of removal.

### **Safety Check Policies**

To ensure that a child is not in a foster care placement where the potential caregiver has caused or is likely to cause harm to a child, § 471(a)(20)(A) of the Act and 45 CFR § 1356.30 require title IV-E agencies to examine the potential safety risks posed to the child by a foster care provider. For a foster parent who is newly licensed on or after October 1, 2008 the title IV-E agencies must complete a criminal records check (CRC) that includes a fingerprint-based check of the National Crime Information Databases (NCID) for the foster parent(s). For title IV-E eligibility purposes, once a prospective foster family home is licensed, subsequent CRCs are not required as long as the home is continuously licensed. In Missouri, to ensure for the safety of the children placed in their care the state completes fingerprint based checks at the time of licensure and every two years thereafter. This policy exceeds the federal requirement and helps ensure the ongoing safety of children in their placements. During the review CB did not find any case in which a family foster parent did not have a fingerprint background check completed prior to licensure and every two years thereafter.

The CRC requirement at 45 CFR § 1356.30(a) does not cover childcare institutions. However, consistent with 45 CFR § 1356.30(f), the title IV-E agency must provide evidence that the safety requirements for background checks with respect to the caregiver staff of the childcare institution are completed in accordance with the requirements of the licensing agency where the childcare institution is located. Missouri requires its residential care providers to complete Family Care Safety Registry (FCSR) checks on staff at the time of employment and yearly thereafter. These checks include the following: state criminal records maintained by the Missouri State Highway Patrol, Sex Offender Registry information maintained by the Missouri State Highway Patrol, Child abuse/neglect records maintained by the Missouri Department of Social Services, The Employee Disqualification List maintained by the Missouri Department of Health and Senior Services, The Employee Disqualification Registry maintained by the Missouri Department of Mental Health, child-care facility licensing records maintained by the Missouri Department of Health and Senior Services, and foster parent licensing records maintained by the Missouri Department of Social Services. Even though Missouri did have a couple of error cases that were not in full compliance with the state's safety check

policy, it is a very strong policy to help ensure that children placed in residential placements are safe.

**Disallowance**

In the four cases determined not to be eligible for title IV-E foster care maintenance payments during the PUR, the state is ineligible to receive federal financial participation (FFP) under the title IV-E foster care maintenance program for the periods specified in the table above. Also, the state is not eligible to receive title IV-E funds for administrative costs relating to these error cases. The amount of ineligible maintenance payments for these cases is \$4,286 FFP. The associated unallowable administrative cost for these cases is \$3,633 FFP.

In addition to the above error cases, the review team identified nine eligible cases with ineligible payments occurring outside of the period under review. These additional cases were not included in the determination of Missouri as being in substantial compliance with federal requirements. Nevertheless, the state may not receive FFP for these cases under the title IV-E program. The ineligible maintenance assistance payments for these cases are \$2,963 in FFP.

The total disallowance amount is \$10,882 FFP.

**Next Steps:**

The CB regional office will continue to follow-up with Missouri CD regarding the state's eligibility process and future steps to be taken to address the concerns outlined in this report.