

**Oregon Department of Human Services  
Primary Review - Title IV-E Foster Care Eligibility  
Report of Findings for  
October 1, 2010 – March 31, 2011**

**Introduction**

During the week of July 25, 2011, the Children’s Bureau (CB) of the Administration for Children and Families (ACF) conducted a primary review of Oregon’s title IV-E foster care program. The review was conducted in collaboration with the State of Oregon Department of Human Services and was completed by a review team comprised of representatives from the State agency, CB Central and Regional Offices, ACF Regional Grants Management and peer reviewers.

The purposes of the title IV-E foster care eligibility review were (1) to determine whether the Oregon Department of Human Services’ 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 during the six-month period under review (PUR) of October 1, 2010 through March 31, 2011. 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 (80) cases were reviewed, which consisted of sixty-nine (69) cases from the original sample plus eleven (11) oversample cases. Eleven (11) cases were excluded from the original sample and one (1) from the oversample because no title IV-E foster care maintenance payment was made during the PUR. The State provided documentation to support excluding these cases from the review sample and replacing them with 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 Social Security Act (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 (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 childcare 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 any 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 non-error with ineligible payment when the child was not eligible on the activity date outside the PUR or the child was eligible during or outside the PUR on the service date of an unallowable activity and title IV-E maintenance was paid for the unallowable activity. In addition, underpayments were identified for a sample case when an allowable title IV-E maintenance payment was not claimed by the State for an eligible child during the 2-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 80 cases met all eligibility requirements for the PUR. Four (4) error cases were found to have title IV-E maintenance payments claimed for periods while the child was ineligible during the PUR. In addition to the error cases, seven (7) non-error cases were found to have title IV-E maintenance payments claimed while the child was ineligible outside of the PUR and forty-five (45) non-error cases were found to have unallowable maintenance payments claimed under title IV-E on behalf of otherwise eligible children. These cases with ineligible claims were not considered in determining the State's substantial compliance with the Federal requirements.

Accordingly, Federal funds claimed for title IV-E foster care maintenance payments associated with the non-error cases with ineligible payments are being disallowed. There are claims in the amount of \$83,815.32 in unallowable title IV-E foster care administrative costs associated with the disallowed maintenance payments.

Because the number of cases in error is fewer than five (5), the Oregon Department of Human Services is determined by the CB to be in substantial compliance with the reviewed title IV-E eligibility requirements for the PUR.

### Case Summary

The following charts record the error and 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>Error Cases with Ineligible Payments</b>		
<b>Sample Number</b>	<b>Improper Payment Reason &amp; Ineligibility Period</b>	<b>Improper Payments</b>
20	Foster care maintenance claimed for an unallowable expenditure while the child was not in foster care. Prior out-of-home placement episode ended 09/08/10 and the child entered care again on 03/07/11. [45 CFR 1356.21(k)] Ineligible payments: 09/09/10 – 03/06/11	\$1,194.50 (\$763.59 FFP) \$0 ADM
36	Foster care maintenance claimed for an unallowable expenditure while the child was on trial home visit. Foster care maintenance was claimed for an unallowable expenditure for an otherwise eligible child. [45 CFR 1356.21(k)] Ineligible payments: 03/04/11; 11/01/10 – 11/30/10	\$50.44 (\$33.32 FFP) \$0 ADM
47	No judicial determination of “contrary to the welfare” appears in the first removal order. The child is ineligible for title IV-E for the entire out-of-home placement episode, 02/06/2008 – 06/16/2011. [472(a)(2)(A)(ii); 45 CFR 1356.21(c) &(d)] Ineligible payments: 02/06/08 – 06/16/11	\$16,448.36 (\$11,123.74 FFP) \$30,339.04 ADM
0S-10	Foster care maintenance claimed for a child placed out-of-state with an unlicensed relative. Placement not fully licensed until 11/23/10, yet maintenance was claimed from the date of placement (02/13/10). In addition, foster care maintenance was claimed for two unallowable expenditures (transportation non-title IV-E) outside the PUR while the child was ineligible. [ 45 CFR 1355.20(a); 1356.71(d)(1)(iv)] Ineligible payments: 02/13/10 – 10/31/10; 02/03/10	\$6,420.00 (\$4,426.74 FFP) \$8,764.56 ADM

<b>Non-Error Cases with Ineligible Payments</b>		
<b>Sample Number</b>	<b>Improper Payment Reason &amp; Ineligibility Period</b>	<b>Improper Payments</b>
38	Foster care maintenance was claimed for a child in an unlicensed placement outside PUR. The child was placed 10/16/1997 – 03/17/11; the home is documented as fully licensed as of 10/01/03, yet maintenance was claimed from the date of placement. [1356.71(d)(1)(v)] Ineligible payments: 10/16/1997 – 09/30/03	\$55,156.78 (\$33,281.22 FFP) \$55,303.68 ADM
58	Foster care maintenance claimed for child in a provisionally licensed placement outside the PUR. Home became fully licensed 01/23/10, yet maintenance claimed from the date of placement 11/20/09. In addition, foster care maintenance was claimed for five unallowable expenditures (transportation and counseling) outside the PUR while the child was eligible. [1356.71(d)(1)(v)] Ineligible payments: 11/20/09 – 12/31/09; 02/10/10, 04/01/10, 05/03/10, 06/07/10 & 07/28/10	\$1,571.40 (\$1,083.32 FFP) \$3,286.71 ADM
64	Foster care maintenance claimed prior to a timely judicial determination of “reasonable efforts to finalize the permanency plan”, outside the PUR. Finding was due on 07/31/09, but was made on 04/06/2010. In addition, foster care maintenance was claimed for two unallowable expenditures (transportation and education costs) within the PUR, while the child was eligible. [45 CFR 1356.21(b)(2); 45 CFR 1355.20] Ineligible payments: 08/01/09-03/31/10; 01/20/11; 03/11/10	\$8,588.00 (\$5,850.23 FFP) \$8,732.80 ADM
67	Foster care maintenance was claimed outside the PUR the month before the judicial finding of “contrary to the welfare” was made on 09/02/10. In addition, foster care maintenance was claimed for two unallowable expenditures (transportation) during the PUR, while the child was eligible. [472(a)(1), 45 CFR 1355.20] Ineligible payments: 08/29/10-08/31/10; 12/22/10; 03/03/11	\$217.40 (\$148.47 FFP) \$0 ADM

<b>Non-Error Cases with Ineligible Payments</b>		
<b>Sample Number</b>	<b>Improper Payment Reason &amp; Ineligibility Period</b>	<b>Improper Payments</b>
75	Foster care maintenance claimed for the child prior to completion of criminal records check, outside the PUR. Child was placed 02/12/10 – 02/05/11; home was documented as fully licensed on 05/12/10, yet the criminal records check was not fully completed until July 2010. Foster care maintenance was claimed from the date of placement. In addition, foster care maintenance was claimed for seven (7) unallowable expenditures (transportation, food for parent, lodging for parent) during the PUR and outside the PUR. [ 45 CFR 1356.30) & 1355.20] Ineligible payments: 02/12/10 – 06/30/10	\$2,083.81  (\$1,410.18 FFP)  \$2,191.14 ADM
80	Foster care maintenance was claimed for maintenance outside the PUR the month before judicial findings of “contrary to the welfare” was made on 10/01/10. [472(a)(1), 45 CFR 1355.20] Ineligible payments: 09/30/10	\$28.00  (\$19.33 FFP)  \$0 ADM
OS-11	Foster care maintenance was claimed for a child in a provisionally-licensed placement outside the PUR. Foster home was certified on 07/14/10, yet maintenance was claimed from the date of placement (04/15/10). [1356.71(d)(1)(v)] Ineligible payments: 04/15/10 – 06/30/10	\$1,848.77  (\$1,274.54 FFP)  \$3,286.71 ADM

<b>Non-Error Cases with Unallowable Expenditures</b>		
<b>Sample Number</b>	<b>Improper Payment Reason &amp; Ineligibility Period</b>	<b>Improper Payments</b>
1	Charge for “non-title IV-E purpose transportation” outside of PUR. Claim did not meet the foster care maintenance definition at 45 CFR 1355.20. Ineligible payment: 06/2011	\$60.00  (\$38.43 FFP)
3	Charges for “non-title IV-E developmental services, housing/ lodging, medical” outside the PUR. [45 CFR 1355.20] Ineligible payments: 04/2010, 07/2010	\$116.03  (\$79.99 FFP)

### Non-Error Cases with Unallowable Expenditures

Sample Number	Improper Payment Reason & Ineligibility Period	Improper Payments
6	Charges for “mentoring, non-title IV-E purpose transportation” within and outside the PUR. [45 CFR 1355.20] Ineligible payments: 10/2010, 12/ 2010, 06/2011	\$291.20 PUR (\$201.07 FFP) \$26.00 Outside (O/S) PUR (\$16.65 FFP)
7	Charges for “non-title IV-E travel and medical” within and outside the PUR. [45 CFR 1355.20] Ineligible payments: 08/2009, 01/2011	\$19.05 PUR (\$12.58 FFP) \$5.00 O/S PUR (\$3.43 FFP)
8	Charges for “non-title IV-E travel and developmental services” outside the PUR. [45 CFR 1355.20] Ineligible payments: 04/2010, 05/2010, 09/2010, 06/2011	\$90.05 (\$61.42 FFP)
10	Charges for “non-title IV-E travel and developmental services” outside the PUR. [45 CFR 1355.20] Ineligible payments: 05/2010, 06/2010	\$180.75 (\$124.61 FFP)
11	Charges for “medical, housing, and non-title IV-E purpose transportation” within and outside the PUR. [45 CFR 1355.20] Ineligible payments: 10/2010, 11/2010, 02/2011, 03/2011, 05/2011	\$159.60 PUR (\$107.86 FFP) \$30.00 O/S PUR (\$19.22 FFP)
12	Charges for “non-title IV-E travel and housing” outside the PUR. [45 CFR 1355.20] Ineligible payments: 05/2011, 06/2011	\$41.00 (\$26.26 FFP)
14	Charges for” non-title IV-E travel” outside the PUR. [45 CFR 1355.20] Ineligible payments: 06/2010, 07/2010	\$138.40 (\$95.41 FFP)
16	Charges for “non-title IV-E travel” outside the PUR. [45 CFR 1355.20] Ineligible payment: 04/2011	\$456.61 (\$292.46 FFP)
17	Charges for “food, parentage test, and non-title IV-E purpose transportation” within and outside the PUR. [45 CFR 1355.20] Ineligible payments: 12/2010, 03/2011,07/2011	\$136.10 PUR (\$90.98 FFP) \$30.00 O/S PUR (\$18.86 FFP)

### Non-Error Cases with Unallowable Expenditures

Sample Number	Improper Payment Reason & Ineligibility Period	Improper Payments
18	Charges for “food, home appliance, and non-title IV-E purpose transportation” within and outside the PUR. [45 CFR 1355.20] Ineligible payments: 03/2010,04/2010, 05/2010, 12/2010, 01/2011, 06/2011	\$20.27 PUR (\$13.70 FP) \$105.67 O/S PUR (\$71.26 FFP)
21	Charges for “housing and home repairs” outside the PUR. [45 CFR 1355.20] Ineligible payment: 11/2009	\$205.28 (\$141.52 FFP)
22	Charges for “housing and transportation” outside the PUR. [45 CFR 1355.20] Ineligible payments: 09/2009, 08/2010	\$46.67 (\$32.16 FFP)
26	Charges for “housing and other non-title IV-E shelter expenses” within and outside the PUR. [45 CFR 1355.20] Ineligible payments: 05/2010, 06/2010, 07/2010, 08/2010, 11/2010, 02/2011, 03/2011	\$556.06 PUR (\$374.90 FFP) \$179.28 O/S PUR (\$123.60 FFP)
27	Charges for “housing” during PUR. [45 CFR 1355.20] Ineligible payment: 11/2010	\$1,390.00 (\$959.80 FFP)
28	Charges for “mentoring, non-title IV-E transportation and other non-title IV-E shelter expenses” within and outside the PUR. [45 CFR 1355.20] Ineligible payments: 10/2005, 07/2010, 11/2010, 01/2011, 03/2011, 06/2011	\$78.00 PUR (\$52.30 FFP) \$774.23 O/S PUR (\$514.46 FFP)
30	Charges for “non-title IV-E housing and transportation” outside the PUR. [45 CFR 1355.20] Ineligible payments: 05/2009 – 04/2010	\$231.72 (\$159.19 FFP)
31	Charges for “mediation, non-title IV-E transportation and developmental services” within and outside the PUR. [45 CFR 1355.20] Ineligible payments: 10/2005, 07/2010, 11/2010, 01/2011, 03/2011, 06/2011	\$264.06 PUR (\$174.41 FFP) \$271.71 O/S PUR (\$186.66 FFP)
33	Charges for “non-title IV-E housing” outside the PUR. [45 CFR 1355.20] Ineligible payment: 04/2010	\$19.99 (\$13.78 FFP)

### Non-Error Cases with Unallowable Expenditures

Sample Number	Improper Payment Reason & Ineligibility Period	Improper Payments
34	Charges for “developmental services” within and outside the PUR. [45 CFR 1355.20] Ineligible payments: 02/2011, 03/2011, 04/2011, 06/2011, 07/2011	\$321.00 PUR (\$212.02 FFP) \$700.00 O/S PUR (\$445.95 FFP)
39	Charges for “non-title IV-E transportation, food and developmental services” within and outside the PUR. [45 CFR 1355.20] Ineligible payments: 06/2009 – 08/2010, 11/2010, 01/2011	\$22.50 PUR (\$15.20 FFP) \$328.89 O/S PUR (\$226.59 FFP)
40	Charges for “food” outside the PUR. [45 CFR 1355.20] Ineligible payment: 06/2010	\$25.62 (\$17.66 FFP)
41	Charges for “non-title IV-E housing and special circumstances” outside the PUR. [45 CFR 1355.20] Ineligible payments: 02/2009, 10/2009, 01/2010	\$386.96 (\$266.25 FFP)
42	Charges for “non-title IV-E transportation” outside the PUR. [45 CFR 1355.20] Ineligible payment: 05/2011	\$32.00 (\$20.05 FFP)
43	Charges for “non-title IV-E housing” outside the PUR. [45 CFR 1355.20] Ineligible payment: 09/2001	\$70.75 (\$42.45 FFP)
44	Charges for “non-title IV-E transportation” within the PUR. [45 CFR 1355.20] Ineligible payment: 03/2011	\$40.00 (\$29.42 FFP)
49	Charges for “tutoring, non-title IV-E transportation and education, developmental services” within and outside the PUR. [45 CFR 1355.20] Ineligible payments: 12/2006 – 07/2007, 05/2009, 06/2010, 03/2011, 04/2011, 06/2011, 07/2011	\$84.00 PUR (\$55.48 FFP) \$2,476.50 O/S PUR (\$1,571.10 FFP)
50	Charges for “food, medical and non-title IV-E transportation” within and outside the PUR. [45 CFR 1355.20] Ineligible payments: 01/2006, 11/2009-08/2010, 10/2010, 11/2010, 12/2010, 02/2011	\$825.00 PUR (\$563.82 FFP) \$1,445.54 O/S PUR (\$879.84 FFP)

<b>Non-Error Cases with Unallowable Expenditures</b>		
<b>Sample Number</b>	<b>Improper Payment Reason &amp; Ineligibility Period</b>	<b>Improper Payments</b>
52	Charges for “non-title IV-E transportation” outside the PUR. [45 CFR 1355.20] Ineligible payments: 03/2010 – 07/2010	\$454.00 (\$312.99 FFP)
57	Charge for “non-title IV-E transportation” outside the PUR. [45 CFR 1355.20] Ineligible payments: 09/2010	\$54.66 (\$37.68 FFP)
61	Charges for “developmental services” within the PUR. [45 CFR 1355.20] Ineligible payments: 12/2010 and 01/2011	\$294.94 (\$201.92 FFP)
62	Charges for “parentage test” within the PUR. [45 CFR 1355.20] Ineligible payment: 12/2010	\$30.00 (\$20.72 FFP)
65	Charges for “developmental services and non-title IV-E education” outside the PUR. [45 CFR 1355.20] Ineligible payments: 04/2010 – 08/2010	\$1,610.00 (\$1,109.93 FFP)
70	Charges for “non-title IV-E transportation and developmental services” outside the PUR. [45 CFR 1355.20] Ineligible payments: 03/2010, 04/2010, 07/2010, 05/2011	\$317.58 (\$214.83 FFP)
71	Charges for “non-title IV-E transportation” within and outside the PUR. [45 CFR 1355.20] Ineligible payments: 1/2011 – 03/2011, 05/2011	\$8.50 PUR (\$5.61 FFP) \$2.00 O/S PUR (\$1.28 FFP)
73	Charge for “non-title IV-E transportation” within the PUR. [45 CFR 1355.20] Ineligible payment: 03/2011  (Note: Also an underpayment case. See chart below.)	\$38.00 OP (\$25.10 FFP OP)
78	Charges for “non-title IV-E transportation and mentoring” within and outside the PUR. [45 CFR 1355.20] Ineligible payments: 03/2010, 08/2010, 10/2010, 12/2010, 03/2011, 04/2011	\$675.74 PUR (\$458.52 FFP) \$404.00 O/S PUR (\$272.69 FFP)
79	Charge for “parentage test” outside the PUR. [45 CFR 1355.20] Ineligible payment: 04/2011	\$30.00 (\$19.22 FFP)

<b>Non-Error Cases with Unallowable Expenditures</b>		
<b>Sample Number</b>	<b>Improper Payment Reason &amp; Ineligibility Period</b>	<b>Improper Payments</b>
OS-1	Charges for “non-title IV-E transportation and counseling” within and outside the PUR. [45 CFR 1355.20] Ineligible payments: 03/2011, 05/2011	\$1,000.00 PUR (\$660.50 FFP) \$62.50 O/S PUR (\$40.03 FFP)
OS-2	Charges for “non-title IV-E transportation and developmental services” outside the PUR. [45 CFR 1355.20] Ineligible payments: 10/2008, 03/2010	\$489.22 (\$321.66 FFP)
OS-4	Charge for “non-title IV-E transportation” outside the PUR. [45 CFR 1355.20] Ineligible payment: 09/2010	\$1.53 (\$1.05 FFP)
OS-6	Charges for “non-title IV-E transportation, housing and education” within and outside the PUR. [45 CFR 1355.20] Ineligible payments: 11/2010 – 01/2011, 03/2011 – 06/2011	\$768.64 PUR (\$528.46 FFP) \$102.64 O/S PUR (\$66.25 FFP)
OS-7	Charges for “non-title IV-E housing” within the PUR. [45 CFR 1355.20] Ineligible payment: 01/2011	\$200.00 (\$132.10 FFP)
OS-9	Charge for “home appliance” within the PUR. [45 CFR 1355.20] Ineligible payment: 11/2010	\$38.93 (\$26.88 FFP)

<b>Underpayment</b>		
<b>Sample Number</b>	<b>Improper Payment Reason &amp; Ineligibility Period</b>	<b>Improper Payments</b>
73	Child met all initial eligibility requirements and was placed in a fully licensed foster home, but no title IV-E foster care maintenance payments were claimed for the period prior to 02/19/2011. [§472(a)of the Act; 45 CFR 1356.21] Eligible for payments: 11/01/10 – 02/19/11 (Note: Also an unallowable expenditure case - 3/2011).	\$2,652.03 Underpayment (UP) (\$1,795.35 FFP) UP)

## Strengths and Promising Practices

The following positive practices and processes related to the determination of eligibility in the title IV-E foster care program were observed during the review. These approaches, some of which were developed by the State in response to concerns identified in previous reviews, appear to be closely associated with the improved program performance and successful program operations.

Judicial Determinations. Oregon has in place a process to review and update court order templates that serve as guides to make sure all necessary components are included in written court orders which will help to better address Federal title IV-E foster care eligibility requirements. Ongoing collaboration and communication between the Children, Adults and Families Division and the Judicial Court Improvement Project (JCIP) to develop templates, provide training, and implement processes have continued to strengthen the timeliness of court hearings and the quality of court orders. In addition, local eligibility specialists have developed strong relationships with court clerks, paralegals, and child welfare case workers, resulting in timeliness of hearings and accurate documentation for court orders. This ongoing relationship clearly impacted the outcome of this review. In all but one sample cases reviewed, a finding of “contrary to the welfare” to remain in the home was addressed as a finding in the first removal order. “Shelter Care” orders explicitly gave the State agency responsibility for placement and care for a child in out-of-home placement, which was a concern on the previous review.

“Reasonable efforts to prevent removal” was most often addressed in the first court order removing the child, which resulted in timely findings for all cases in the review sample. Oregon also met the requirement for a finding of “reasonable efforts to finalize the permanency plan” during the PUR for all cases and outside the PUR for all but one (non-error) case in the sample. While we saw a variety of court order templates in use, the Federal requirements were met as noted. Court orders were child specific, and often included detailed supporting documentation and attachments (such as the petition, a report to the court, or a report on reasonable efforts provided to the family).

Reviewers noted permanency planning hearings generally were not only timely, but often early. There were no continuances on the cases reviewed. These hearings provided the basis for the court’s findings related to the efforts of the agency in achieving the permanency plan for the child. Court order findings were child and case specific.

Eligibility Determinations. Oregon has conscientious, knowledgeable eligibility specialists who make accurate eligibility determinations and work to ensure allowable claims are filed on behalf of all eligible children. Title IV-E requirements are accurately applied to each case. Reviewers noted eligibility files were well organized with thorough narrative supporting AFDC eligibility decisions, and excellent documentation on income, resources and deprivation in case files.

Oregon has established several new internal processes to ensure accurate and timely eligibility determinations and ongoing monitoring. Oregon’s Family and Children Information System (FACIS) system generates automatic notification of a change in title IV-E eligibility and there is also a process in place for email notification as a back-up. States are no longer required to

conduct an annual re-determination of eligibility; however, Oregon continues to do so. Oregon now utilizes their annual redetermination process as a quality assurance check. Over the past two years, three experienced eligibility specialists in the field have been assigned as Lead Title IV-E Eligibility Specialists, to act as mentors for eligibility staff, particularly new staff. This has allowed a more collaborative and individualized approach to training and support. The Lead Title IV-E Eligibility Specialists also conduct internal audits to ensure the accuracy of eligibility determinations and ongoing monitoring. Shifting the training/mentoring responsibility to the Lead Specialists has provided Oregon's Lead Title IV-E Analyst time to make needed changes and updates to the procedure guide, and to get this information more quickly to the field. The procedure manual is available online through a special Intranet as an up-to-date reference guide for staff in the field.

Licensing and safety requirements: Oregon has a clear process in place for fully licensing foster homes every two years. Reviewers noted that the State's certification process is a program strength because certifications were issued timely according to the State's policy and there were no lapses in eligibility due to certification issues. During the review, we noted the frequent use of provisional licenses which reflected the State's effort to place children with both maternal and paternal relatives and to ensure safety measures were in place during the period the process for full certification was completed. The reviewers noted that the search for relatives was well documented, and even when there was an absent parent, diligent efforts were made to locate relatives of that parent for possible placement. This was evidenced by a high number of children who were placed with relatives. We also noted for those children that were placed with relatives, these relatives were provisionally certified on the date of placement and then fully certified after 90 days if they continued to care for the relative child. However, as discussed below, there were several instances where title IV-E maintenance payments were improperly claimed for the period a child was in a home that was provisionally certified.

Since the last review, Oregon has made substantial progress in licensing residential care facilities and monitoring compliance with safety requirements. Oregon has refined the review process for residential care facilities, utilizing a checklist that addresses required safety considerations and clearly documents that criminal background check requirements are met for workers at a facility. Licensing files were well organized, complete, and current.

Criminal background checks and safety requirements were met prior to full certification (with the exception of sample #75) in accordance with the background check requirements that covered the period of certification for the prospective foster family home and for licensure for childcare institutions. The State has updated their "Criminal Background Check" clearance form to indicate specific clearance for FBI fingerprint-based checks, State and local checks, and child abuse and neglect registries to ensure compliance with the safety requirements. Reviewers noted that the process for criminal background checks appears to run smoothly, results are well documented, and electronic communication of the results to the child welfare licensing agency is timely. This can be attributed to the strong working relationship between law enforcement and the specialized unit responsible for obtaining the clearances. Decisions about findings were well documented in the licensing file.

## Areas in Need of Improvement

The findings of this review indicate the State needs to further develop and implement procedures to improve program performance in the following areas. For each issue, there is a discussion of the nature of the area needing improvement, the specific title IV-E requirement to which it relates and recommended corrective actions for the State to consider.

Issue #1: Extensive claiming of unallowable costs. The review identified 54 cases with miscellaneous ineligible payments. Forty-five (45) of the cases were found to have unallowable payments claimed for children who met all of the eligibility requirements for title IV-E – six(6) during the PUR, twenty-two (22) outside of the PUR, and 16 both during and outside of the PUR. Also, of the eleven (11) cases dropped from the sample, five (5) were found to have unallowable payments. The occurrence of miscellaneous unallowable costs was noted as a concern in the Final Report for the 2008 eligibility review, which found 3 cases with unallowable charges. Two (2) of the four (4) error cases in the current review were solely due to unallowable costs charged as title IV-E maintenance payments during a period the child was ineligible.

Title IV-E Requirement: The identified cases included charges that do not meet the maintenance payment definition in section 475(4) of the Social Security Act and 45 CFR 1355.20. An eligible maintenance payment under the title IV-E statute is defined as “...payments to cover the cost of (and cost of providing) food, clothing, shelter, daily supervision, school supplies, a child’s personal incidentals, liability insurance with respect to a child, reasonable travel to the child’s home for visitation and reasonable travel for the child to remain in the school in which the child is enrolled at the time of placement.” Title IV-E maintenance payments may be claimed only on behalf of a child who meets all of the statutory and regulatory requirements under title IV-E. Additional guidance regarding allowable costs under the title IV-E maintenance program is provided in the Child Welfare Policy Manual, Section 8.3.B, “Title IV-E Foster Care maintenance Payments Program, Payments”.

Corrective Action: The State must conduct a 100 percent review of all claims for title IV-E maintenance costs to ensure that only allowable expenditures are claimed. The onsite review identified a very high rate of claims for unallowable expenditures (54 out of 80 cases, with multiple occurrences, or 68 percent of the 80 cases). The payment issues identified must be corrected. Subsequent to your review, you must repay any period of claims identified as unallowable and improperly claimed by including a prior period decreasing adjustment on the appropriate lines of Parts 1 and 2 of the quarterly report of expenditures (Form CB-496).

In addition to the review of claims, CB strongly urges the State to conduct a systemic review of its programmatic and financial operations and practice pertaining to foster care reimbursements, implement appropriate corrective measures, and provide training to staff to ensure all claims for FFP are allowable.

Issue #2: Coding of AFCARS data element 59. Eleven (11) cases were excluded from the original sample (and one (1) from the oversample) and were replaced with cases from the oversample. Documentation provided by Oregon confirmed the case replacements were

necessary because a title IV-E foster care maintenance payment was not made for a period during the PUR.

Title IV-E Requirement: The case sample and oversample drawn for review consist of cases of individual children with a “1” coded in AFCARS data element 59, “Sources of Federal Financial Support/Assistance for Child”, for the six-month reporting period of the PUR. As provided for in Appendix A of 45 CFR §1355.40, the AFCARS data element 59 inquires whether title IV-E foster care maintenance payments are paid on behalf of a child in foster care during the PUR. If title IV-E foster care maintenance payments are paid on behalf of the child, the data element should be coded “1.” If title IV-E foster care maintenance payments are not being paid on behalf of the child, the data element should be coded “0.”

Recommended Corrective Action: The validity of the sample and oversample depends on the accuracy with which the State agency completes the AFCARS data element 59. It is critical, therefore, that State agencies report data element 59 accurately. CB recommends that the State ensure a common understanding among staff that the State should only indicate whether a child received a title IV-E foster care maintenance payment during the reporting period in answering foster care element 59.

Issue # 3: *Ensure that all foster care placements not licensed by the State of Oregon (such as out-of-state foster homes or Tribally licensed foster homes) are fully licensed, and that safety and criminal background checks requirements have been met.* There were three (3) cases in the sample where the child was placed in a home not licensed by the State. In two (2) of the cases (1 error and 1 non-error), title IV-E maintenance payment was claimed for a period before the home was fully licensed. For all three cases, State staff made a special effort prior to, during, and after the review to request additional documentation necessary to demonstrate the homes were fully licensed and that all criminal background checks and safety requirements were fully met. To ensure the safety of all children in homes not licensed by the State, this information should be obtained and documented at the time of the child’s placement and before title IV-E maintenance payments are claimed for the child in that placement, not just for purposes of a title IV-E eligibility review.

Title IV-E Requirement: The State agency must document that the child is placed in a fully licensed or approved foster family home, and provide evidence that safety considerations with respect to the caregiver have been met (45 CFR 1356.71 and 1356.30). The licensing documentation must show that the home or childcare institution is fully licensed for the duration of the child’s placement for which title IV-E maintenance payments are claimed, even when the foster care provider is an out-of-state placement. Acceptable documentation to satisfy the criminal records check requirement is evidence that contains the results of the criminal records check, which can include a letter from the receiving State documenting information such as the date the CRC was completed and the evidence reviewed, and by whom (see Program Instruction ACYF-CB-PI-10-02). Documentation must also substantiate that the requirement is met for the duration of the child’s placement for which title IV-E maintenance payments are claimed.

Recommended Corrective Action: Documentation as to the location, type of facility, license, and evidence of successful completion of required background checks should be readily available in the information system, case file and eligibility file for all children in care, including

those placed out-of-state or in Tribal licensed foster homes. We understand the State develops a “dummy” licensing file for homes not licensed by the State agency. This file should clearly document period of licensure and successful completion of criminal background check requirements. Supervisors, licensing staff, and caseworkers need to be aware of these requirements. Since Oregon often uses the Interstate Compact for the Placement of Children (ICPC) process as a source of documentation, consider clarifying the need for documentation of completion of all required background clearances and a copy of the out-of-State foster care license(s) for the period child is in the home. Ensure an understanding is developed with receiving States as to the importance of the provision of this information. Consider developing a form letter for ICPC workers requesting this specific information from the receiving State and procedures for following-up on requests for the necessary information. Procedures also need to be developed to ensure complete documentation for children placed in Tribal licensed foster homes. Title IV-E maintenance payments should not be claimed until documentation of eligibility is obtained.

Issue # 4: *Ensure consistent coding of trial home visit status, and ensure no title IV-E funds are claimed while a child is on a trial home visit.* In four sample cases, according to case documentation, children on trial home visits were not correctly coded with the State’s designated code of „TRHV” in the placement history. In two of these cases, there were charges to title IV-E while a child was on a trial home visit.

According to Oregon’s policy, the code “TRHV” should be used when a child is placed back in the home for 6 months, or longer with court approval, and the agency retains placement and care authority of the child during the period. This stay is not considered an interruption in the child’s foster care status but, instead, a temporary interruption of the foster care placement. If the child returns to a foster care placement within the allotted timeframe, the return is considered a continuation of the foster care episode and the child’s eligibility does not have to be re-established. These conditions were in effect in all four cases; however, when the child in each case returned to a foster care placement the case was incorrectly coded as a subsequent judicial removal and return to foster care. New court orders and judicial findings were obtained. Eligibility was then determined using the new court orders instead of the first court order that originally began the foster care episode. During the onsite review, each child’s eligibility had to be reconstructed based on the correct date of entry into foster care. This resulted in one error case (#47), as there was no contrary to the welfare finding in the first court order so the child was ineligible for the entire out-of-home placement episode.

Improper coding of placement status can lead to incorrect begin and end dates for eligibility periods, which in turn can result in improper payments. The improper coding also may be inflating State AFCARS data regarding the number of foster care re-entries, when a return to placement from a trial home visit is being coded as a new foster care episode.

Title IV-E Requirement: In accordance with Q/A #2, section 8.3A.10 of the CB Child Welfare Policy Manual, the criteria to be used in determining whether re-establishing a child's eligibility for foster care maintenance payments under title IV-E would be required hinges on whether the child is continuously in foster care status and remains under the responsibility of the title IV-E agency for placement and care. If these conditions are in effect, even though there has been a

temporary interruption of the foster care placement, the child's title IV-E eligibility does not need to be re-established. Section 472 of the Act describes the eligibility requirements that must be met before foster care maintenance payments can be claimed on behalf of children. More specifically, under sections 472(b) and (c), the child must be placed in a licensed (certified) foster family home or childcare institution. No title IV-E foster care maintenance payments may be claimed while a child is on a trial home visit. (Also refer to 45 CFR 1356.21(e) and section 8.3C.5 of the CB Child Welfare Policy Manual for additional guidance on trial home visits).

Recommended Corrective Action: In order to ensure an accurate determination of eligibility and correct claiming for title IV-E, child welfare workers, eligibility specialists, and accounting staff need to be clear on whether a child's return home is in the parameters of a trial home visit or a discharge from foster care (and the State no longer has placement and care responsibility). The State must ensure the correct date of entry for a foster care episode to correctly determine eligibility and the due dates of required judicial findings (contrary to the welfare, reasonable efforts to prevent removal and reasonable efforts to finalize the permanency plan).

CB strongly urges the State to conduct a systemic review of its programmatic and financial operations and practices to ensure that no claims for FFP are made while a child is ineligible due to placement status, and to develop processes to train staff in order to ensure that placement status is clearly documented in the information system

Issue # 5: *Length of time to Certification of foster homes may be negatively impacting title IV-E claiming for an otherwise eligible child.* Reviewers noted that licensing certificates were consistently issued the day after the expiration of the 90 day "Provisional Certification" or (for a few cases) the "Provisional Certification" extension. To maximize title IV-E claiming, certifications could be issued for the first day of the month that all licensing and safety requirements are met for full certification, rather than waiting until the end of the 90-day provisional period.

Title IV-E Requirement: Under section 472(a)(2)(C), a child must be placed in a foster family home or childcare institution to be eligible for title IV-E. Federal provisions at sections 472 (b) and (c) of the Act and 45 CFR §1355.20(a) indicate the home or childcare institution must be fully licensed in accordance with State standards. To qualify as a fully licensed foster care placement, the foster family home or childcare institution must meet the safety requirements specified in section 471(a)(20)(A) and 45 CFR 1356.30. When the foster family home or childcare institution becomes fully licensed (certified) for a portion of a month, the State may claim title IV-E foster care maintenance payments for the entire month when an otherwise eligible child has resided in that placement for the entire month.

Recommended Corrective Action: CB recommends that the State explore length-of-time to licensing, review policies and procedural operations pertaining to foster care licensing, and provide training to staff to ensure no delay in issuing a certification for a foster home with a "Provisional Certification" once the home meets all State licensing and safety requirements. This is particularly important as we understand the State is exploring increasing the provisional certification period to six months.

## **Disallowances**

A disallowance in the amount of \$16,347.39 in FFP (\$24,113.30 gross) in maintenance payments is assessed for title IV-E foster care ineligible payments claimed improperly for the error cases, and in the amount of \$55,877.48 in FFP (\$88,758.53 gross) in maintenance payments for the non-error cases. The total amount of funds disallowed is \$184,129.51. In addition, a disallowance in the amount of \$111,904.64 for administrative costs is assessed. The State also must identify and repay any ineligible payments that occurred for the improperly paid 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 the State was found to be in substantial compliance, no formal Program Improvement Plan will be required. However, as part of Oregon's ongoing efforts to improve its title IV-E foster care eligibility program, CB recommends Oregon examine the identified areas of concern and consider its recommendations and put into place corrective actions to address these concerns. These included: claiming of unallowable expenditures; coding of AFCARS data element 59; documenting foster homes licensed by entities other than the State; consistent coding of trial home visit status; claiming for title IV-E payments during a trial home visit; and length-of-time to full certification of foster homes.

The Region X Office will continue to work with the State of Oregon and is available to provide training and technical assistance to address any of the issues raised during this review.