

**Oregon Department of Human Services  
Title IV-E Foster Care Eligibility Primary Review**

**Report of Findings for  
October 1, 2013 – March 31, 2014**

**Introduction**

During the week of July 14, 2014, 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 title IV-E agency, the Oregon Youth Authority, CB Central and Region X Offices, ACF Region X Grants Management, and a consultant reviewer from the State of Washington. In addition, the States of Alaska and Washington each paid for one IV-E staff from their respective states to participate in the review.

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 for the six-month period under review (PUR) of October 1, 2013 – March 31, 2014. A computerized statistical sample of 120 cases (80 cases, an initial 20 oversample cases, and an additional 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. Twenty (20) cases were excluded from the sample as no title IV-E foster care maintenance payments were made for these cases during the PUR.

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 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;
- 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);
- Voluntary placement agreements as set forth in 472(a)(2)(A) and (d)-(g) of the Act and 45 CFR 1356.22;

- 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 was also examined to ensure the foster family home or child care institution where the child was placed during the PUR was fully licensed or approved and that safety requirements were appropriately documented. Payments made on behalf of each child 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(s) when the child was not eligible on the activity date outside the PUR or when the child was eligible in the PUR on the service date and title IV-E maintenance was paid for an 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 on behalf of 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 74 of the 80 cases met eligibility requirements and were deemed non-error cases for the PUR. However, six (6) cases did not meet eligibility requirements and were deemed error cases. An additional twelve (12) non-error cases were identified in which title IV-E funds were claimed for unallowable or undocumented costs. Accordingly, federal funds claimed for title IV-E foster care maintenance payments, including related administrative costs, associated with the error and non-error cases with ineligible payments are being disallowed.

Because the number of cases in error is greater than four (4), the Oregon Department of Human Services is in not substantial compliance with federal 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 regarding program eligibility and payments.

**Error Cases with Ineligible Payments**

<b>Sample Number</b>	<b>Improper Payment Reason &amp; Ineligibility Period</b>	<b>Improper Payments</b>
10	Foster care maintenance was claimed for a child in a provisionally licensed child-specific placement (non-relative with an expedited certificate), during the PUR. [472(c)(1) of the Act, 45 CFR 1356.71(d)(1)(iv), and 1355.20(a)] <i>Ineligible: 01/17/2014 to 06/30/2014</i>	Maintenance: \$2,936.94 (\$1,854.40 FFP)  Administration: (\$3,699 FFP)
11	Foster care maintenance was claimed for a child in a provisionally licensed child-specific placement (relative with an expedited certificate), during the PUR. [472(c)(1) of the Act, 45 CFR 1356.71(d)(1)(iv), and 1355.20(a)] <i>Ineligible: 02/02/2014 to present</i>	Maintenance: \$8,897.25 (\$5,617.74 FFP)  Administration: (\$4,129 FFP)
63	Foster care maintenance was claimed for a child in a provisionally licensed child-specific placement (kinship placement with an expedited certificate) and prior to the completion of criminal records check, during the PUR. [[472(c)(1) of the Act, 45 CFR 1356.71(d)(1)(iv), 1355.20(a), and 45 CFR 1356.30] <i>Ineligible: 01/17/2014 to 02/04/2014</i>	Maintenance: \$464.41 (\$293.23 FFP)  Administration: (\$512 FFP)
OS-05	Foster care maintenance was claimed for a child prior to the completion of criminal records check for relative foster parent, during the PUR. [45 CFR 1356.30] <i>Ineligible: 12/01/2013 to 05/12/2014</i>	Maintenance: \$3,507.42 (\$2,214.60 FFP)  Administration: (\$4,459 FFP)
OS-9	Foster care maintenance was claimed for a child in a provisionally licensed child-specific placement (relative with an expedited certificate) and prior to the completion of criminal records check, during the PUR. [[472(c)(1) of the Act, 45 CFR 1356.71(d)(1)(iv), 1355.20(a) and 45 CFR 1356.30] <i>Ineligible: 12/11/2013 to 04/30/2014</i>	Maintenance: \$2,689.52 (\$1,698.18 FFP)  Administration: (\$4,666 FFP)
OS-11	Foster care maintenance was claimed for a child prior to the completion of criminal records check for non-relative foster parent (but in a fully licensed home), during the PUR. [45 CFR 1356.30] <i>Ineligible: 07/24/2013 to 03/09/2014</i>	Maintenance: \$4,340.33 (\$2,740.52 FFP)  Administration: (\$6,179 FFP)

**Total Federal financial participation in maintenance: \$ 14,418.67**

**Total Federal financial participation in administration: \$ 23,644.00**

### Non-Error Cases with Ineligible Payments

Sample Number	Improper Payment Reason & Ineligibility Period	Improper Payments
4	Foster care maintenance payments were claimed prior to a timely judicial determination of “reasonable efforts to finalize the permanency plan”, outside of the PUR. [45 CFR 1356.21(b)(2); 45 CFR 1355.20] <i>Ineligible: 05/01/2014 to 05/31/2014</i>	Maintenance: \$575.00 (\$363.06 FFP)  Administration: (\$826 FFP)
14	Camp fees claimed as a separate item under maintenance. Cannot be claimed separately under title IV-E maintenance. [475(4) of the Act] <i>Ineligible payment: 05/30/2012</i>	Maintenance: \$75.00 (\$47.18 FFP)
21	Foster care maintenance was claimed for a child in a provisionally licensed placement (non-relative with an expedited certificate), prior to the PUR. [472(c)(1) of the Act, 45 CFR 1356.71(d)(1)(iv), and 1355.20(a)] <i>Ineligible: 12/04/2012 to 03/30/2013</i>	Maintenance: \$2,449.58 (\$1,529.52 FFP)  Administration: (\$3,042 FFP)
26	Foster care maintenance was claimed for a child in a provisionally licensed placement (non-relative with an expedited certificate), prior to the PUR. [472(c)(1) of the Act, 45 CFR 1356.71(d)(1)(iv), and 1355.20(a)] <i>Ineligible: 02/29/2012</i>	Maintenance: \$18.90 (\$11.89 FFP)
27	Camp fees claimed as a separate item under maintenance. Cannot be claimed separately under title IV-E maintenance [475(4) of the Act] <i>Ineligible payment: 06/4/2013</i>	Maintenance: \$179.00 (\$111.77 FFP)
40	Duplicate foster care maintenance payments were made to the same provider for the same service dates. [2 CFR Part 225; 45 CFR 92.22, 45 CFR 1355.30(i)] <i>Ineligible: 06/20/2013 to 10/31/2013</i>	Maintenance: \$2,860.17 (\$1,790.47 FFP)  Administration: (\$3,526 FFP)
62	Camp fees claimed as a separate item under maintenance. Cannot be claimed separately under title IV-E maintenance [475(4) of the Act] <i>Ineligible payment: 07/24/2013</i>	Maintenance: \$60.00 (\$37.46 FFP)
64	Foster care maintenance payments were claimed prior to a timely judicial determination of “reasonable efforts to finalize the permanency plan”, outside of the PUR. [45 CFR 1356.21(b)(2)] <i>Ineligible: 07/01/2007 to 02/28/2008</i>	Maintenance: \$4,554 (\$2,773.30 FFP)  Administration: (\$7,987 FFP)

<b>Sample Number</b>	<b>Improper Payment Reason &amp; Ineligibility Period</b>	<b>Improper Payments</b>
75	Camp fees claimed as a separate item under maintenance. Cannot be claimed separately under title IV-E maintenance [475(4) of the Act] <i>Ineligible payments: 06/18/2013 and 7/9/2013</i>	Maintenance: \$225.00 (\$140.49 FFP)
OS-3	Camp fees claimed as a separate item under maintenance. Cannot be claimed separately under title IV-E maintenance [475(4) of the Act] <i>Ineligible payments: 05/23/2012 and 6/5/2013</i>	Maintenance: \$900.00 (\$563.84 FFP)
OS-4	Camp fees claimed as a separate item under maintenance. Cannot be claimed separately under title IV-E maintenance [475(4) of the Act] <i>Ineligible payment: 06/26/2012</i>	Maintenance: \$25.00 (\$15.73 FFP)
OS-16	Foster care maintenance payment made for a child prior to the month of a judicial finding of contrary to the welfare to remain in the home. [472(a)(2)(A) of the Act and 45 CFR 1356.21 (c)] <i>Ineligible: 04/26/2012 to 04/30/2012</i>	Maintenance: \$140.00 (\$88.07 FFP)

**Total Federal financial participation in maintenance: \$ 7,472.78**

**Total Federal financial participation in administration: \$ 15,381.00**

### **Strengths and Promising Practices**

The following positive practices and processes of the title IV-E foster care eligibility program were observed during the review. These approaches seem to have led to improved program performance and successful program operations.

**Strong Processes for AFDC Eligibility Determinations and Ongoing Monitoring.** The Oregon eligibility staff members continue to show strengths in their initial eligibility determinations. Reviewers noted Oregon's SACWIS system (ORKIDS) worksheets utilized by staff for eligibility determinations facilitate title IV-E requirements being applied to each case. Reviewers found the worksheets were clear, logical, and utilized the two-step process for determining financial eligibility. The eligibility leadership and staff demonstrate a commitment to continually improving the eligibility determination process and systems, including having a process for ongoing training statewide.

Oregon's ORKIDS is the system of record for all aspects of child welfare including Oregon's IV-E eligibility module; the inclusion of eligibility within ORKIDS helps ensure eligibility is monitored continuously throughout the life of the case.

**Timely and Child-Specific Judicial Determinations.** The Department of Human Services engages in ongoing collaboration with the Judicial Court Improvement Project (JCIP) to develop

templates, provide training, and implement processes that have resulted in timeliness of court hearings and court orders. 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. During this review, we noted that court orders had findings that were both child-specific and case-specific. There were no error cases as a result of late court findings; however, there were three (3) non-error cases where, outside of the PUR, title IV-E was claimed prior to a timely judicial determination of “reasonable efforts to finalize the permanency plan” (see “Areas Needing Improvement” section).

In all 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 Orders explicitly gave the title IV-E agency responsibility for placement and care for a child in an out of home placement, addressing a concern noted on the previous review. Shelter Orders usually specified the relative from whom the child was being removed. The “reasonable efforts to prevent removal” judicial requirement was most often addressed in the first court order removing the child from home, 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” for most cases in the sample, with the exception of three (3) non-error cases. Reviewers noted that judicial findings of “reasonable efforts to finalize the permanency plan” in the 77 eligible cases were not only timely, but often early.

**Safety Requirements.** Oregon’s Criminal Background Check form 1011-F clearly documents the completion of FBI fingerprint based checks, state and local checks, and child abuse and neglect registries checks to ensure compliance with Section 471(a)(20) of the Social Security Act. Decisions about findings were well documented online in ORKIDS as well as in the licensing file. We also noted use of the 1011-D to document any approved exceptions to criminal background check findings. With two exceptions, Oregon demonstrated that its processes for ensuring that foster home provider fingerprint-based checks of the National Crime Information Database are sound.

### **Areas in Need of Improvement**

There were six (6) error and twelve (12) non-error cases found in this review. The findings of this review indicate the state needs to further develop and implement procedures to improve program performance in the below-listed program areas. A program improvement plan (PIP) must be developed to correct program deficiencies, as required by 45 CFR § 1356.71(i) when a state title IV-E agency is not operating in substantial compliance based on the results of its primary review.

For each program issue below, there is a discussion regarding the nature of the area needing improvement, the specific title IV-E requirement to which it relates and the corrective action the state should undertake.

**Issue #1: *Title IV-E was claimed while foster homes were not fully licensed.*** Title IV-E was claimed for four (4) error cases and two (2) non-error cases while the foster home had an

expedited certificate and therefore was not fully licensed. Under the state's policy, an expedited license is one that does not meet all of the state's requirements for full licensure. This continues to be an area of concern from the last review, where the state claimed title IV-E for three (3) cases in which a foster home was not fully licensed. There is not a reliable source for eligibility staff to determine the current status of a foster family home's licensing certificate. The paper copy of a certificate does not indicate whether or not the home's certificate of licensure is "expedited" or regular. As this review was conducted utilizing electronic records in ORKIDS, reviewers could clearly identify if a home's certificate was regular or expedited. The "date range" field in ORKIDS is where the certifier or licensor indicates an "expedited" or "regular" certificate. Reviewers noted for several cases in the sample this critical field was left blank. The ORKIDS allows a supervisor to approve the certificate even if this field has been left blank. This lack of reliable documentation can pose problems for Oregon in determining the ongoing eligibility status of a child, as well as for other states placing children in Oregon foster homes that receive only a paper copy of the certificate and don't have access to the information in ORKIDS.

**Title IV-E Requirement:** The state agency must ensure that the child is placed in a fully licensed or approved foster family home prior to claiming title IV-E on behalf of the child's care [(472(c)(1) of the Act, 45 CFR 1356.71(d)(1)(iv), and 1355.20(a)].

**Required Corrective Action:** Oregon has already begun working to determine the reasons title IV-E has been claimed while a child is placed in a home that is not fully licensed. Oregon must include strategies to correct this issue in the PIP. As part of the PIP, Oregon must develop and implement policies and procedures to ensure homes are fully licensed before title IV-E is claimed for a child placed with the foster parents. Corrective actions may include updates to ORKIDS to ensure: supervisors cannot approve a certificate or license while the timeframe is blank; timely notifications concerning a child's eligibility status are delivered to and read by key staff; and develop exception reports for supervisors to alert them to any potential eligibility and claiming issues.

## **Issue # 2: Safety requirements not met**

There were four (4) error cases in which criminal background checks were not completed on foster parents and a title IV-E foster care maintenance payment was made for the period of ineligibility. In one of these cases, the foster family home was certified by the title IV-E agency prior to the completion of the criminal background checks. In another case, the foster home was certified by a Tribe pursuant to a State-Tribal title IV-E Agreement in Oregon prior to the completion of the criminal background check of one of the foster parents in the home.

**Title IV-E Requirement:** Section 471(a)(20) of the Act and 45 CFR 1356.30 require states to examine the potential safety risks posed to the child by a foster care provider. The state agency also must document that the foster care provider meets the established safety standards before title IV-E foster care maintenance payments are claimed for a period of the child's foster care placement. The CB also issued Program Instruction ACYF-CB-PI-10-02, on March 26, 2010, to further clarify the safety requirements for foster parents and child care institutions.

For children placed in a home licensed by Oregon, another state, or a Tribe, acceptable documentation to satisfy the criminal records check requirement for title IV-E eligibility can be a letter or approval form from an appropriate licensing authority that contains the results of the criminal records check, the date the criminal records check was completed, the evidence reviewed, and by whom, and that no disqualifying records were found.

**Required Corrective Action:** As part of the PIP, Oregon must develop and implement policies and procedures to ensure the safety requirements are met prior to licensure and before title IV-E is claimed for a period of the child's foster care placement. The state should put in place a quality assurance system or automated edit checks in ORKIDS' title IV-E payment process to ensure that section 471(a)(20) of the Act and 45 CFR 1356.30(f) are met for a child's foster care placement and that documentation of compliance sufficiently supports the state's claims for title IV-E foster care maintenance payment on behalf of the child in the placement.

**Issue #3: Coding of AFCARS data element 59.** A total of twenty (20) cases were excluded from the original sample and oversample and were replaced with cases from an additional oversample, which was drawn to ensure a sufficient number of cases was available for review. The need to provide a supplemental oversample continues to be an area of concern from the last review, where eleven (11) cases were excluded from the sample and oversample. Documentation provided by the state confirmed that 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 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, the data element should be coded "1." If title IV-E foster care maintenance payments are not the applicable income source for the child's care, the data element should be coded "0."

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 when they determine title IV-E foster care maintenance payments do not apply as the funding source for a period in the PUR.

**Recommended Corrective Action:** This is a repeat finding from the last review and one that warrants increased attention due to the significant increase in the number of cases found not to have title IV-E payments as originally identified. The CB recommends the state investigate the causes of this coding issue. The CB regional office and central office AFCARS team are available to work with the state and provide any clarification of the requirements and/or technical guidance regarding AFCARS coding. Once the state has identified the reasons for this coding issue, training should be provided to staff to ensure accurate coding for foster care element 59 occurs.

## **Disallowances**

A disallowance in the amount of \$34,897.52 in maintenance payments (\$21,891.45 of federal financial participation (FFP)) is assessed for title IV-E foster care payments claimed improperly for the error and non-error cases. Additionally, the state must repay \$39,025 in FFP of calculated administrative costs associated with the error and non-error cases. The state also must identify and repay any ineligible payments that occurred for the improperly paid cases subsequent to the periods identified in this report.

## **Next Steps**

Oregon has 90 days from receipt of the disallowance letter to develop its PIP to address the three areas listed in this report in addition to other areas in its title IV-E program that the state identifies during the PIP process that it needs to strengthen to improve overall program performance. The PIP is developed in consultation with the CB Region X office.

The CB Region X Office will continue to work closely with the state as it develops and implements the PIP in order to address each of the identified areas needing improvement. The regional office will be available to provide training and technical assistance to help address any of the issues raised during this review and those identified through the state's assessment of its program operations that it needs to strengthen to improve overall program performance.

Oregon is encouraged to continue building on its program successes and strong areas of practice.