

Final Report

Commonwealth of Puerto Rico Title IV-E Foster Care Eligibility Review October 1, 2002 – March 31, 2003

Introduction

During the week of August 11, 2003, Administration for Children and Families' (ACF) staff from the Central and Regional Offices and the Commonwealth of Puerto Rico Department of the Family, Administration for Families and Children (ADFAN) staff conducted an initial primary eligibility review of Puerto Rico's title IV-E foster care program in San Juan, Puerto Rico.

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

Scope of the Review

The Commonwealth of Puerto Rico title IV-E foster care review encompassed a sample of all of the title IV-E foster care cases that received a foster care maintenance payment during the period of October 1, 2002 to March 31, 2003. A computerized statistical sample of 100 cases (80 cases plus 20 over sample cases) was drawn from the Adoption and Foster Care Analysis and Reporting System (AFCARS) data which was transmitted by ADFAN to the ACF for the period under review. The child's case file was reviewed for the determination of title IV-E eligibility and the provider's file was reviewed to ensure that the foster home or child care institution in which the child was placed was licensed or approved for the period of the review. It should be noted that the first title IV-E State Plan for Puerto Rico was approved by ACF effective April 1, 1997.

The ADFAN provided payment and claiming information for all of the reviewed cases. Puerto Rico maintains manual records of maintenance assistance payments to foster care providers.

These records were reviewed for each sampled case to determine the amount of payments made for each child during the review period and for earlier periods within the same episode of foster care. Based on the diligent work of ADFAN officials, ACF was able to verify the timing and amount of payments for each of the reviewed cases. These officials were also able to confirm that the identified payments were part of the foster care maintenance assistance payroll that was used to prepare claims for title IV-E reimbursement.

The rate of payment for most foster care cases in Puerto Rico is based on a daily care rate that equals \$300 per child per month. In the few instances where ACF identified a different rate, ADFAN officials provided documentation to establish that a higher rate was approved due to the special needs of the child. There are also a substantial number of cases in Puerto Rico in which foster care services are provided by relatives, foster parents or institutions without charge. A number of the sampled cases contained one or more periods during the current foster care episode in which there was no maintenance assistance payment made or title IV-E claimed.

Title IV-E foster care claims are sourced from the maintenance assistance payroll produced monthly by the Commonwealth's Treasury Department. ACF was informed that this source does not segregate payments that are on behalf of title IV-E eligible versus non-title IV-E eligible children. The Commonwealth's practice has been to file title IV-E claims for the entire monthly foster care maintenance assistance payroll for children in licensed placements. This means that a portion of the children on whose behalf title IV-E claims are filed are known to not be title IV-E eligible. It was explained that the lack of an automated system has prevented the identification of the proportion of payments that are appropriate for title IV-E claiming.

To date, the Commonwealth of Puerto Rico has not filed title IV-E claims for foster care administrative costs. A cost allocation plan that will provide for the commencement of claims for title IV-E and other Federal and Commonwealth programs is currently pending approval with the DHHS Division of Cost Allocation. The absence of title IV-E claims for administrative costs precluded the need to identify a pool of administrative costs for association with any unallowable maintenance assistance payment claims.

During this initial primary review, 80 cases were reviewed. Seventy cases were determined to be in error for either part or all of the review period for reasons that are identified in the Case Record Summary section of this report. Since the number of error cases exceeded eight, the ACF has determined Puerto Rico not to be in substantial compliance. Therefore, pursuant to 45 CFR 1356.71(i), Puerto Rico is required to develop a Program Improvement Plan (PIP) that will extend for a period of one year. Once the State has satisfactorily completed the PIP, a secondary review of a sample of 150 foster cases will be conducted.

Case Record Summary

The following chart details the error cases, reasons for the error, and the appropriate statutory citations. In addition, based on the periods when title IV-E claims were submitted, the chart identifies the dates of ineligibility for the period under review, as well as the dates of ineligibility for prior and subsequent to the period under review.

Sequence No.	Sample Number	Title IV-E Eligibility Criterion	Statutory Citation	Title IV-E Claim Ineligibility Dates
1	1	Reasonable Efforts to Make and Finalize a Permanency Plan	472(a)(1) and 471(a)(15)(B)(ii) and(C)	10/1/01-Present
2	2	Aid to Families with Dependent Children (AFDC) Initial Eligibility	472(a)(1) and (4)	10/16/02-Present
3	3	Reasonable Efforts to Prevent Removals	472(a)(1), and 471(a)(15)(B)(i)	4/1/97-Present
		Reasonable Efforts to Make and Finalize a Permanency Plan	472(a)(1) and 471(a)(15)(B)(ii) and(C)	4/1/01-Present
4	4	Reasonable Efforts to Prevent Removals	472(a)(1), and 471(a)(15)(B)(i)	06/12/02-Present
		Reasonable Efforts to Make and Finalize a Permanency Plan	472(a)(1) and 471(a)(15)(B)(ii) and(C)	3/1/03-Present
		Placement in a Licensed Foster Family Home or Child Care Institution	472(a)(3), (b), and (c)	06/12/02-Present
5	5	Aid to Families with Dependent Children	472(a)(1) and (4)	8/30/02-10/28/02

		(AFDC) Initial Eligibility		
6	6	Reasonable Efforts to Prevent Removals	472(a)(1), and 471(a)(15)(B)(i)	9/14/98-Present
		Reasonable Efforts to Make and Finalize a Permanency Plan	472(a)(1) and 471(a)(15)(B)(ii) and(C)	9/1/02-Present
7	7	Reasonable Efforts to Prevent Removals	472(a)(1), and 471(a)(15)(B)(i)	4/25/99-Present
		Reasonable Efforts to Make and Finalize a Permanency Plan	472(a)(1) and 471(a)(15)(B)(ii) and(C)	4/1/01-Present
		Aid to Families with Dependent Children (AFDC) Initial Eligibility	472(a)(1) and (4)	4/25/99-Present
8	9	Reasonable Efforts to Make and Finalize a Permanency Plan	472(a)(1) and 471(a)(15)(B)(ii) and(C)	4/1/01-Present
		Aid to Families with Dependent Children (AFDC) Initial Eligibility	472(a)(1) and (4)	8/10/99-Present
9	10	Aid to Families with Dependent Children (AFDC) Initial Eligibility	472(a)(1) and (4)	2/28/03-Present
10	11	Aid to Families with Dependent Children (AFDC) Initial Eligibility	472(a)(1) and (4)	7/24/01-Present

11	12	Reasonable Efforts to Prevent Removals	472(a)(1), and 471(a)(15)(B)(i)	9/8/00-Present
		Reasonable Efforts to Make and Finalize a Permanency Plan	472(a)(1) and 471(a)(15)(B)(ii) and(C)	2/1/02-Present
		Placement in a Licensed Foster Family Home or Child Care Institution	472(a)(3), (b), and (c)	1/1/03-3/31/03
12	13	Reasonable Efforts to Prevent Removals	472(a)(1), and 471(a)(15)(B)(i)	5/2/02-Present
		Aid to Families with Dependent Children (AFDC) Initial Eligibility	472(a)(1) and (4)	5/2/02-Present
13	15	Reasonable Efforts to Make and Finalize a Permanency Plan	472(a)(1) and 471(a)(15)(B)(ii) and(C)	2/1/02-1/31/03
14	16	Contrary to the Welfare	472(a)(1)	7/18/00-Present
		Reasonable Efforts to Prevent Removals	472(a)(1), and 471(a)(15)(B)(i)	7/18/00-Present
		Reasonable Efforts to Make and Finalize a Permanency Plan	472(a)(1) and 471(a)(15)(B)(ii) and(C)	10/1/01-Present
		Criminal Records Check	471(a)(20) and 475(1)	7/18/00-Present
15	17	Contrary to the Welfare	472(a)(1)	11/4/98-Present
		Reasonable Efforts to Prevent Removals	472(a)(1), and 471(a)(15)(B)(i)	11/4/98-Present

		Reasonable Efforts to Make and Finalize a Permanency Plan	472(a)(1) and 471(a)(15)(B)(ii) and(C)	4/1/01-Present
		Placement in a Licensed Foster Family Home or Child Care Institution	472(a)(3), (b), and (c)	7/1/02-10/31/02
		Criminal Records Check	471(a)(20) and 475(1)	6/8/00-Present
16	18	Reasonable Efforts to Prevent Removals	472(a)(1), and 471(a)(15)(B)(i)	3/15/00-Present
		Reasonable Efforts to Make and Finalize a Permanency Plan	472(a)(1) and 471(a)(15)(B)(ii) and(C)	4/1/01-5/31/03
		Placement in a Licensed Foster Family Home or Child Care Institution	472(a)(3), (b), and (c)	9/20/02-10/2/02
17	20	Reasonable Efforts to Prevent Removals	472(a)(1), and 471(a)(15)(B)(i)	11/22/02-Present
		Aid to Families with Dependent Children (AFDC) Initial Eligibility	472(a)(1) and (4)	11/22/02-Present
18	22	Reasonable Efforts to Prevent Removals	472(a)(1), and 471(a)(15)(B)(i)	1/14/00-Present
		Reasonable Efforts to Make and Finalize a Permanency Plan	472(a)(1) and 471(a)(15)(B)(ii) and(C)	4/1/01-Present
19	23	Reasonable Efforts to Make and Finalize a Permanency Plan	472(a)(1) and 471(a)(15)(B)(ii) and(C)	5/1/01-Present

20	24	Reasonable Efforts to Prevent Removals	472(a)(1), and 471(a)(15)(B)(i)	7/24/97-Present
		Reasonable Efforts to Make and Finalize a Permanency Plan	472(a)(1) and 471(a)(15)(B)(ii) and(C)	9/01/01-Present
		Aid to Families with Dependent Children (AFDC) Initial Eligibility	472(a)(1) and (4)	7/24/97-Present
21	25	Reasonable Efforts to Prevent Removals	472(a)(1), and 471(a)(15)(B)(i)	2/15/02-2/10/03
		Aid to Families with Dependent Children (AFDC) Initial Eligibility	472(a)(1) and (4)	2/15/02-2/10/03
22	26	Reasonable Efforts to Make and Finalize a Permanency Plan	472(a)(1) and 471(a)(15)(B)(ii) and(C)	9/1/01-11/30/02
		Placement in a Licensed Foster Family Home or Child Care Institution	472(a)(3), (b), and (c)	8/1/02-10/31/02
23	27	Reasonable Efforts to Make and Finalize a Permanency Plan	472(a)(1) and 471(a)(15)(B)(ii) and(C)	5/1/01-Present
24	28	Reasonable Efforts to Make and Finalize a Permanency Plan	472(a)(1) and 471(a)(15)(B)(ii) and(C)	4/1/01-Present
25	29	Reasonable Efforts to Prevent Removals	472(a)(1), and 471(a)(15)(B)(i)	6/19/00-Present

		Reasonable Efforts to Make and Finalize a Permanency Plan	472(a)(1) and 471(a)(15)(B)(ii) and(C)	10/1/01-Present
26	30	Reasonable Efforts to Make and Finalize a Permanency Plan Placement in a Licensed Foster Family Home or Child Care Institution	472(a)(1) and 471(a)(15)(B)(ii) and(C) 472(a)(3), (b), and (c)	4/1/01-Present 1/1/03-Present
27	31	Contrary to the Welfare Reasonable Efforts to Make and Finalize a Permanency Plan	472(a)(1) 472(a)(1) and 471(a)(15)(B)(ii) and(C)	9/2/98-Present 4/1/01-Present
28	32	Reasonable Efforts to Prevent Removals Criminal Records Check	472(a)(1), and 471(a)(15)(B)(i) 471(a)(20) and 475(1)	1/31/02-Present 1/31/02-5/12/03
29	33	Contrary to the Welfare Reasonable Efforts to Prevent Removals Reasonable Efforts to Make and Finalize a Permanency Plan Placement in a Licensed Foster Family Home or Child Care Institution	472(a)(1) 472(a)(1), and 471(a)(15)(B)(i) 472(a)(1) and 471(a)(15)(B)(ii) and(C) 472(a)(3), (b), and (c)	3/30/01-Present 3/30/01-Present 6/1/02-Present 2/1/03-5/31/03

30	34	Reasonable Efforts to Prevent Removals	472(a)(1), and 471(a)(15)(B)(i)	9/13/01-Present
31	35	Aid to Families with Dependent Children (AFDC) Initial Eligibility; and Re-determination	472(a)(1) and (4)	4/28/99-Present; 10/3/2001-Present
32	36	Reasonable Efforts to Prevent Removals	472(a)(1), and 471(a)(15)(B)(i)	9/10/01-Present
		Reasonable Efforts to Make and Finalize a Permanency Plan	472(a)(1) and 471(a)(15)(B)(ii) and(C)	7/30/01-Present
33	37	Reasonable Efforts to Prevent Removals	472(a)(1), and 471(a)(15)(B)(i)	5/24/99-Present
		Reasonable Efforts to Make and Finalize a Permanency Plan	472(a)(1) and 471(a)(15)(B)(ii) and(C)	4/1/01-Present
		Aid to Families with Dependent Children (AFDC) Initial Eligibility	472(a)(1) and (4)	5/24/99-Present
34	38	Reasonable Efforts to Prevent Removals	472(a)(1), and 471(a)(15)(B)(i)	1/18/00-Present
		Reasonable Efforts to Make and Finalize a Permanency Plan	472(a)(1) and 471(a)(15)(B)(ii) and(C)	4/1/01-Present
35	39	Reasonable Efforts to Prevent Removals	472(a)(1), and 471(a)(15)(B)(i)	6/24/99-5/23/03

		Reasonable Efforts to Make and Finalize a Permanency Plan	472(a)(1) and 471(a)(15)(B)(ii) and(C)	4/1/01-Present
36	40	Reasonable Efforts to Prevent Removals Reasonable Efforts to Make and Finalize a Permanency Plan	472(a)(1), and 471(a)(15)(B)(i) 472(a)(1) and 471(a)(15)(B)(ii) and(C)	4/1/97-Present 4/1/01-Present
37	41	Reasonable Efforts to Prevent Removals	472(a)(1), and 471(a)(15)(B)(i)	8/22/02-Present
38	42	Reasonable Efforts to Prevent Removals Reasonable Efforts to Make and Finalize a Permanency Plan Aid to Families with Dependent Children (AFDC) Initial Eligibility	472(a)(1), and 471(a)(15)(B)(i) 472(a)(1) and 471(a)(15)(B)(ii) and(C) 472(a)(1) and (4)	5/3/01-Present 8/1/02-Present 5/3/01-Present
39	44	Reasonable Efforts to Prevent Removals Reasonable Efforts to Make and Finalize a Permanency Plan	472(a)(1), and 471(a)(15)(B)(i) 472(a)(1) and 471(a)(15)(B)(ii) and(C)	4/1/97-Present 4/1/01-Present

40	45	Reasonable Efforts to Prevent Removals	472(a)(1), and 471(a)(15)(B)(i)	4/1/97-Present
		Reasonable Efforts to Make and Finalize a Permanency Plan	472(a)(1) and 471(a)(15)(B)(ii) and(C)	4/1/01-Present
41	46	Reasonable Efforts to Prevent Removals	472(a)(1), and 471(a)(15)(B)(i)	10/03/02-present
		Aid to Families with Dependent Children (AFDC) Initial Eligibility;	472(a)(1) and (4)	10/3/02-Present;
		Criminal Records Check	471(a)(20) and 475(1)	11/12/02-11/20/02
42	47	Reasonable Efforts to Prevent Removals	472(a)(1), and 471(a)(15)(B)(i)	2/8/02-Present
43	48	Reasonable Efforts to Prevent Removals	472(a)(1), and 471(a)(15)(B)(i)	2/7/01-Present
		Reasonable Efforts to Make and Finalize a Permanency Plan	472(a)(1) and 471(a)(15)(B)(ii) and(C)	6/1/02-1/31/03
		Aid to Families with Dependent Children (AFDC) Initial Eligibility	472(a)(1) and (4)	2/7/01-Present;
44	50	Aid to Families with Dependent Children (AFDC) Initial Eligibility	472(a)(1) and (4)	11/22/02-1/8/03

45	51	Contrary to the Welfare	472(a)(1)	8/14/00-Present
		Reasonable Efforts to Prevent Removals	472(a)(1), and 471(a)(15)(B)(i)	8/14/00-Present
		Reasonable Efforts to Make and Finalize a Permanency Plan	472(a)(1) and 471(a)(15)(B)(ii) and(C)	6/1/01-Present
46	52	Reasonable Efforts to Prevent Removals	472(a)(1), and 471(a)(15)(B)(i)	4/7/99-Present
		Reasonable Efforts to Make and Finalize a Permanency Plan	472(a)(1) and 471(a)(15)(B)(ii) and(C)	4/1/01-Present
47	53	Reasonable Efforts to Prevent Removals	472(a)(1), and 471(a)(15)(B)(i)	9/10/98-Present
		Reasonable Efforts to Make and Finalize a Permanency Plan	472(a)(1) and 471(a)(15)(B)(ii) and(C)	4/1/01-Present
		Criminal Records Check	471(a)(20) and 475(1)	6/1/00 - Present
48	54	Reasonable Efforts to Make and Finalize a Permanency Plan	472(a)(1) and 471(a)(15)(B)(ii) and(C)	4/1/01-6/19/03
		Aid to Families with Dependent Children (AFDC) Initial Eligibility	472(a)(1) and (4)	8/6/99-6/19/03
49	55	Reasonable Efforts to Prevent Removals	472(a)(1), and 471(a)(15)(B)(i)	4/1/97-Present

		Reasonable Efforts to Make and Finalize a Permanency Plan	472(a)(1) and 471(a)(15)(B)(ii) and(C)	4/1/01-Present
50	56	Contrary to the Welfare	472(a)(1)	4/1/97- Present
		Reasonable Efforts to Prevent Removals	472(a)(1), and 471(a)(15)(B)(i)	4/1/97-Present
		Reasonable Efforts to Make and Finalize a Permanency Plan	472(a)(1) and 471(a)(15)(B)(ii) and(C)	4/1/01-Present
		Aid to Families with Dependent Children (AFDC) Initial Eligibility; and Re-determination.	472(a)(1) and (4)	4/1/97-Present; 8/1/02-Present
		Placement in a Licensed Foster Family Home or Child Care Institution	472(a)(3), (b), and (c)	1/1/03-2/28/03
51	57	Reasonable Efforts to Prevent Removals	472(a)(1), and 471(a)(15)(B)(i)	5/15/97-Present
		Reasonable Efforts to Make and Finalize a Permanency Plan	472(a)(1) and 471(a)(15)(B)(ii) and(C)	4/1/01-Present
52	58	Contrary to the Welfare	472(a)(1)	4/1/97-Present
		Reasonable Efforts to Prevent Removals	472(a)(1), and 471(a)(15)(B)(i)	4/1/97-Present
		Reasonable Efforts to Make and Finalize a Permanency Plan	472(a)(1) and 471(a)(15)(B)(ii) and(C)	4/1/01-Present

53	59	Reasonable Efforts to Prevent Removals	472(a)(1), and 471(a)(15)(B)(i)	5/4/98-Present
		Reasonable Efforts to Make and Finalize a Permanency Plan	472(a)(1) and 471(a)(15)(B)(ii) and(C)	4/1/01-Present
54	62	Reasonable Efforts to Prevent Removals	472(a)(1), and 471(a)(15)(B)(i)	6/28/02-Present
		Placement in a Licensed Foster Family Home or Child Care Institution	472(a)(3), (b), and (c)	11/1/02-1/16/03
55	63	Reasonable Efforts to Prevent Removals	472(a)(1), and 471(a)(15)(B)(i)	10/20/00-Present
		Reasonable Efforts to Make and Finalize a Permanency Plan	472(a)(1) and 471(a)(15)(B)(ii) and(C)	1/1/02-Present
		Aid to Families with Dependent Children (AFDC) Removal	472(a)(1) and (4)	10/20/00-Present
		Placement in a Licensed Foster Family Home or Child Care Institution	472(a)(3), (b), and (c)	9/30/02-10/22/02
		Criminal Records Check	471(a)(20) and 475(1)	9/30/02-10/22/02; 3/28/03-3/31/03

56	64	Reasonable Efforts to Prevent Removals	472(a)(1), and 471(a)(15)(B)(i)	9/9/99-Present
		Reasonable Efforts to Make and Finalize a Permanency Plan	472(a)(1) and 471(a)(15)(B)(ii) and(C)	2/1/02-Present
57	65	Reasonable Efforts to Make and Finalize a Permanency Plan	472(a)(1) and 471(a)(15)(B)(ii) and(C)	4/1/01-6/20/03
		Aid to Families with Dependent Children (AFDC) Initial Eligibility	472(a)(1) and (4)	8/2/99-6/20/03
58	66	Reasonable Efforts to Prevent Removals	472(a)(1), and 471(a)(15)(B)(i)	12/17/99-Present
		Reasonable Efforts to Make and Finalize a Permanency Plan	472(a)(1) and 471(a)(15)(B)(ii) and(C)	4/1/01-Present
		Aid to Families with Dependent Children (AFDC) Initial Eligibility	472(a)(1) and (4)	12/13/99-Present
59	67	Placement in a Licensed Foster Family Home or Child Care Institution	472(a)(3), (b), and (c)	3/13/03-3/13/03
		Criminal Records Check	471(a)(20)and 475(1)	3/17/03-4/9/03
60	68	Reasonable Efforts to Make and Finalize a Permanency Plan	472(a)(1) and 471(a)(15)(B)(ii) and(C)	4/01/01-Present

61	69	Reasonable Efforts to Make and Finalize a Permanency Plan	472(a)(1) and 471(a)(15)(B)(ii) and(C)	7/9/02-Present
		Placement in a Licensed Foster Family Home or Child Care Institution	472(a)(3), (b), and (c)	6/1/01-6/12/03
62	70	Reasonable Efforts to Make and Finalize a Permanency Plan	472(a)(1) and 471(a)(15)(B)(ii) and(C)	4/1/01-11/21/02
		Placement in a Licensed Foster Family Home or Child Care Institution	472(a)(3), (b), and (c)	5/12/02-11/21/02
63	72	Reasonable Efforts to Make and Finalize a Permanency Plan	472(a)(1) and 471(a)(15)(B)(ii) and(C)	4/1/01-Present
64	74	Reasonable Efforts to Prevent Removals	472(a)(1), and 471(a)(15)(B)(i)	10/29/99-2/25/03
		Reasonable Efforts to Make and Finalize a Permanency Plan	472(a)(1) and 471(a)(15)(B)(ii) and(C)	11/1/01-1/31/03
		Placement in a Licensed Foster Family Home or Child Care Institution	472(a)(3), (b), and (c)	9/1/02-1/31/03
65	75	Reasonable Efforts to Prevent Removals	472(a)(1), and 471(a)(15)(B)(i)	2/22/99-2/25/03
		Reasonable Efforts to Make and Finalize a Permanency Plan	472(a)(1) and 471(a)(15)(B)(ii) and(C)	4/01/01-Present
		Placement in a Licensed Foster Family Home or Child Care Institution	472(a)(3), (b), and (c)	9/1/02-3/3/03

66	76	Reasonable Efforts to Make and Finalize a Permanency Plan	472(a)(1) and 471(a)(15)(B)(ii) and(C)	4/01/01-Present
		Aid to Families with Dependent Children (AFDC) Initial Eligibility	472(a)(1) and (4)	4/1/97-Present
67	77	Reasonable Efforts to Make and Finalize a Permanency Plan	472(a)(1) and 471(a)(15)(B)(ii) and(C)	4/01/01-4/30/03
		Aid to Families with Dependent Children (AFDC) Initial Eligibility	472(a)(1) and (4)	2/03/99-Present
		Placement in a Licensed Foster Family Home or Child Care Institution	472(a)(3), (b), and (c)	2/13/03-2/19/03
68	78	Reasonable Efforts to Prevent Removals	472(a)(1), and 471(a)(15)(B)(i)	7/13/02-Present
		Placement in a Licensed Foster Family Home or Child Care Institution	472(a)(3), (b), and (c)	2/1/03-Present
69	79	Reasonable Efforts to Prevent Removals	472(a)(1), and 471(a)(15)(B)(i)	6/3/98-Present
		Reasonable Efforts to Make and Finalize a Permanency Plan	472(a)(1) and 471(a)(15)(B)(ii) and(C)	4/1/01-Present
70	80	Reasonable Efforts to Prevent Removals	472(a)(1), and 471(a)(15)(B)(i)	1/9/02-11/15/02
		Aid to Families with Dependent Children AFDC) Initial Eligibility	472(a)(1) and (4)	1/9/02-11/15/02

Areas in Need of Improvement

In the following sections we have identified the areas needing improvements that must be addressed in the PIP. Under each heading, we provide the statutory and regulatory basis and the specific findings from this review.

I. Removal Pursuant to a Court Order - Removal of the child from the home must be pursuant to a judicial determination or a voluntary placement agreement. The contrary to the welfare determination must be made in the first court ruling that sanctions (even temporarily) the removal of a child from home. The judicial determination that reasonable efforts to prevent removal were made (or were not required) must be made no later than 60 days from the date of the child's removal from home. Judicial determinations must be made in a timely manner in a valid court order. [Statutory Citation: 472(a)(1), 471(a)(15)(B)(I); Regulatory Citation: 1356.21]

For a child who enters care prior to March 27, 2000: If the removal order does not contain the judicial determination regarding “contrary to the welfare”, the requisite finding may result from court proceedings (the petition filed) that are initiated no later than 6 months from the date the child is removed from home, consistent with Departmental Appeals Board Decision Number 1508 (DAB 1508). The Departmental Appeals Board, through DAB 1508, ruled that a petition to the court stating the reason for the State agency’s request for the child’s removal from home, followed by a court order granting custody to the State agency, is sufficient to meet the contrary to the welfare requirement. The judicial determination that reasonable efforts were made to prevent removal or that reasonable efforts were made to reunify the child and family satisfies the reasonable efforts requirement.

Contrary to Welfare/Best Interests of the Child

Based on the results of this review, seven cases (7) were found ineligible for Federal Financial Participation (FFP) because either: 1) the case record did not contain the removal petition or court order and a determination could not be made regarding contrary to welfare; 2) the judicial determination was not made in a timely manner; or 3) the court order did not contain a judicial determination that continuation in the home would be contrary to the child’s welfare, or that placement in foster care would be in the best interest of the child..

Reasonable Efforts to Prevent Removal/Reasonable Efforts to Reunify Child and Family

Forty-six (46) cases were determined ineligible for FFP because either: 1) the case record did not contain the court order and a determination could not be made regarding reasonable efforts to prevent removal or reunify child and family; 2) the judicial determination was not made in a timely manner; or 3) the court order did not contain a reasonable efforts determination regarding the State's efforts to maintain the family unit and prevent the unnecessary removal of the child from the home.

II. Ongoing Judicial Activity - In order for a child to be eligible for title IV-E payments, there must be a judicial determination that reasonable efforts were made to finalize the child's permanency plan that is in effect. The permanency plan goal may be: reunification, adoption, legal guardianship, placement with a fit and willing relative, or another planned permanent living arrangement. The judicial determination of reasonable efforts to finalize the permanency plan must be made no later than 12 months from the date on which the child is considered to have entered foster care and at least once every 12 months thereafter, while the child is in foster care.

If a judicial determination regarding reasonable efforts to finalize a permanency plan is not made within this timeframe, the child is ineligible at the end of the 12th month from the date the child was considered to have entered foster care or at the end of the month in which the subsequent judicial determination of reasonable efforts was due. The child remains ineligible until such a judicial determination is made. This requirement may also be satisfied by a judicial determination that reasonable efforts were made to reunify child and family. [Statutory Citation: 472(a)(1), 471(a)(15)(B)(ii) and (C); Regulatory Citation: 1356.21(b)(2)]

For a child who enters foster care prior to March 27, 2000: A judicial determination that reasonable efforts were made to finalize the child's permanency plan must have occurred by March 27, 2001.

Disallowances will be taken for any case that does not meet the judicial requirement after March 27, 2001. Ineligibility for title IV-E payments is from April 1, 2001 until the judicial determination requirement is met, as well for any subsequent period that this requirement was not satisfied.

Reasonable Efforts to Finalize the Permanency Plan

Fifty-two (52) cases were determined ineligible for FFP because either: 1) the case record did not contain the court order and a determination could not be made regarding reasonable efforts to finalize the permanency plan; 2) the judicial determination was not made in a timely manner; or 3) the court order did not contain a reasonable efforts determination regarding the State's efforts to finalize the child's permanency plan.

Based on the cases reviewed, it appeared that the required judicial determinations are not being consistently made by the Puerto Rico Family Courts. Reviewers found that court orders often did not contain a judicial determination regarding the efforts of the State to prevent placement or achieve permanency for the child. ADFAN must continue to emphasize the importance of the Federal requirements regarding judicial determinations to the local and regional offices, family court judges, and staff of the Family Court system. ADFAN must stress to staff the impact on Federal reimbursement if all of the necessary judicial determinations are not made, are not made timely, or if the documentation is not maintained in the case record.

There must be a clear understanding that court orders must contain the necessary judicial findings regarding contrary to welfare, reasonable efforts to prevent removal or reasonable efforts to reunify, and reasonable efforts to finalize the child's permanency plan. These findings must be rendered in a timely manner, explicitly documented, and maintained in the case record in order for a child to be eligible for title IV-E payments.

III. IV. AFDC Eligibility - Using the criteria in effect in its July 16, 1996 title IV-A State plan (or, if removal was prior to the effective date of The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 [PRWORA] the title IV-A State Plan in effect at the time), a State must document that the child was removed from a specified relative, and that the child was financially needy and deprived of parental support in the month the voluntary placement agreement was signed or the month in which the petition that resulted in a court-ordered removal was signed. Deprivation must be by reason of death, absence, physical or mental incapacity of one parent, or the unemployment of the principal wage earner. In addition, the "living with" and "removal from" requirements have to be satisfied by the same specified relative. [Statutory Citation: 472(a)(1) and (4); Regulatory Citation: 1356.71(d)(1)(v)]

Eligibility for AFDC at Removal

Twenty-four (24) cases were determined ineligible for FFP because: 1) incorrect AFDC determinations are being made based on the financial need and deprivation of parental support;

2) the necessary documentation was not provided to determine whether the child received AFDC at the time of placement, or would have received AFDC within 6 months of placement; 3) the child was not removed from the home of a specified relative; or 4) the “living with” and “removed from” criteria were not met by the same specified relative.

Re-Determination of AFDC Eligibility

For a child in foster care longer than 1 year, the State must document annually that the child continues to be financially needy and deprived of parental support or care, using the State's criteria in effect in its July 16, 1996, or earlier, title IV-A State plan. The basis for the determination of financial need is the child in foster care as his/her own assistance unit. The basis for the deprivation of parental support is the home from which the child was removed.

Two (2) cases were determined ineligible for FFP because for the period under review the case record did not contain the necessary documentation that the child continued to be financially needy and deprived of parental support or care.

It appears that there is not a clear understanding of the AFDC financial and deprivation criteria. It was observed by the review team that although for the majority of the cases the AFDC determinations were being made at the time of the child's placement, or were reconstructed based on the approved date of the title IV-E State Plan (April 1, 1997), and the documentation was normally maintained in the case record, the AFDC determinations were not being made correctly. In many of the cases reviewed, the reason for ineligibility was due to income of the parents.

Based on the information provided by ADFAN, the AFDC eligibility determination is a joint process between ADFAN and the Administration for the Socio-Economic Development of the Family (ADSEF.) In summary, the caseworker verifies if a family is receiving benefits with ADSEF. If the family does not receive assistance, the caseworker discusses the case with ADSEF personnel to determine if the family would have been AFDC eligible, if the family had applied.

AFDC eligibility must be based on the AFDC criteria in effect July 16, 1996, or earlier not the current TANF Program. The State must stress to staff the impact on Federal reimbursement if the necessary AFDC determinations are not made or made incorrectly. ACF recommends that Puerto Rico review its eligibility determination process to assure that the basis and supporting sources of AFDC eligibility being used by ADFAN and ADSEF, are based on the criteria in effect July 16, 1996 or at the time of removal if foster care placement occurred on an earlier date.

It is also recommended that the title IV-E eligibility form be revised so that the determination is documented in a clear and concise manner.

IV. Placement in Licensed Home or Facility [Statutory Citation: 1356.71(d) (1) (IV), Regulatory Citation: 1355.20]

In order to receive Federal financial reimbursement for foster care payments made on behalf of a child, the child must be placed in a facility that is licensed and meets all of the State agency standards for full licensure or approval. The documentation of full licensure can be satisfied by the certificate of licensure/approval or a letter of approval. Effective September 28, 2000, full licensure must be met by all providers, including those licensed or approved by a child placing agency. The license must show that the foster family home or child care institution is licensed for the duration of the child's placement.

An eligible facility may be a family foster home, group home, private child care institution, or public child care institution which accommodates 25 or fewer children. Children placed in detention facilities, forestry camps, training schools, or other facilities operated primarily for the detention of children determined to be delinquent are not eligible for title IV-E foster care maintenance payments. For each case being reviewed, the State agency must make available a licensing file which contains the licensing history, including a copy of the certificate of licensure/approval or letter of approval, for each of the child's foster care providers.

Seventeen (17) cases were found ineligible for FFP because either the: 1) facility or foster family home was not licensed; 2) the licensing information was not provided; and or 3) the license expired and was not renewed.

V. Safety Requirements of Provider [Statutory Citation: 471(a)(20), 475(1); Regulatory Citation: 1356.30]

Unless the State opts out of the criminal records check provision, the State must provide documentation that criminal record checks have been conducted with respect to prospective foster and adoptive parents. Acceptable documentation to satisfy this eligibility requirement is evidence that a criminal records check was completed satisfactorily (such as copies of the results of the criminal records check). The licensing file must document the results of the record check. For child care institutions, the licensing file must contain documentation verifying that safety considerations with respect to the staff of the institution have been addressed.

In seven (7) cases, it was determined that either criminal background checks were not completed for foster family homes or that documentation was not provided for review.

It is an integral part of the child welfare system that children are placed in licensed facilities, and that criminal background checks and verification of safety considerations are performed. While there is a process in place for obtaining criminal background checks that appears overall to be functioning relatively well, Puerto Rico must improve its efforts to ensure that all providers are properly licensed, that licenses are renewed in a timely manner, and that criminal background checks and safety considerations are completed, well-documented, and maintained in the file.

Areas of Strengths

The following represent areas of strength noted during the on-site review.

- Title IV-E records were found well organized, in good order, tabbed, and documentation was arranged in chronological order.
- The review indicated that in all of the 80 cases reviewed it was determined that in every case the following requirements were met:

State Agency Responsibility for Placement and Care - Title IV-E payments can only be made for a child's placement and care that is under the responsibility of the State agency administering the title IV-E State Plan (or another public agency, including an Indian tribe, with which the title IV-E agency has a written agreement that is in effect). The court order or voluntary placement agreement must indicate that the agency has this responsibility.

School Attendance for students who are Age 18 - When a child reaches his or her 18th birthday, eligibility for Aid to Families with Dependent Children (AFDC) ceases unless, at State option, the child is a full-time student in a secondary school or its equivalent and is expected to complete the program before age 19. If the State does exercise this option, eligibility for title IV-E foster care ceases at the end of the month in which the child leaves school or when the child turns 19, whichever occurs earlier.

Safety requirements for staff/caretakers in child care institutions - For child care institutions, the licensing file must contain documentation verifying that safety considerations with respect to the staff of the institution have been addressed.

- Although errors were found regarding the judicial determinations for contrary to welfare and reasonable efforts to finalize the permanency plan, it was observed that the most current court orders contained the appropriate judicial determinations, and they are being made in a timely manner.

With respect to the financial aspect of the review:

- Although ADFAN maintains manual records of all maintenance assistance payments to foster care providers, their diligent work made it possible to obtain payment and claiming information for the first 80 cases with payments identified in the sample. This eliminated the need to review any of the 20 over-sample cases.
- The case review did not identify any unallowable activities within title IV-E foster care maintenance assistance payments. The Commonwealth was able to document that foster care maintenance payments claimed for title IV-E reimbursement are for items or services encompassed within the statutory definition of this term, are in amounts conforming with the Commonwealth established rates of payment for the type and level of care provided and reflect non-duplicative amounts of the costs of daily maintenance.

Disallowances

The review included a sample of 80 cases. The sample was drawn from a universe of cases that received at least one title IV-E foster care maintenance payment during the 6-month AFCARS period of October 1, 2002 to March 31, 2003. Based upon the results of the review, the Commonwealth of Puerto Rico has been determined not to be in substantial compliance. Seventy cases were determined not to be eligible for funding under title IV-E foster care. Therefore, a disallowance in the amount of \$267,597 in FFP is assessed for the period of time that these cases were determined to be in error through the end of the period under review for foster care maintenance payments.

The erroneous maintenance payments associated with the seventy error cases were calculated as shown in Attachment I. These calculations include the amounts claimed and funded on behalf of the child for the period of the error through the end of the review period (March 31, 2003.) Puerto Rico must make downward adjustments to title IV-E claims for any case or placement that has continued to be ineligible for title IV-E funding beyond the end of the period under review. The Commonwealth must also appropriately make downward adjustments if additional payments are subsequently identified as title IV-E claimed or claimable for services rendered to

cases determined to be in error during the review period or for earlier periods during the same episode of foster care.

There is no disallowance for administrative costs since the Commonwealth has yet to file title IV-E claims for such costs. If Puerto Rico commences the claiming of title IV-E administrative costs for periods after the period under review, it should take appropriate steps to assure that statistics on caseload eligibility used in an approved cost allocation process are revised to account for the findings of this review.

The amount of the disallowance has been downwardly adjusted to reflect the fact that not all of the allowed title IV-E claims filed by Puerto Rico have been paid through grant award authority. Although title IV-E foster care is an open-ended entitlement program requiring a State match, Puerto Rico is subject to a Federal funding limitation in accordance with Section 1108 of the Social Security Act. This provision specifies a maximum level per fiscal year of Federal funding for several programs including those administered under title IV-E. Application of this funding provision has sometimes resulted in an inability to provide FFP for the full amount of quarterly title IV-E foster care claims. In this instance, we have applied the proportion of paid allowed claims to the claims identified as unallowable through this review. Thus, if 90% of all title IV-E foster care quarterly claims were paid through title IV-E grant award authority for a particular quarter, the disallowance applicable to that quarter was reduced to 90% of the amount of identified unallowable title IV-E claims. Attachment II provides a summary of the calculation of the adjustment factors applied in calculating the disallowed amount.

It should be noted that this disallowance action may result in total Federal fiscal year funding to Puerto Rico in amounts less than the total maximum available under Section 1108 of the Social Security Act. If this occurs, Puerto Rico may, within the rules and regulations applicable to the involved programs, claim additional allowable costs up to the Section 1108 limits. However, for title IV-E foster care purposes there is a two-year claiming limitation and any additional maintenance assistance claims must be documented as on behalf of foster care cases and must meet all of the title IV-E child and provider eligibility criteria.

Required Action

1. The Commonwealth must make the appropriate prospective claiming adjustments from April 1, 2003 for the seventy cases that were determined ineligible for title IV-E. The Commonwealth must also take appropriate claiming action to apply the findings contained in this report if additional payments are subsequently identified as title IV-E claimed or claimable for services rendered during the review period or for earlier periods during the

same episode of foster care. To the extent that this effort results in the filing of prior period adjustments claims on Part 2 of Form IV-E-1, the Commonwealth should include in column e (Other Comments) a reference to the "FY 2003 Title IV-E Review."

2. The Commonwealth must take action to revise the system utilized to prepare its title IV-E claims and estimates. A process should be developed to identify the costs on the maintenance assistance payroll that are title IV-E eligible. This action should result in quarterly claims for foster care and adoption assistance that consist of only amounts on behalf of cases that the Commonwealth has determined as title IV-E eligible. Appropriate action should be taken on this matter as part of the next quarterly form title IV-E-1 submission.
3. A Program Improvement Plan (PIP) must be developed with ACF, and submitted to the Regional Office for approval by February 13, 2004. The PIP should address the corrective actions needed to bring the State into substantial compliance with title IV-E requirements (i.e. change in policy, procedure, or practice.) The PIP should include active participation of both ADFAN Central and Regional Office staff. ADFAN should work closely with ACF staff in developing appropriate outcome measures and timeframes for implementation. The PIP may not extend beyond one year unless State legislative action is required to implement needed corrective action.

According to regulations at 45 CFR §1356.71(i), the PIP must include the following components:

- Specific goals;
- Action steps required to correct each identified weakness or deficiency;
- A date by which each of the action steps is to be completed;
- A description of how progress on the plan will be evaluated by the State and reported to the ACF Regional Office, including the frequency and format of the evaluation procedures.