

**State of South Carolina  
Primary Review  
Title IV-E Foster Care Eligibility  
Report of Findings for  
April 1, 2011 – September 30, 2011**

**Introduction**

During the week of May 21, 2012, the Children's Bureau (CB) of the Administration for Children and Families (ACF) conducted a primary review of the State's title IVE foster care program. The review was conducted in collaboration with the State of South Carolina Department of Social Services (DSS) 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 South Carolina's DSS 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 April 1, 2011 through September 30, 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 79 cases from the original sample plus one (1) oversample case. One (1) case was excluded from the original sample because no title IV-E foster care maintenance payment was made for a period during the PUR. The State provided documentation to support the exclusion of this case from the review sample and replacing it with a case 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 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 childcare 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 child care 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 that the expenditures were allowable under title IV-E and to identify any underpayments that were eligible for claiming.

### **Strengths and Effective 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 much improved program performance and successful program operations.

Centralized Eligibility Unit: South Carolina has centralized the determination and re-determination of title IV-E eligibility in a specialized unit. The State agency’s centralized eligibility unit was put in place to manage the eligibility determination process by overseeing the tracking and monitoring of title IV-E eligibility determination, documenting compliance and conducting quality assurance activities. The coordinators in this unit maintain case financial files to monitor eligibility. The centralization of the eligibility determination function has facilitated training on title IV-E eligibility requirements and developing a tracking system for eligibility events used by the unit. It also permits more accurate and consistent application of policy as well as timely issue and emerging trend identification and problem solving.

CB has found that the work of the centralized eligibility unit has been a key component in enhancing the development and availability of documentation supporting title IV-E eligibility. CB also understands that staff in the unit work with field offices, courts, the State agency licensing staff and State agency fiscal officials to ensure that required actions and supporting paperwork are completed timely and that title IV-E claims are submitted only for those cases meeting all applicable requirements. The eligibility staff has worked diligently to significantly increase the number of title IV-E eligible cases and implement processes to reduce error cases. The title IV-E staff meets weekly to discuss and remedy eligibility issues. They report monthly to counties on needed case documentation.

It appears that the oversight efforts of the eligibility unit and the case management work of other agency staff, in concert with the agency’s external partners, were instrumental in reducing the number and proportion of erroneous title IV-E claims for cases documented as not meeting the eligibility criteria. This is evidenced by the following results in this review:

- Initial eligibility determinations were accurately completed in a timely manner.
- Child-specific and timely judicial findings of Reasonable Efforts to Prevent Removal and Contrary to the Welfare were found in all of the removal court orders reviewed.
- In all applicable cases reviewed, court orders contained a definitive judicial finding regarding Reasonable Efforts to Finalize the Permanency Plan. Court orders were child-specific and timely. We commend the joint efforts by DSS and the Administrative Office of Courts to make improvements that have addressed delays in permanency hearings and the lack of explicit language in court orders. These efforts included monthly reports by county to address these issues and providing lists of non-eligible cases, as well as discussions at regional quarterly DSS meetings and Bench Bar Committee meetings and training for caseworkers, judges and attorneys. Title IV-E eligibility staff review court orders in the Legal Case Management System, which was collaboratively developed by the Court Improvement Program and DSS, to ensure the court orders contain the required determinations for title IV-E eligibility. The title IV-E director discusses court orders that do not meet title IV-E requirements with attorneys, county directors and supervisors to ensure compliance with the judicial determination requirements for title IV-E eligibility. These joint improvement efforts have resulted in the outstanding results documented in this review.
- Licensure and safety requirements were met in all cases during the review period. Requirements were met in a thorough and timely manner. DSS has developed and implemented excellent procedures to ensure that each foster care provider is fully licensed prior to claiming title IV-E foster care maintenance payments for a child's placement. DSS has centralized foster home licensing and developed processes to ensure that all requirements are met. Licensure staff alert title IV-E eligibility staff if a foster home is not in compliance. SACWIS also now ensures notification when a placement changes and when a youth over 18 years of age moves into aftercare services. DSS now has State Law Enforcement Division (SLED) officers in its own SLED unit and an automated process that has resulted in quicker criminal records checks. DSS maintains very detailed safety and licensure documentation and the agency's emphasis on safety with providers is evident in licensure and criminal records checks procedures.

## **Compliance**

The review team determined that all of the 80 cases met eligibility requirements (i.e., were deemed non-error cases) for the PUR. Because there were no cases found to be in error, South Carolina DSS is in substantial compliance for the PUR. However, one non-error case (sample number 16) was found to have an overpayment. During one month under the foster parent's care, the child visited two respite care providers. Title IV-E payments were paid to both the respite care providers and the foster parent during the visits; thus, rendering a \$155.57 overpayment to the foster parent and debt due the Federal government. Consistent with §475(4) of the Act and 45 CFR 1356.60(a)(i), foster care maintenance payments may not be made to more than one foster care provider for the same child and for the same period of service. Part of

the overpayment (\$50) was recouped and repaid to the Federal government prior to the sample pull for this eligibility review. The remaining overpayment (\$105.57) also was recouped and repaid to the Federal government subsequent to the sample pull and our May 2012 onsite review. As such, we have recorded a \$105.57 overpayment in our results but have no further disallowance action because of the State's prompt repayment.

### **Area in Need of Improvement**

The findings of this review indicate that the State needs to further develop and implement procedures for recordkeeping and to avoid paying duplicate title IV-E payments. In efforts to substantiate the refund of the overpayment to the Federal government, we learned that recordkeeping and internal controls are weak and even absent at the county and State levels. We discovered a break in communication between the county and the State office as well as the lack of an audit trail for documenting repayment of funds. We encourage the State to work to implement and tighten procedures to easily and accurately track title IV-E money.

### **Next Steps**

We applaud South Carolina for their ongoing efforts in examining program deficiencies and implementing measures that have resulted in improvements to title IV-E. We encourage the State to continue its sustainable strategies of program improvement. The Regional Office remains available to assist with technical assistance needs. The next primary eligibility review will be held in three years.