

State of Tennessee
Primary Review
Title IV-E Foster care Eligibility
Report of Findings for April 01, 2014 – September 30, 2014

Introduction

During the week of July 06, 2015, the Children’s Bureau of the Administration for Children and Families (ACF) conducted a primary review of the state’s title IV-E foster care program. The review was conducted in collaboration with the state of Tennessee’s Department of Children Services (TNDCS) and was completed by a review team comprised of representatives from the title IV-E agency, the Children’s Bureau Central and Region 4 Offices, ACF Region 4 Office of Grants Management and peer reviewers.

The purposes of the title IV-E foster care eligibility review (IV-E review) were: (1) to determine whether TNDCS’ title IV-E foster care program was in compliance with the eligibility requirements as outlined in statute and regulation at section 472 of the Social Security Act (the Act) and 45 CFR §1356.71; and (2) to validate the basis of the TNDCS financial claims to ensure that appropriate payments were made on behalf of eligible children.

Scope of the Review

The primary review encompassed a sample of the state’s foster care cases for which a title IV-E maintenance payment was claimed for an activity during the six-month period under review (PUR) of April 01, 2014 through September 30, 2014. A computerized statistical sample of 100 cases (80 cases plus 20 oversample cases) was drawn from state data submitted to the Adoption and Foster Care Analysis and Reporting System (AFCARS) for the above period. Eighty (80) cases were reviewed, which consisted of all cases from the original sample. No oversample cases were utilized for this review.

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 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 §471(a)(20) of the Act and 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 the expenditures were properly claimed under title IV-E and to identify underpayments that were eligible for claiming.

Compliance Findings

The review team determined all of the 80 cases met eligibility requirements (i.e., were deemed non-error cases) for the PUR. No cases were determined as in error. Two (2) non-error cases were determined to have received ineligible payments. We did not identify any underpayments in this review. The federal funds claimed for title IV-E foster care maintenance payments, including related administrative costs, associated with the non-error cases with ineligible payments are being disallowed. Because the number of cases in error is not greater than four (4), TNDCS is in substantial compliance for the PUR.

Case Summary

The following chart records the non-error cases with ineligible payments, including reasons for the improper payments, improper payment amounts and federal provisions for which the title IV-E agency did not meet compliance mandates.

Non-error Cases with Ineligible Payments

Sample Number	Improper Payment Reason & Ineligibility Period	Maintenance Payments (FFP)
# TN-12	The agency claimed title IV-E funds prior to the month in which the agency secured contrary to the welfare and reasonable efforts judicial determinations. (Sections 472(a)(1) and 471(a)(15)(B)(i) of the Social Security Act). Ineligible: 08/29/13- 09/01/13	\$55.43
# TN-70	The agency claimed title IV-E funds prior to the month in which the agency secured contrary to the welfare and reasonable efforts judicial determinations. (Sections 472(a)(1) and 471(a)(15)(B)(i) of the Social Security Act). Ineligible: 01/31/12 – 01/31/12	\$15.44

Total Maintenance FFP - \$ 70.87
 Total FFP \$ 70.87

Areas in Need of Improvement

The findings of this review indicate that the investments that TNDCS has made in its computer and personnel systems have paid off tremendously. As such there were not any significant challenges to practice that were identified in this review. It was noted that two ineligible payments were made outside of the PUR. Although these cases were not deemed to be in error, TNDCS should ensure that eligibility requirements are met prior to submitting a claim for title IV-E funds. A review of the quantity assurance procedures and financial management system may prevent options that would prevent future occurrences.

Program Strengths and Promising Practices

We noted several positive practices to Tennessee's title IV-E foster care eligibility program during this review, including its strong revenue maximization unit; child placement stability and efficient moving of children toward adoption when they are eligible. In addition to these areas, the following positive practices and processes have led to improved program performance and successful program operations:

- **Judicial Determinations**

The TNDCS and the court have collaborated to strengthen the efficiency of actions through training and support of judges, attorneys, and other court staff, particularly in terms of the required judicial determinations. Judicial determinations were child-specific and those pertaining to the child's removal clearly outlined the circumstances under which the child was removed from the home. The judicial determinations were timely and included rulings that facilitated timeliness in finalizing the children's permanency plans. Permanency hearings are held every six months, which helps to ensure the reasonable efforts to finalize the permanency plan requirement are met timely.

- **Eligibility Determinations**

With regard to eligibility determinations, reviewers noted that all cases in the sample met AFDC-related requirements for title IV-E eligibility and the determination of eligibility was clearly documented. The TNDCS has developed a process for establishing financial need and deprivation through its SACWIS system (TFACTS). This automated process allows access to electronic verifications systems and other documentation sources to be timely and accurate.

- **Quality Assurance/ CQI:**

The TNDCS developed quality assurance measures and tracking procedures to ensure that approved foster family homes and licensed facilities are in compliance with federal policy regarding safety checks for employees and foster parents. The new process for licensing approval and documenting safety requirements for institutions became effective on October 1, 2011. We also noted that the financial and revenue maximization unit's quality assurance processes helped to ensure that the agency backed-out inappropriate claims immediately. As a result of the continued efforts of the agency, we observed a significant improvement from previous assessments of its title IV-E program. During the 2009 IV-E review TNDCS was

found not in substantial compliance because 6 cases were in error and 1 non error case was identified with ineligible payments. During the 2012 IV-E review, although the state was in substantial compliance, there were 16 ineligible cases for which the state improperly claimed IV-E foster care maintenance payments and 7 eligible cases for which the state did not claim payments.

Disallowance:

A disallowance in the amount of \$70.87 in maintenance payments of Federal Financial Participation (FFP) is assessed for title IV-E foster care payments claimed for the non-error cases with ineligible payments.

Next Steps:

The Children's Bureau recommends that the state look at the areas of concerns identified in this report and undertake any necessary corrective measures. The Region 4 program staff will continue to work with the state in a collaborative effort to provide technical assistance to further strengthen the state's title IV-E program.