

Arkansas Title IV-E Foster Care Secondary Eligibility Review

On-site Review Conducted: August 7-11, 2006 and September 19-21 2006
Period under review: 10/01/05-3/31/06

Introduction

From August 7-11, 2006, State of Arkansas Division of Children and Family Services (DCFS) staff, Administration for Children and Families (ACF) staff from the Central and Regional Offices, and consultants from other States began to conduct a secondary eligibility review of Arkansas' title IV-E foster care program at the DCFS State office in Little Rock, Arkansas. A second site visit from September 19-21, 2006, was required to finalize the review as a result of not having a complete payment history until after the first onsite visit in August 2006.

The secondary review was required as a result of the primary title IV-E review held in June 2003, finding Arkansas DCFS to not be in substantial compliance. A Program Improvement Plan (PIP) was developed and implemented from June 2004 through June 2005.

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

Scope of the Review

The Arkansas title IV-E foster care eligibility 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, 2005 to March 31, 2006. A statistical sample of 150 cases, plus an additional 30 oversample cases, were drawn from the State's Adoption and Foster Care Analysis and Reporting System (AFCARS) electronic data submission, which was transmitted by DCFS to ACF for the period under review (PUR). Sixteen cases were excluded from the original sample because no Federal IV-E maintenance payments were made during the PUR. Documentation was provided to support that these cases were properly excluded. Oversample cases were used to replace the excluded cases. 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 childcare institution in which the child was placed was licensed or approved for the PUR.

During the secondary review, 150 cases were reviewed. Twelve 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. The dollar value of the sample was \$245,557 with the error dollars totaling \$23,485. These data indicate that

Arkansas' dollar error rate (9.56%) and the case error rate (8% or 12 out of 150 cases) were less than 10 percent. Therefore, Arkansas is determined to be in substantial compliance.

The review also determined that there were 23 cases with underpayments equaling \$5,681.76 that appeared to have been allowable for title IV-E foster care maintenance, which constitute improper payments.

**Arkansas Maintenance Cost Disallowance Summary
FY 2006 IV-E Eligibility Secondary Review
Conducted: August 7-11, 2006 and September 19-21 2006**

The erroneous maintenance payments (Maint.) and administrative costs (Admin.) associated with the 12 error cases were calculated as follows and include all payments claimed on behalf of the children for the entire period of the error. For all payments claimed for the entire period of the error, the Federal Medical Assistance Payment [FMAP] rate, and the Federal Financial Participation [FFP] amounts are included. The following details the error cases with ineligible payments, reasons for the ineligibility, ineligible payment amounts, and appropriate Federal citations:

Sample Case #10:

There was no evidence that the child was living with and removed from the same specified relative [Statutory Citation: §472(a)(1); Regulatory Citation: 45 CFR §1356.21 (k) and (l); and Policy Reference: ACYF-CB-PI-06-06].

Sample #10	FY	FMAP Rate	Total Ineligible IV-E Maint Pymts.	FFP Maint.	FFP Admin.	Total Disallowance
	2006	73.77%	\$8,812.76	\$6,501.17	\$2,629.00	\$9,130.17
	2005	74.75%	\$5,109.68	\$3,819.49	\$3,453.00	\$7,272.49
	2004	74.67%	\$1,335.52	\$997.23	\$898.00	\$1,895.23
			\$15,257.96	\$11,317.89	\$6,980.00	\$18,297.89

Sample Case # 33:

There was no evidence that the child was living with and removed from the same specified relative [Statutory Citation: §472(a)(1); Regulatory Citation: 45 CFR §1356.21 (k) and (l) and Policy Reference: ACYF-CB-PI-06-06].

Sample #33	FY	FMAP Rate	Total Ineligible IV-E Maint Pymts.	FFP Maint.	FFP Admin.	Total Disallowance
	2006	73.77%	\$1,249.89	\$922.04	\$2,629.00	\$3,551.04
	2005	74.75%	\$1,089.10	\$814.10	\$942.00	\$1,756.10
			\$2,338.99	\$1,736.14	\$3,571.00	\$5,307.14

Sample Case # 36:

There was no evidence that the child was removed from the home of a specified relative [Statutory Citation: §406(a) as in effect on July 16, 1996 and 472(a)(1) and (3)]; Regulatory Citation 45 CFR 233.90(c)(1)(v) and 1356.21(k)(1)(ii)].

Sample #36	FY	FMAP Rate	Total Ineligible IV-E Maint Pymts.	FFP Maint.	FFP Admin.	Total Disallowance
	2006	73.77%	\$2,722.24	\$2,008.20	\$1,315.00	\$3,323.20
			<u>\$2,722.24</u>	<u>\$2,008.20</u>	<u>\$1,315.00</u>	<u>\$3,323.20</u>

Sample Case # 46:

There was no evidence of a valid removal of the child from the home during the most recent foster care episode. The child was allowed to physically remain, for a period of time, with the specified relative from whom the child was legally removed pursuant to the judicial findings. The delayed physical removal was not explicitly authorized by the removal court order. [Statutory Citation: §472 (a)(2) and Regulatory Citation: 45 CFR §1356.21(k)(2)]

Sample #46	FY	FMAP Rate	Total Ineligible IV-E Maint Pymts.	FFP Maint.	FFP Admin.	Total Disallowance
	2006	73.77%	\$3,839.17	\$2,832.16	\$2,958.00	\$5,790.16
			<u>\$3,839.17</u>	<u>\$2,832.16</u>	<u>\$2,958.00</u>	<u>\$5,790.16</u>

Sample Case # 57:

There was no evidence of deprivation at re-determination when IV-E was claimed during the PUR. The case file noted that both parents were living in the home and deprivation no longer existed, which resulted in the child becoming ineligible. The re-determination was not completed timely, which prevented timely identification of a change in the child's eligibility. [Statutory Citation: §471(a)(1) and (2) in accordance with the requirements in section §472; Regulatory Citation: 45 CFR §1356.21 (a) and §1356.71(d)(1)(v)]

Sample #57	FY	FMAP Rate	Total Ineligible IV-E Maint Pymts.	FFP Maint.	FFP Admin.	Total Disallowance
	2006	73.77	\$1,576.62	\$1,163.07	\$1,315.00	\$2,478.07
			<u>\$1,576.62</u>	<u>\$1,163.07</u>	<u>\$1,315.00</u>	<u>\$2,478.07</u>

Sample Case # 66:

There was no evidence that the child was living with and removed from the same specified relative [Statutory Citation: §472(a)(1); Regulatory Citation: 45 CFR §1356.21(k) and (l); and Policy Reference: ACYF-CB-PI-06-06].

Sample #66	FY	FMAP Rate	Total Ineligible IV-E Maint Pymts.	FFP Maint.	FFP Admin.	Total Disallowance
	2006	73.77%	\$2,065.44	\$1,523.68	\$1,643.00	\$3,166.68
	2005	74.75%	\$4,472.26	\$3,343.01	\$3,767.00	\$7,110.01
	2004	74.67%	\$4,377.78	\$3,268.89	\$3,291.00	\$6,559.89
	2003	74.28%	\$426.67	\$316.93	\$290.00	\$606.93
			\$11,342.15	\$8,452.51	\$8,991.00	\$17,443.51

Sample Case # 70:

There was no evidence that the eligibility determination was based on the specified relative's home, from which the child was legally removed, for the month the removal petition was filed [Statutory Citation: §472(a)(1) and (3); Regulatory Citation: 45 CFR §1356.21(l)(1) and §1356.71(d)(2)(f)].

There was no evidence that financial need was established [Statutory Citation: §472(a)(1) and 406(a) and 407 (as in effect on July 16, 1996; Regulatory Citation: 45 CFR §1356.21(a) and 45 CFR 233.90].

Sample #70	FY	FMAP Rate	Total Ineligible IV-E Maint Pymts.	FFP Maint.	FFP Admin.	Total Disallowance
	2006	73.77%	\$3,552.54	\$2,620.71	\$2,958.00	\$5,578.71
			\$3,552.54	\$2,620.71	\$2,958.00	\$5,578.71

Sample Case # 73:

There was no evidence that the child was living with and removed from the same specified relative [Statutory Citation: §472(a)(1); Regulatory Citation: 45 CFR §1356.21(k) and (l); and Policy Reference: ACYF-CB-PI-06-06].

Sample #73	FY	FMAP Rate	Total Ineligible IV-E Maint Pymts.	FFP Maint.	FFP Admin.	Total Disallowance
	2006	73.77%	\$4,810.00	\$3,548.34	\$3,287.00	\$6,835.34
	2005	74.75%	\$3,000.00	\$2,242.50	\$2,197.00	\$4,439.50
			\$7,810.00	\$5,790.84	\$5,484.00	\$11,274.84

Sample Case # 79:

There was no evidence that the child was living with and removed from the same specified relative [Statutory Citation: §472(a)(1); Regulatory Citation: 45 CFR §1356.21(k) and (l); and Policy Reference: ACYF-CB-PI-06-06].

There was no evidence that the eligibility determination was based on the specified relative's home, from which the child was legally removed, for the month the removal petition was filed [Statutory Citation: §472(a)(1) and (4); Regulatory Citation: 45 CFR §1356.21(l)(1) and §1356.71(d)(2)(f)].

There was no evidence that financial need was established [Statutory Citation: §472(a)(1) and 406(a) and 407 (as in effect on July 16, 1996; Regulatory Citation: 45 CFR §1356.21(a) and 45 CFR 233.90].

Sample #79	FY	FMAP Rate	Total Ineligible IV-E Maint Pymts.	FFP Maint.	FFP Admin.	Total Disallowance
	2006	73.77%	\$3,033.87	\$2,238.09	\$2,300.00	\$4,538.09
	2005	74.75%	\$2,125.00	\$1,588.44	\$1,570.00	\$3,158.44
			\$5,158.87	\$3,826.53	\$3,870.00	\$7,696.53

Sample Case #103:

There was no evidence of a valid removal of the child from the home during the most recent foster care episode as the child was allowed to physically remain for a period with the specified relative from whom the child was legally removed pursuant to the judicial findings. The delayed physical removal was not explicitly authorized by the removal court order. [Statutory Citation: §472 (a)(2) and Regulatory Citation: 45 CFR §1356.21(k)(2)]

Sample #103	FY	FMAP Rate	Total Ineligible IV-E Maint Pymts.	FFP Maint.	FFP Admin.	Total Disallowance
	2006	73.77%	\$1,025.81	\$756.74	\$1,315.00	\$2,071.74
			\$1,025.81	\$756.74	\$1,315.00	\$2,071.74

Sample Case #130:

There was no evidence that the eligibility determination was based on the specified relative's home, from which the child was legally removed, for the month the removal petition was filed [Statutory Citation: §472(a)(1) and (4); Regulatory Citation: 45 CFR §1356.21(l)(1) and §1356.71(d)(2)(f)].

There was no evidence that financial need was established [Statutory Citation: §472(a)(1) and 406(a) and 407 (as in effect on July 16, 1996; Regulatory Citation: 45 CFR §1356.21(a) and 45 CFR 233.90].

There was no evidence that deprivation of parental support or care was established [Statutory Citation: §472(a)(1); Regulatory Citation: 45 CFR §1356.21(l)(1) and §1356.71(d)(1)(v)].

Sample #130	FY	FMAP Rate	Total Ineligible IV-E Maint Pymts.	FFP Maint.	FFP Admin.	Total Disallowance
	2006	73.77%	\$4,000.00	\$2,950.80	\$3,287.00	\$6,237.80
	2005	74.75%	\$4,800.00	\$3,588.00	\$3,767.00	\$7,355.00
	2004	74.67%	\$4,000.00	\$2,986.80	\$2,992.00	\$5,978.80
			\$12,800.00	\$9,525.60	\$10,046.00	\$19,571.60

Sample Case # 136:

There was no evidence that the child was living with and removed from the same specified relative [Statutory Citation: §472(a)(1); Regulatory Citation: 45 CFR §1356.21(k) and (l); and Policy Reference: ACYF-CB-PI-06-06].

Sample #136	FY	FMAP Rate	Total Ineligible IV-E Maint Pymts.	FFP Maint.	FFP Admin.	Total Disallowance
	2006	73.77%	\$4,250.00	\$3,135.23	\$3,287.00	\$6,422.23
			\$4,250.00	\$3,135.23	\$3,287.00	\$6,422.23

Totals for Error Cases	\$71,674.35	\$53,165.62	\$52,090.00	\$105,255.62
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Additional Improper Payments

In addition to the 12 error cases listed above, reviewers identified underpayments (claims that appeared to be eligible but unclaimed by the State) in 23 cases, totaling \$5,681.76. An Excel workbook attached to this report details the 12 error cases and 23 cases with underpayments and amounts.

Areas in Need of Improvement

Overall, the State should better integrate all aspects of Federal IV-E requirements throughout the life of each case from initial eligibility to case closure, legal documentation and fiscal processes. DCFS would benefit by participating in ACF IV-E Eligibility Review training and technical assistance, as well as by participating as peer reviewers in other States. This would provide needed information and experience to State leadership and eligibility staff. The State should consider implementing state-wide IV-E Eligibility Quality Assurance training and monitoring with DCFS fiscal, eligibility, and field staff.

Eligibility Determination and Documentation

Eligibility staff is not consistently documenting within the eligibility files their verification or attempts at verification of income, employment, or parental deprivation for both the initial eligibility determination and redeterminations. Untimely redeterminations resulted in one case being in error as deprivation no longer existed for a period during the PUR.

A related issue is that there were cases in which the child left foster care, the court removed Arkansas DCFS of legal custody, and came back into care more than 6 months later. As the new entry begins a new foster care episode, it requires a completely new IV-E eligibility determination. A re-determination was done instead of the required determination of initial eligibility for the period.

Recommendation:

The regulations at 45 CFR 1356.71 (d)(1)(v), in accordance with sections §472(a)(1) and (3) of the Social Security Act (the Act) require the State to document that financial need be established based on the circumstances in the specified relative's home, from whom the child was legally removed pursuant to the requisite judicial findings or a voluntary placement agreement, during the month the removal petition is filed. In court-ordered removals, deprivation of parental support or care also must be based on the conditions in that specified relative's home during the month the removal petition is filed. Eligibility staff should ensure complete documentation, as well as efforts to obtain and/or verify documentation, of both income and deprivation is included in every case at both initial eligibility and redeterminations. This will include, but is not limited to, when the child last lived with the specified relative, employment of the specified relative, income, and deprivation. Timely redeterminations will ensure that IV-E funds are not claimed for children who no longer meet the title IV-E eligibility requirements.

"Living with"/ "Removal from" a Specified Relative and AFDC Home

For title IV-E eligibility, sections 472(a)(1) and (3) of the Social Security Act and Federal regulations at 45 CFR 1356.21 require a child to have been legally removed from the home of a specified relative and to have lived with that specified relative within 6 months prior to the removal. The child must have been AFDC-eligible in that specified relative's home for the month of legal removal, that is, the month the removal petition is filed or voluntary agreement is signed. The "living with" and "removal from" requirements must be satisfied by the same specified relative's home. While the determination of deprivation is always made in relation to the child's parent, the State must look to the home of the specified relative from which the child is legally removed pursuant to a voluntary placement agreement or judicial finding of contrary to welfare and reasonable efforts to prevent removal to determine whether financial need exists.

Many of the title IV-E eligibility errors noted during the on-site review related to staff basing AFDC eligibility decisions on the wrong specified relative's home and counting only the income and resources of the child during the initial determination of eligibility in

cases where the child was legally removed from a parent or from a non-related caretaker.

The regulations at 45 CFR 206.10(a)(1)(vii) and 206.10(b)(2), in accordance with section 402(a)(38) of the Act (as in effect on July 16, 1996), mandate that parents and siblings living in the same home must be included in the assistance unit when assistance is requested on behalf of a child. However, in a situation where there is a legal removal of a child from a specified relative who is not the parent or sibling, the State may consider the child as an assistance unit of one when looking at financial need in the relative's home, unless there is a State policy which specifically prohibits it. A legal removal would require that the specified relative be named in the removal petition and court order as a subject of the contrary to the welfare findings. The circumstances of the removal from the relative should be addressed within the court order or referenced in the court order through information provided to the court.

In four cases (samples # 10, 66, 73, and 79), the legal removal was from the mother; the physical removal was from a specified relative who was not identified in the court order as a party contributing to the reason for the child's removal; and the child had not lived with a parent named in the court order within six months of the legal removal. Eligibility determination in each sample case was based on the specified relative from whom the child was physically removed instead of from whom legally removed. In the cases where Arkansas DCFS did include another specified relative in the petition and court order along with the parents, and other eligibility factors were determined correctly, those cases were not found to be in error.

In one case (sample # 70), the child was legally removed from both parents, the eligibility was based on a "child only" determination, and there was no documentation to support parental income. In this case, deprivation of parental support or care was not established at removal and a "child only" eligibility determination was not appropriate. In one case (sample # 130), the documentation was conflicting as to the father's presence in the home. The father's income in this case also was above the IV-E income limits.

Two cases (samples # 36, and 136) were found to be in error because the child was removed from a legal guardian who was not a specified relative. No documentation was found in the case file or through verification by the eligibility specialist that the child had lived with a specified relative within six months of the initiation of court proceedings for removal. The regulations at 45 CFR 233.90(c)(1)(v) define a specified relative as a parent or any relation by blood, marriage, or adoption who is within the fifth degree of kinship to the child. As stated above, a child must have been living with and removed from the home of a specified relative at the time or within six months of the voluntary placement agreement or initiation of court proceedings. The "living with" and "removed from" requirements must be met by the same specified relative or the child is ineligible for the entire foster care episode.

Recommendation:

DCFS should clarify and amend State eligibility policy regarding the “living with” and “removal from” a specified relative requirements, specifically in relation to specified relative removals, other than the parent. DCFS also should provide training to all necessary staff to assure appropriate, complete, and timely IV-E eligibility determinations and decisions.

Valid Removal

There were three cases (samples # 33, 46, and 103), in which the physical removal did not coincide with the legal removal from that same specified relative. The child was allowed to remain in the home of the specified relative from which the removal was court-ordered and on which the contrary to the welfare findings were made. In these cases, the court ordered the removal of the child from the home because circumstances in the home jeopardized the child's well-being, which made immediate removal necessary. However, the child was not physically removed for a period of time ranging from several days to almost two months after the removal court order was rendered. There were no indications the court sanctioned the delayed physical removal.

Recommendation:

A valid removal is a physical or constructive removal of the child from the home of the parent or another specified relative pursuant to a voluntary placement agreement or judicial findings of “contrary to the welfare” and “reasonable efforts to prevent removal” (i.e., legal removal). According to the regulations at 45 CFR 1356.21(k)(2), a valid removal has not occurred when a court ruling or voluntary placement agreement sanctions the legal removal of the child from the specified relative and the child is allowed to remain in that same specified relative's home. The physical removal from the home of legal removal must coincide with and be the result of the judicial finding that indicates that remaining in the home is contrary to the child's welfare and removal is necessary. Court order findings should reflect the specific set of circumstances surrounding the removal as well as reflect the case facts, and the “sense of urgency” that necessitates the immediate removal of a child. Judicial findings should be consistent with case practice and case decisions.

IV-E Eligibility Case Record Files

Although IV-E eligibility files were provided for each sample case, lack of complete case records (including placement histories, caseworker notes, trust fund accounts, and court documents) resulted in gaps in needed information. Any IV-E eligibility information not captured in the Arkansas Statewide Automated Child Welfare Automation System (SACWIS) known as CHRIS (Children's Reporting and Information System) should be documented in the child's IV-E eligibility file to fully substantiate the eligibility decision.

Documentation found in the eligibility case file was not always consistent with CHRIS. Information captured in CHRIS reflected current provider information such as overdue foster home evaluations and overdue criminal records checks. Edits within the

automated system ensure that title IV-E payments are not made to an ineligible provider; however, evidence of these types of case activities sometimes were not found in the eligibility case record. Consistency within CHRIS and the eligibility case record will assist the State in making accurate eligibility determinations and allow new staff to understand the history of the eligibility decisions if assigned the child's case.

Recommendation:

Child eligibility files should include clear, complete, and consistent IV-E eligibility documentation, including information found within CHRIS. DCFS should consider maintaining an activity log and printing CHRIS screens for each child's IV-E eligibility case file to ensure consistency between the eligibility case file and CHRIS.

Missing Records

The eligibility case records, which had been created and maintained by an agency that DCFS previously contracted with for eligibility services, were not accessible for this review. This resulted in insufficient documentation to determine the decisions made in relation to eligibility in these children's case records. Additionally, records retention and good audit practices were not adhered to as prescribed by Office of Management and Budget (OMB) regulations.

Recommendation:

Record retention policy needs to be reviewed and training should be provided to DCFS staff and contractors.

Underpayments

During the review, ACF determined that DCFS did not claim \$5,681.76 (\$7,701.99 x 73.77% FMAP rate) in allowable claims. The predominant reason for underpayments was that the Arkansas SACWIS system (CHRIS) automatically stops IV-E claiming when either a child becomes ineligible, or a provider becomes unlicensed. This is an automated safeguard which attempts to avoid overpayments by terminating IV-E eligibility on the date the ineligibility begins and resuming eligibility when the ineligibility issue is resolved.

A child is IV-E eligible from the first day of placement in the month in which eligibility is determined or re-determined to exist. The CHRIS system appears to resume claiming only from the actual date in the month that eligibility is determined or re-established.

Recommendation:

The CHRIS functionality should be modified to ensure full claiming for each day in the month in which child eligibility is established or re-established to exist.

Payment History and Fiscal Processes

Prior to and during the on-site review, the State provided ACF with multiple, but partial, payment histories for the sample cases. Lack of a complete, consolidated payment history significantly delayed completion of the review of individual sample cases. The payment history which met the requirements outlined in the IV-E Eligibility Review Guide was received on September 14, 2006, thirty-four days after the last day of the first on-site review visit. Receipt of this document enabled the Review Team to return on-site and to complete the Secondary title IV-E Review.

Recommendations:

Integration of multiple data systems will enable DCFS to ensure feasible and accurate tracking of all foster care payments and prior period adjustments. Reports should then be developed to ensure accurate and complete payment histories for individual children and/or providers.

SSI/Trust Funds

Trust fund accounts are managed separately from foster care eligibility. In addition, the payment history did not reflect trust fund payments to providers.

Recommendations:

When a child is receiving dual Federal benefits of SSI and IV-E foster care, DCFS should establish an accounting procedure to reconcile and monitor children's trust accounts and IV-E eligibility to prevent overpayments. Additionally, DCFS should develop a mechanism to incorporate SSI and/or trust fund payments to providers within a consolidated payment history.

Contracts

Some facilities have financial contracts with DCFS in which payments are processed through an accounting system that does not sufficiently interface with CHRIS. As a result, one case reviewed required the child to be moved after one month because funds to pay the facility were depleted.

Recommendation:

DCFS should routinely monitor contract expenditures before placing children in contracted facilities to ensure that placements are not disrupted.

Therapeutic Foster Care

Greater care may be necessary in assuring that only IV-E eligible costs are included in rates established and billed for therapeutic foster care. DCFS staff noted on-site that the State will soon initiate new rate setting negotiations.

Recommendation:

The State should use the rate setting process to ensure that all costs which will be billed to IV-E are allowable. ACF is available to provide technical assistance to the rate setting process.

Licensure/Approval/Criminal Background Check letters

During the on-site review, some licensing approval letters did not include foster home approval dates. Others were back-dated and were inconsistent with CHRIS edits related to provider licensure. Beginning in 2005, an enhancement to CHRIS resulted in the ability for workers to electronically generate approval letters.

Recommendations:

Provider approval/licensure dates and criminal background check dates should be entered correctly into CHRIS. The approval letter for the providers should accurately reflect time frames of the licenses' approval dates reflected in CHRIS.

Court Orders and Judicial Involvement

Although initial court orders involving one child were generally child specific, court orders concerning sibling groups should reflect "Contrary to the Welfare", "Reasonable Efforts to Prevent Removal", and "Reasonable Efforts to Finalize the Permanency Plan" findings for each child. Court orders occurring later in cases appeared less specific.

Recommendations:

The State should pay special attention to cases with siblings in order to ensure IV-E eligibility requirements are documented for each child. The date each child is removed from the home should be consistently and clearly documented in CHRIS case notes, affidavits, and court orders.

Strengths and Model Practices

The review identified numerous strengths and model practices which are described below.

- State review staff had good knowledge of fiscal and program aspects of title IV-E eligibility. The dedication of State participants was exceptional. State staff was open to learning from Federal review team members in order to improve eligibility processes in Arkansas. DCFS program, fiscal, legal, and information technology staff appeared to have ongoing collaborative relationships.
- Court orders were generally clear, comprehensive, and child-specific. Most court orders documented specific reasons for removal. Findings of "contrary to the welfare" and "reasonable efforts to prevent removal" consistently appeared in court orders. Findings of "reasonable efforts to finalize the permanency plan" are made every 3-4 months, indicating significant judicial involvement in foster care cases. Arkansas has knowledgeable DCFS attorneys and strong Court Improvement Program staff who were proactive and responsive during the review process. This collaborative strength contributed to timely review hearings and findings appearing early in cases.

- IV-E Eligibility is automated within the Arkansas SACWIS system known as CHRIS. Program and data staffs appear to continually work to improve CHRIS. More eligibility components of CHRIS have been successfully automated since the last review through the PIP process. For example, approval letters can be electronically generated when foster care providers are approved. If foster care providers become ineligible, the system issues an alert.
- Improvements in foster care provider licensing and safety documentation were made since the Primary Review.
- The CHRIS data system design determines eligibility. The ability for staff to document comments within the eligibility windows ensures a sound audit trail for eligibility determinations.
- Although this was not a review of the State's child welfare program, several "best practices" became apparent during the eligibility review. Arkansas appears to invest in working with families so children can remain safely in their homes and avoid entering foster care. Also, when children must enter foster care, the State appears to be especially able to keep siblings together.

Disallowances

The review included a sample of 150 cases with a total dollar value of \$245,557. 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 10/01/05 to 3/31/06. Based on the results of the review for the AFCARS period, the State of Arkansas has been found to be in substantial compliance. However, 12 cases were determined to be in error and are not eligible for funding under title IV-E foster care. Therefore, a disallowance in the amount of \$105,255.62 in Federal Financial Participation (FFP) is assessed for the entire period of time that these cases were determined to be in error.

Pursuant to disallowance criteria provided in 45 CFR 1356.71(j), the total amount of Federal funds disallowed is \$105,255.62 (\$53,165.62 FFP Maintenance plus \$52,090.00 FFP Administrative).