



DEPARTMENT OF HEALTH & HUMAN SERVICES

ADMINISTRATION FOR CHILDREN AND FAMILIES
Administration on Children, Youth and Families
330 C Street, S.W.
Washington, D.C. 20201

CERTIFIED MAIL – RETURN RECEIPT REQUESTED

October 21 2016

George Sheldon, Director
Illinois Department of Children and Family Services
100 W. Randolph, Suite 6-200
Chicago, IL 60601

Dear Director Sheldon:

I am writing to inform you of revised disallowance amounts associated with the primary title IV-E eligibility review of Illinois' title IV-E foster program conducted by the Children's Bureau (CB) during the week of June 20, 2016. The net effect of our revision is to increase the total disallowance by \$4,566 in Federal Financial Participation (FFP).

On August 30, 2016, we sent you a letter and final report of review findings advising you that the state's title IV-E foster care maintenance program was found not in substantial compliance. The letter also notified you of a disallowance of \$576,603 FFP, comprised of \$462,841 FFP in the title IV-E foster care maintenance payments and \$113,762 FFP in related title IV-E administrative costs.

After issuance of our report, during our quality check of IV-E review findings, we determined that some disallowance amounts included in our letter and final report were incorrect. Specifically, CB determined the formula for calculating administrative disallowances was misapplied in two cases and incorrect FMAP's (Federal Medical Assistance Percentage) were applied on the foster care maintenance payments. Finally, we noted several minor data entry or rounding inconsistencies.

Information on the originally reported and corrected disallowances for each error case and non-error case with improper payments is identified in the below chart. (All figures reflect FFP.) No change has been made in our determination of substantial compliance or the number of cases with improper payments.

Table with 7 columns: Sample Number, Original Maintenance Payment Disallowance, Revised Maintenance Payment Disallowance, Difference, Original Administrative Cost Disallowance, Revised Administrative Cost Disallowance, Difference. Rows include sample numbers 12, 29, 37, 38, 40, 42, 62, 73 and a Totals row.

The total revised disallowance amount for the review is \$581,169 FFP.

Disallowance Notice:

This letter constitutes our notice of a revised disallowance of \$467,425 in maintenance payments and \$113,744 in related administrative costs in FFP for title IV-E foster care funds claimed improperly for the error cases with ineligible payments, for a revised total of \$581,169 FFP. The revised disallowance compared to the original represents an increase of \$4,584 in title IV-E maintenance payments and a decrease of \$18 FFP in title IV-E administrative costs.

Illinois previously submitted decreasing adjustments on its Quarterly Report of Expenditures of the Title IV-E Programs, Form CB-496, based on the disallowance amounts in our August 30, 2016 letter and Final Report. To address the revised disallowance, you must now submit an additional decreasing adjustment of \$4,584 FFP in title IV-E maintenance payments on your next Form CB-496. In the comment box in Part 2 of the form you must include a note that identifies the adjusted amount as being associated with a "IV-E Review" and include the date of this revised disallowance notice. You also may submit an increasing adjustment of \$18 in title IV-E administrative costs on the same Form CB-496 to recover maintenance payments that were incorrectly disallowed in our previous letter.

Appeal Notice:

This is the final decision of the Administration for Children and Families. It shall be the final decision of the Department of Health and Human Services unless you submit a written notice of appeal to the Departmental Appeals Board (DAB), in accordance with 45 CFR Part 16. Your written notice of appeal must be sent within 30 calendar days of receiving this decision from the Children's Bureau about the IV-E review finding and payment disallowance. Your notice of appeal must note you intend to appeal, give the amount in dispute, and briefly say why you think the IV-E review decision is incorrect. You must attach a copy of this decision to your notice of appeal. The DAB will notify you of further procedures.

A notice of appeal may be submitted to the DAB by mail, by facsimile (fax) if under 10 pages, or electronically using the DAB's electronic filing system (DAB E-File). Submissions are considered made on the date they are postmarked, sent by certified or registered mail, deposited with a commercial mail delivery service, faxed (where permitted), or successfully submitted via DAB E-File.

If you mail your notice of appeal, it should be addressed to:

U.S. Department of Health and Human Services
Departmental Appeals Board, MS 6127
Appellate Division
330 Independence Ave., SW
Cohen Building, Room G-644
Washington, D.C. 20201

If you fax your notice of appeal (permitted only if the appeal notice is under 10 pages), you should use the Appellate Division's fax number, (202) 565-0238.

If you use DAB E-File to submit your notice of appeal, you or your representative must first become a registered user by (1) clicking "Register" at the bottom of the DAB E-File homepage, <https://dab.efile.hhs.gov/>; (2) entering requested information on the "Register New Account" form; and (3) clicking the "Register Account" button. Once registered, you or your representative should (1) login to DAB E-File using the e-mail address and password provided during registration; (2) click "File New

Appeal" on the menu; (3) click the "Appellate" button; and (4) provide and upload the requested information and documents on the "File New Appeal-Appellate Division" form. Detailed instructions can be found on the DAB E-File homepage.

When you submit your appeal to the DAB, you must also send a copy to Kendall Darling, the Child Welfare Regional Program Manager in Region 5 of the Children's Bureau.

Interest and Penalties

If you appeal, you may repay the amount at issue pending a decision by the DAB, or you may retain the funds pending that decision. If you repay the funds, an adjustment to return the disallowed funds to avoid an interest assessment must be submitted on the Form CB-496, as described above for payment adjustments. If you retain the funds and the DAB sustains all or part of the disallowance, interest and penalties will be charged on improperly paid funds in accordance with 45 CFR Part 30.18. Interest will accrue on the funds from the date of this disallowance letter to the date of repayment. The current interest rate is 9 ⁵/₈ percent.

We regret any inconvenience caused by the recalculation of the review's disallowance and we appreciate your assistance in addressing this issue. Should you have questions about the review findings, you may contact Kendall Darling, at 312-353-9672 or by e-mail at kendall.darling@acf.hhs.gov. Questions concerning the disallowance should be directed to Karen Claxton in the Administration for Children and Families Region 5 office, at 312-886-3379 or by email at karen.claxton@acf.hhs.gov

Sincerely,
/s/
Rafael López
Commissioner
Administration on Children, Youth and Families

cc: Hilary Melbourne, IV-E Manager, IDCFS, Springfield, IL
Carolyn Ross, Chief Deputy Director, IDCS, Chicago, IL
Kendall Darling, Child Welfare Regional Program Manager, Region 5; Chicago, IL
Jennifer Bradburn, Child and Family Program Specialist, Region 5; Chicago, IL
Gail Collins, Children's Bureau, Director, Division of Program Implementation; Washington, DC
Jennifer Butler-Hembree, Child Welfare Program Specialist, Children's Bureau, Washington, DC
Eric Staples, Regional Grants Management Officer, Region 5; Chicago, IL