

**Final Report
State of Rhode Island
Title IV-E Foster Care Eligibility
Primary Review**

**Report of Findings for
October 1, 2015 through March 31, 2016**

Introduction

The Children's Bureau of the Administration for Children and Families (ACF) conducted a primary review of Rhode Island's title IV-E foster care program. The title IV-E foster care review (IV-E review) was conducted during the week of November 14, 2016 in collaboration with Rhode Island's Department of Children, Youth and Families (DCYF), and was completed by a review team comprised of representatives from Rhode Island DCYF, Children's Bureau Central and Regional Offices and ACF Regional Grants Management Office.

Key purposes of the IV-E review are (1) to determine whether Rhode Island's title IV-E foster care program is in compliance with 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 Rhode Island's financial claims to ensure appropriate payments are made on behalf of eligible children.

Scope of the Review

The IV-E review encompasses a sample of the state's foster care cases in which a title IV-E maintenance payment is claimed for an activity that occurs in the six-month period under review (PUR) of October 1, 2015–March 31, 2016. A computerized statistical sample of 100 cases (80 cases plus 20 oversample cases) was drawn from data Rhode Island submitted to the Adoption and Foster Care Analysis and Reporting System (AFCARS) for the above period. Eighty (80) cases were reviewed, which consisted of 76 cases from the original sample plus four (4) oversample cases. The four (4) cases in the original sample were replaced because no title IV-E payment was made for a period of activity during the PUR.

In accordance with federal provisions at 45 CFR 1356.71, the state is reviewed against 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) and (c), respectively;
- Voluntary placement agreements as set forth in §§472(a)(2)(A)(i) 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 1356.71(d)(1)(iv); and
- Safety requirements for the child’s foster care placement as required at §471(a)(20)(A) of the Act and 45 CFR 1356.30.

The case record of each child in the selected sample is reviewed to verify title IV-E eligibility. The foster care provider’s record also is examined to ensure the foster family home or child care institution where the child resided during the PUR is fully licensed and meets safety requirements. Payments made on behalf of each child also are reviewed to verify expenditures are properly claimed under title IV-E and to identify underpayments eligible for claiming.

A sample case is assigned an error rating when the child is not eligible on the date of activity in the PUR for which title IV-E maintenance is claimed. A sample case is cited as non-error with ineligible payment when the child is not eligible on the activity date outside the PUR or the child is eligible in the PUR on the date of an unallowable activity and title IV-E maintenance is claimed for the unallowable activity in either situation. In addition, underpayments are identified for a sample case when the state unintentionally has not claimed an allowable title IV-E maintenance payment for an eligible child within the 2-year filing period specified in 45 CFR 95.7 and the filing period has not expired.

Compliance Finding

The review team has determined all of the 80 sample cases met all eligibility requirements (i.e., are deemed non-error cases) for the PUR. No case was determined to be in error.

The Children’s Bureau has determined the Rhode Island title IV-E foster care program is in substantial compliance for the PUR. Substantial compliance in a primary IV-E review means the total number of error cases is four or fewer cases determined as not meeting eligibility requirements for the PUR. Since the state is in substantial compliance, a secondary review of 150 sample cases is not required. The next primary review will be held following the conclusion of Rhode Island’s statewide project for a title IV-E waiver demonstration.

While no cases were in error for the PUR, nine (9) cases in the review sample had improper payments because the state incorrectly included in its foster care maintenance payment claims related to family preservation and family support services that are not allowable under the federal definition of a title IV-E foster care maintenance payment. These costs may be allowable under the title IV-B program and we suggest the state explore this possible funding option for any such payments in the future. We do not consider these to be error cases since the cases met all title IV-E eligibility requirements.

Case Summary

The following chart summarizes the improper payment amounts for the nine (9) cases and the reason for the improper payments. Calculation of improper payments is based on the federal financial participation (FFP) rates of maintenance payments at the state’s Federal Medical Assistance Percentages (FMAP) for applicable years for the sample cases.

Sample Number	Improper Payment Reason & Ineligibility Period October 1, 2015 through March 31, 2016 (PUR)	Improper Payments (FFP)
	Payments to cover family preservation services and family support services were claimed as foster care maintenance payments at the FMAP rate for the applicable year. However, these payments are not allowable costs under the title IV-E program. Nine (9) sample cases had improper payments prior to and/or during the PUR. 45 CFR 1356.60(a)(i); Section 475(4) of the Social Security Act	
1	Dates: August 6, 2013 – September 10, 2013	\$578 Maintenance
2	Dates: December 1, 2015 – January 31, 2016	\$985 Maintenance
5	Dates: July 30, 2014 – October 9, 2014 January 21, 2015 – May 3, 2015	\$5,397 Maintenance
31	Dates: March 23, 2014 – November 26, 2014	\$5,806 Maintenance
51	Dates: May 11, 2015 – September 4, 2015	\$1,675 Maintenance
61	Dates: July 13, 2015 – August 21, 2015	\$636 Maintenance
62	Dates: August 17, 2015 – January 31, 2016	\$2,955 Maintenance
75	Dates: July 12, 2013 – October 17, 2013	\$1,555 Maintenance
76	Dates: September 2, 2015 – October 15, 2015	\$1,376 Maintenance
	Total Foster Care Maintenance Disallowance:	\$20,963

Area Needing Improvement

Findings of this review indicate the state needs to further develop and implement procedures to improve program performance in the following area. For this issue, there is a discussion of the nature of the area needing improvement, the specific title IV-E requirement to which it relates and the corrective action the state should undertake.

Issue: As noted in the chart above, for nine (9) sample cases DCYF improperly claimed costs for family preservation and/or family support services for children in foster care as title IV-E foster care maintenance payments at the state's FMAP rate for periods before and during the

PUR. These services had been incorrectly coded as reimbursable under title IV-E. As a result of our onsite discussion, Rhode Island will no longer use these service categories for title IV-E maintenance costs and will continue to review past claims to determine whether these categories were used. If these service categories were used, Rhode Island will adjust their claims retroactively and submit this documentation through the required claims reporting process.

Title IV-E Requirement:

Section 475(4) of the Act defines "foster care maintenance payments" as payments to cover the cost of (and the cost of providing) food, clothing, shelter, daily supervision, school supplies, and a child's personal travel to the child's home for visitation. Family preservation services and family support services are not allowable maintenance payment items under title IV-E.

The federal regulation at 45 CFR 1356.60(a)(1)(i) provides that title IV-E federal financial participation is available for states under an approved title IV-E state plan for allowable costs. These allowable costs under foster care maintenance payments are defined in section 475(4) of the Act in accordance with 45 CFR 1356.20 through 1356.30 and section 472 of the Act. Title IV-E foster care maintenance does not allow for costs utilized for family preservation services or family support services.

Recommended Corrective Action:

The Children's Bureau recommends that DCYF continue to monitor the coding of title IV-E costs to ensure claims are submitted in the appropriate cost category and at the appropriate match rate. The state may also choose to review the disallowed title IV-E foster care maintenance payments and charge expenses to title IV-B, subpart II in accordance with the agency's approved cost allocation plan.

Program Strengths and Promising Practices

The following positive practices and processes of the state's title IV-E program were observed during the review. These approaches appear to have led to improved program performance and successful program operations.

Judicial Determinations:

The DCYF has collaborated with the courts to create court orders that are in compliance with title IV-E eligibility requirements pertaining to judicial determinations and timeliness of findings. Regular communication between DCYF and the courts has resulted in timely corrective actions when potential concerns are identified with certain court orders. Court orders along with court affidavits consistently provided information about the home from which the child was removed; the circumstances in the family home; and the child abuse and neglect factors which brought the case to the attention of the state and court. These court orders timely and sufficiently documented the contrary to welfare and reasonable efforts requirements that the court must determine within a specified timeframe.

Eligibility Determinations:

Rhode Island operates a highly accurate title IV-E eligibility process. The title IV-E application in the Rhode Island automated child welfare information system (RICHIST) clearly documents the basis for eligibility determinations. Financial resource specialists have a clear understanding of the AFDC requirements concerning financial need, deprivation, and living with and removal from a specified relative and they thoroughly document the basis for the AFDC eligibility determinations in the case record. The RICHIST is programmed to stop payments when a foster home becomes unlicensed; the child is placed in an unlicensed home; or if the permanency hearing does not meet the required timeframe.

Licensing Requirements:

The DCYF licensing unit has improved its processes for insuring timely and appropriate licensure of foster homes in accordance with state licensing requirements. Licensing documentation included timely applications for renewals of foster home licensures as well as detailed home studies including up-to-date foster home disaster plans.

Safety Requirements:

The DCYF licensing unit has developed a thorough process for insuring safety requirements are in compliance throughout residential facilities. The agency uses a checklist that is completed by the licensing specialist during annual monitoring visits. The monitoring checklist for the sample cases clearly demonstrates that these safety requirements are reviewed on an annual basis including the completion of fingerprint-based checks of the national crime information database for all staff working directly with children and youth.

Disallowances

A disallowance in the amount of \$20,963 FFP is assessed for the family support and family preservation service costs that were claimed improperly as title IV-E foster care maintenance payments for the nine (9) non-error cases.

Next Steps

The Children's Bureau Region 1 office staff is available to assist the state in identifying corrective action to help the state address issues and concerns raised during this IV-E review.

In addition, as a title IV-E waiver state, Rhode Island will not be required to undergo further title IV-E reviews during the implementation of its waiver. Waiver authority under section 1130(b) of the Social Security Act requires waiver implementation to have no impact on children's eligibility for title IV-E. In order to comply with this requirement, it is an expectation that Rhode Island will implement case reviews over its title IV-E foster care program as part of its routine quality assurance process. Children's Bureau staff from Region 1 will contact you to discuss the development and oversight of that process.