

**Washington Department of Social and Health Services  
Title IV-E Foster Care Eligibility Primary Review**

**Report of Findings for  
October 1, 2012 – March 31, 2013**

**Introduction**

During the week of January 27, 2014, the Children's Bureau (CB) 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 Washington Department of Social and Health Services and was completed by a review team comprised of representatives from the state agency, the Muckleshoot Tribe, the Quinault Indian Nation, CB Central and Region X Offices, ACF Region X Grants Management, as well as a peer reviewer from Central Council Tlingit Haida Tribes of Alaska and a peer reviewer from Oregon.

The purposes of the title IV-E foster care eligibility review were (1) to determine whether the Washington Department of Social and Health Services' 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 for the six-month period under review (PUR) of October 1, 2012 – March 31, 2013. A computerized statistical sample of 150 cases (80 cases, an initial 20 oversample cases, and an additional 50 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. Thirty-four (34) cases were excluded from the sample as there were no title IV-E foster care maintenance payments made for a period during the PUR.

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 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 was also examined to ensure the foster family home or childcare institution where the child was placed during the PUR was fully licensed or approved and that safety requirements were appropriately documented. Payments made on behalf of each child were reviewed to verify the expenditures were allowable under title IV-E and to identify any underpayments that were eligible for claiming.

A sample case was assigned an error rating when the child was not eligible on the date of activity in the PUR for which title IV-E maintenance was paid. A sample case was cited as non-error with ineligible payment when the child was not eligible on the activity date outside the PUR or the child was eligible in the PUR on the service date of an unallowable activity and title IV-E maintenance was paid for the unallowable activity. In addition, underpayments were identified for a sample case when an allowable title IV-E maintenance payment was not claimed by the state for an eligible child during the two-year filing period specified in 45 CFR 95.7, unless the title IV-E agency elected not to claim the payment or the filing period had expired.

### **Compliance Finding**

The review team determined that all of the 80 cases met eligibility requirements and were deemed non-error cases for the PUR. While there were no error cases, twenty-one (21) non-error cases were identified in which title IV-E funds were claimed for unallowable or undocumented costs. Accordingly, 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. In addition, two (2) non-error cases were identified to have periods of eligibility for which the state did not claim allowable title IV-E maintenance payments.

Because the number of cases in error is fewer than five (5), the Washington Department of Social and Health Services is in substantial compliance with federal eligibility requirements for the PUR.

### **Case Summary**

The following charts record the non-error cases with ineligible payments; underpayments; reasons for the improper payments; improper payment amounts; and federal provisions for which the state did not meet the compliance mandates regarding program eligibility and payment.

**Non-Error Cases with Ineligible Payments**

Sample Number	Improper Payment Reason & Ineligibility Period	Improper Payments
#6	Foster care maintenance was claimed for clothing but there is no supporting documentation such as authorization or receipts. [2 CFR 225 Appendix A – C.1.j] <i>Ineligible: 10/24/2012</i>	\$ 194.97 Total (\$ 97.49 FFP)
#15	Foster care maintenance was claimed for clothing but there is no supporting documentation such as authorization or receipts. [2 CFR 225 Appendix A – C.1.j] <i>Ineligible: 06/21/2012</i>	\$ 150.00 Total (\$ 75.00 FFP)
#19	Foster care maintenance was claimed for clothing but there is no supporting documentation such as authorization or receipts. [2 CFR 225 Appendix A – C.1.j] <i>Ineligible: 03/14/2011</i>	\$ 150.00 Total (\$ 82.08 FFP)
#24	Foster care maintenance was claimed for clothing but there is no supporting documentation such as authorization or receipts. [2 CFR 225 Appendix A – C.1.j] <i>Ineligible: 10/26/2012</i>	\$ 136.91 Total (\$ 68.46 FFP)
#27	Foster care maintenance payments were claimed prior to a judicial finding of reasonable efforts to prevent removal. [471(a)(15)(B) and 472(a)(2) of the Act; 45 CFR 1356.21(b)] <i>Ineligible: 06/25/2009 – 07/25/2009</i>  Foster care maintenance was claimed for clothing but there is no supporting documentation such as authorization or receipts. [2 CFR 225 Appendix A – C.1.j] <i>Ineligible: 07/07/2009-10/28/2010</i>	\$ 952.20 Total (\$ 549.61 FFP)  \$ 2,530.19 Total (\$ 1,460.43 FFP)
#33	Foster care maintenance was claimed for clothing but there is no supporting documentation such as authorization or receipts. [2 CFR 225 Appendix A – C.1.j] <i>Ineligible: 10/24/2013</i>	\$ 148.25 Total (\$ 74.13 FFP)
#37	Foster care maintenance was claimed for clothing but there is no supporting documentation such as authorization or receipts. [2 CFR 225 Appendix A – C.1.j] <i>Ineligible: 03/15/2012</i>	\$ 192.86 Total (\$ 96.43 FFP)

<b>Sample Number</b>	<b>Improper Payment Reason &amp; Ineligibility Period</b>	<b>Improper Payments</b>
#39	Foster care maintenance was claimed for transportation but there is no supporting documentation such as authorization or receipts. [2 CFR 225 Appendix A – C.1.j] <i>Ineligible: 03/31/2010 -12/20/2012</i>	\$ 1,913.34 Total (\$ 1,018.93 FFP)
#40	Foster care maintenance was claimed for clothing but there is no supporting documentation such as authorization or receipts. [2 CFR 225 Appendix A – C.1.j] <i>Ineligible: 9/17/2013</i>	\$ 146.55 Total (\$ 73.33 FFP)
#51	Foster care maintenance was claimed for clothing but there is no supporting documentation such as authorization or receipts. [2 CFR 225 Appendix A – C.1.j] <i>Ineligible: 04/01/2011</i>	\$ 100.00 Total (\$ 52.72 FFP)
#52	Foster care maintenance was claimed for transportation but there is no supporting documentation such as authorization or receipts. [2 CFR 225 Appendix A – C.1.j] <i>Ineligible: 08/31/2010-8/31/2011</i>	\$ 233.18 Total (\$ 120.66 FFP)
#53	Foster care maintenance was claimed for clothing but there is no supporting documentation such as authorization or receipts. [2 CFR 225 Appendix A – C.1.j] <i>Ineligible: 03/30/12-9/24/12</i>	\$ 983.36 Total (\$ 491.68 FFP)
#65	Foster care maintenance was claimed for airline tickets to attend family reunion in Arizona and then to relative placement in California. Charged incorrectly to IV-E maintenance. [475(4)(A) of the Act] <i>Ineligible: 06/06/2013</i>	\$ 606.60 Total (\$ 303.30 FFP)
#71	Foster care maintenance was claimed for clothing but there is no supporting documentation such as authorization or receipts. [2 CFR 225 Appendix A – C.1.j] <i>Ineligible: 06/16/2013</i>	\$ 75.00 Total (\$ 43.29 FFP)
#78	Foster care maintenance was claimed for child care but there is no supporting documentation such as authorization or receipts. [2 CFR 225 Appendix A – C.1.j] <i>Ineligible: 11/01/2011- 10/01/2012</i>	\$ 6,495.48 Total (\$ 3,247.74 FFP)

Sample Number	Improper Payment Reason & Ineligibility Period	Improper Payments
#79	Foster care maintenance was claimed for child care but there is no supporting documentation such as authorization or receipts. [2 CFR 225 Appendix A – C.1.j] <i>Ineligible: 11/01/2013</i>	\$ 32.43 Total (\$ 16.22 FFP)
#80	Foster care maintenance was claimed for clothing but there is no supporting documentation such as authorization or receipts. [2 CFR 225 Appendix A – C.1.j] <i>Ineligible: 11/29/2012</i>	\$ 200.00 Total (\$ 100.00 FFP)
# OS-03	Duplicate foster care maintenance payments were made to two different providers for the same service date. [2 CFR Part 225; 45 CFR 92.22, 45 CFR 1355.30(i)] <i>Ineligible payment: 07/31/2010</i>	\$16.45 Total (\$9.49 FFP)
#OS-10	Foster care maintenance payment made for a child prior to completion of criminal background check for foster parents. [471(a)(20) of the Act; 45 CFR 1356.30] <i>Ineligible: 06/25/2012 to 07/21/2012</i>  Foster care maintenance was claimed for transportation but there is no supporting documentation such as authorization or receipts. [2 CFR 225 Appendix A – C.1.j] <i>Ineligible: 09/30/2011-05/28/2012</i>	\$ 502.92 Total (\$ 251.46 FFP)  \$ 1,462.17 Total (\$ 731.09 FFP)
#OS-15	Foster care maintenance was claimed for clothing and transportation but there is no supporting documentation such as authorization or receipts. [2 CFR 225 Appendix A – C.1.j] <i>Ineligible: 02/23/2011-02/29/2012</i>	\$ 115.45 Total (\$ 62.21 FFP)
#OS-29	Foster care maintenance was claimed for orthodontia and related medical care and incorrectly charged to IV-E [475(4)(A) of the Act] <i>Ineligible: 06/30/2008-07/16/2008</i>	\$ 2,125.60 Total (\$ 1,095.11 FFP)

**Total Federal financial participation in maintenance: \$10,120.86**

## Underpayment Cases

Sample Number	Improper Payment Reason & Ineligibility Period	Underpayments (FFP)
#80	Child was hospitalized for 13 days. Title IV-E maintenance could have been charged, but stay was incorrectly labeled more than 15 days. Additionally, state made errors in correcting dollar amounts, reversing more IV-E maintenance costs than was actually claimed. [Child Welfare Policy Manual 8.3.B.7] <i>Eligible: 11/09/2012 – 11/30/2012</i>	\$ 632.95 Total (\$ 316.48 FFP)
# OS-06	During the PUR, child met eligibility requirements, yet IV-E maintenance payments were not claimed for 02/21/2013. Child adopted 02/22/2013. [472(a) of the Act; 45 CFR 1356.60] <i>Eligible: 07/01/2012 -07/10/2012</i>	\$ 13.92 Total (\$ 6.96 FFP)

**Total Federal financial participation in maintenance: \$323.44**

### **Strengths and Promising 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 improved program performance and successful program operations.

**Strong Processes for Eligibility Determinations and Ongoing Monitoring.** The Washington State Federal Funding Unit staff members continue to show strengths in their eligibility determination and documentation process. Title IV-E requirements are carefully applied to each case. Reviewers noted clear narratives for eligibility determinations. The Federal Funding Unit staff members are diligent when documenting their decision-making process in their eligibility determination. The Federal Funding Unit leadership and staff demonstrate a commitment to continually improve on the eligibility determination process and systems, and have a process for ongoing training statewide.

Washington's SACWIS system (FamLink) helps ensure eligibility is monitored continuously throughout the life of the case. For instance, based on input from the IV-E Eligibility Specialist into FamLink for initial eligibility determinations, FamLink generates a status code (Ineligible, Eligible & Reimbursable, Eligible/Not Reimbursable and Eligible & SSI). FamLink also has a feature requiring IV-E Eligibility Specialists to verify results. In addition, if a child moves to a new placement, including an unlicensed relative placement, the IV-E Eligibility Specialist receives an auto e-mail that alerts them to do a redetermination on the eligibility page and to change the source of funds.

FamLink also provides easy access to other information systems, such as licensing, employment security, and child support enforcement, ensuring eligibility workers have the information they

need to make correct eligibility decisions regarding criteria for the former AFDC program and the child's foster care placement.

**Collaboration with Courts.** The Department of Social and Health Services continues to work with the state Attorney General's office to develop templates, provide training, and implement processes that have resulted in timeliness of court hearings and court orders. Washington has in place a process to review and update court order templates that serve as guides to make sure all necessary components are included in written court orders. During this review, we found court orders had findings that were child-specific and case-specific. However, there were 3 missing court orders that were provided after the review.

Many of the "Shelter Care Orders" had the petition incorporated into or attached to the order, which helps provide additional case-specific information. In all sample cases reviewed, a finding of "contrary to the welfare" to remain in the home was addressed as a finding in the first removal order. There were timely judicial findings "reasonable efforts to prevent removal" in all of the cases in the review sample. Washington also met the requirement for a finding of "reasonable efforts to finalize the permanency plan" during the PUR for all cases in the sample.

Reviewers noted that permanency planning hearings were not only timely, but often early. There were no continuances on the cases reviewed. These hearings provided the basis for the court's findings related to the efforts of the agency in achieving the permanency plan for the child. There were no error cases as a result of late court findings.

**Foster Home Licensing and Safety Requirements.** The Washington Division of Licensed Resources has a strong licensing process that ensures the safety of children. This review found no concerns and no cases in error due to a licensing issue.

During this review we found foster family homes are regularly licensed and renewed with no gaps between licensing renewals. Licensing files were well organized, complete, and current. Washington has implemented a clear review process for residential care facilities. Licenses were not issued until the criminal background checks had been completed. The Washington licensing information system is integrated into the SACWIS system, enabling correct and timely claiming by the Washington Title IV-E Specialists.

For children in out of state placements, reviewers found clear documentation in the case files that the homes were fully licensed for the period the child was in the home.

Except for one non-error case (OS-10), criminal background checks and safety requirements were met in accordance with the background check requirements that covered the period of licensure for the foster family home and for childcare institutions.

Since the last review, Washington has implemented an online "Children's Administration Background Check Application" (CAB) system. This system provides licensing and eligibility staff instant access to the status and results of criminal background check for foster parents as well as staff working in child care institutions. Documentation for all criminal background checks, including every employee of residential care facilities, are entered into the CAB system.

Washington utilizes a specialized criminal records background check unit (the BCCU) to ensure completion of all records check requirements. Documentation regarding the criminal background checks is located both in the new electronic CAB system as well as in the licensing files. Reviewers noted the Background Clearance Notification Form (BAF) provided clear documentation of the results of each of the required elements of the criminal background check and included space for narrative, if needed.

### **Areas in Need of Improvement**

There were no error cases found in this review. However, during the course of the review process the CB and review team identified the following areas in need of improvement. The state needs to further develop and implement procedures to improve program performance in the areas noted below. For each issue, there is a discussion of the nature of the area needing improvement, the specific title IV-E requirement to which it relates, and recommended corrective actions for the State to consider.

**Issue #1: Coding of AFCARS data element 59.** A total of thirty-four (34) cases were excluded from the original sample and oversample and were replaced with cases from the oversample. This continues to be an area of concern from the last review, where thirteen (13) cases were excluded from the sample and oversample. Documentation provided by the state confirmed that the case replacements were necessary because a title IV-E foster care maintenance payment was not made for a period during the PUR.

**Title IV-E Requirement:** The case sample and oversample drawn for review consist of cases of individual children with a "1" coded in AFCARS data element 59, "Sources of Federal Financial Support/Assistance for Child," for the six-month reporting period of the PUR. As provided for in Appendix A of 45 CFR 1355.40, the AFCARS data element 59 inquires whether title IV-E foster care maintenance payments are paid on behalf of a child in foster care during the PUR. If title IV-E foster care maintenance payments are the applicable source of income for the child's care at any time during the six-month AFCARS period for a child meeting all title IV-E eligibility criteria, the data element should be coded "1." If title IV-E foster care maintenance payments are not the applicable income source for the child's care, the data element should be coded "0." Washington's AFCARS Assessment Review Final Report provides additional guidance that, if a child is determined to be eligible in the last month of the report period but the payment is not paid until the next month, the data element should be coded "1".

The validity of the sample and oversample depends on the accuracy with which the state agency completes the AFCARS data element 59. It is critical, therefore, that state agencies report data element 59 accurately when they determine title IV-E foster care maintenance payments do not apply as the funding source for a period in the PUR.

**Recommended Corrective Action:** This is a repeat finding from the last review and one that warrants increased attention due to the significant increase in the number of cases found not to have title IV-E payments as originally identified. The CB recommends the state investigate the causes of this coding issue. The CB regional office and central office AFCARS team are available to work with the state and provide any clarification of the requirements and/or technical guidance regarding AFCARS coding. Once the state has identified the reasons for this coding

issue, training should be provided to staff to ensure accurate coding for foster care element 59 occurs.

**Issue #2:** In general, written court orders were available in the case file to document compliance. However, in three cases the court orders did not accurately reflect court proceedings or were missing from the case file. This is a critical issue as lack of appropriate documentation affects the accuracy of eligibility determinations. The state located and provided the court proceedings information after the onsite review. This included court orders and video transcripts when court orders were unclear or nonexistent.

In one non-error case (27), the "Interim Review Hearing Order" ordering removal did not have judicial findings of contrary to the welfare and reasonable efforts to prevent removal. In the video transcript of this hearing, CB regional staff verified the judge addressed contrary to the welfare but not reasonable efforts. The state later provided a court order substantiating there was a finding of reasonable efforts to prevent removal made in a subsequent court proceeding within 60 days from removal. However, the state claimed title IV-E funds for the period of the child's placement in the month prior to this finding.

In another non-error case (68), a critical court order in the case file did not indicate the judicial determination of reasonable efforts to finalize the permanency plan (no boxes were checked). After the review, the state provided the video transcript of the hearing as evidence the judge made the finding. The state attributed the blank order to "scrivener's error", and as evidence provided completed court orders from the same hearing for the child's two siblings as well as the video transcript.

**Title IV-E Requirement:** Judicial determinations must be made on a case-by-case basis, child-specific, and explicitly stated in the court order. Refer to 45 CFR 1356.21(d), and the Title IV-E Eligibility Review Guide, pg. 31, "Court Orders"

**Recommended Corrective Action:** Ensure all relevant court orders are complete and accurate and that all court orders impacting the case are available to caseworkers and eligibility specialists before the eligibility specialist determines a child is title IV-E eligible. We recommend working with the Court Improvement Project to ensure all hearings result in a written court order that accurately reflects the proceedings. Provide training to eligibility workers to ensure all relevant court orders are in the case file and to review court orders closely during the eligibility determination process to determine if the order includes the required findings to meet the eligibility requirements.

**Issue # 3:** Reviewers noted court orders regarding removal often did not specify the relative who is the subject of the contrary to the welfare determination. AFDC-relatedness eligibility determinations are based on this specified relative and it needs to be clear from whom the child is being removed.

**Title IV-E Requirement:** Judicial determinations must be made on a case-by-case basis, child-specific and explicitly stated in the court order, in accordance with 45 CFR 1356.21(d). (Refer also to the Title IV-E Foster Care Eligibility Review Guide, pg. 31, "Court Orders")

**Recommended Corrective Action:** The Washington Department of Social and Health Services should consider working with the state Attorney General's office to explore why information in the court orders for removal are not specific regarding the removal home, and update the removal order templates to include provisions for this type of child-specific detail.

**Issue #4:** For 21 non-error cases, it was determined that title IV-E payments were made for items either outside the definition of allowable program costs, or were unsupported by receipts or other documentation. For 2 of these cases, items were documented but were unallowable for claiming as title IV-E maintenance. One case involved duplicate payments on one day for the same service and the other case involved medical services. The remaining 18 cases claimed expenditures for clothing, transportation and child care, which are allowable under certain circumstances, but must be supported by sufficient documentation to determine if they are allowable for claiming.

The review included our examination of more than 1,000 payments for the sample cases for clothing, transportation and child care. Of the payments in the cases reviewed, we found lack of sufficient support for 74 items amount to \$15,260.14 (\$7,911.89 FFP) These costs are included in the total amount of FFP (\$10,120.86) identified in the table "Non-Error Cases with Ineligible Payments". While we will not project an estimated disallowance for your entire title IV-E Foster Care caseload, we urge the state to continually monitor its processes for authorization and approval of expenses charged to title IV-E maintenance funds. The Region 10 fiscal staff will follow-up with state staff on these efforts.

**Title IV-E Requirement:** Consistent with the federal provision at 45 CFR 1356.60(a)(i), title IV-E foster care maintenance assistance payments may be claimed only for the cost of providing certain expenditures covered within the federal definition of foster care maintenance at section 475(4) of the Act. The state must sufficiently document that foster care maintenance payments claimed for title IV-E reimbursement are for allowable expenditures in accordance with the statutory definition.

**Recommended Corrective Action:** The state must review its payment systems to determine whether adequate financial controls and edits are in place and properly functioning to prevent payments for ineligible children or unallowable program costs. A quality assurance process should be implemented to periodically review and track payments for accuracy and compliance with federal requirements and state standards and to prevent ineligible payments.

#### **Disallowances**

A disallowance in the amount of \$19,463.91 in maintenance payments (\$10,120.86 of FFP) is assessed for title IV-E foster care payments claimed improperly for the non-error cases. The state also must identify and repay any ineligible payments that occurred for the non-error cases subsequent to the periods identified in this report.

#### **Next Steps**

This review identified many strengths and four areas needing improvement. The CB recommends Washington examine identified program areas needing improvements and develop

measurable, sustainable strategies that target the root cause of the problems. Appropriate corrective action should be taken in instances of noncompliance with federal laws and regulations.

The Region10 Office will continue to work closely with the State of Washington as it develops and implements changes in order to address each of the identified areas needing improvement. We are available to provide training and technical assistance to help address any of the issues raised during this review and those identified through the state's assessment of its program operations.

Congratulations for being found in substantial compliance for this review. We encourage you to continue building on your successes and strong areas of practice.