



North Carolina Department of Health and Human Services Office of the Controller

Michael F. Easley, Governor
Carmen Hooker Buell, Secretary

Gary H. Fuquay, Controller
(919) 733-0169

MAILING ADDRESS:
2019 Mail Service Center
Raleigh, NC 27699-2019

LOCATION:
616 Oberlin Road
Raleigh, NC

November 21, 2001

Dear County Director of Social Services

Attention: County Finance Officers
Child Welfare Supervisors

Subject: Penetration Rate Calculation

The purpose of this letter is to notify you of a change in the way the foster care IV-E penetration rate will be calculated. Effective immediately, the Cost Accounting/Financial Reporting Section of the Controller's Office will calculate the foster care IV-E penetration rate on a monthly basis. The Controller's Office will post the monthly penetration rate to their website at <http://www.dhhs.state.nc.us/control/>.

In all instances where the county departments of social services use the IV-E penetration rate, they will need to begin using the monthly rate posted to the website as of December 2001. The prior month penetration rate will be used for computing reimbursement for prior month services. For example, the penetration rate calculated for November and posted to the website in early December will be used to calculate reimbursement related to services provided in November 2001 and reimbursed in December 2001.

If you have questions or need clarification related to programmatic issues, please contact JoAnn Lamm at (919) 733-4622 or at joann.lamm@ncmail.net. For questions related to the setting of the monthly penetration rate, please contact Leza Wainwright at (919) 715-1360 or at leza.wainwright@ncmail.net. For questions related to application of the penetration rate to costs reported on the DSS-1571, please contact Debbie Hawkins at (919) 733-4640 or at debbie.hawkins@ncmail.net.

Sincerely,

[signed]

Gary H. Fuquay
DHHS Controller

GHF/dc

cc: Pheon Beal Austin Connors
Paul LeSieur Local Support Managers
Chuck Harris Children's Services Team Leaders
Jack Chappell Children's Services Programs Representatives
Curtis Crouch