



North Carolina Department of Health and Human Services Division of Social Services

325 North Salisbury Street • 2407 Mail Service Center
Raleigh, North Carolina 27699-2407
Courier # 56-20-25

Michael F. Easley, Governor
Carmen Hooker Buell, Secretary

Pheon E. Beal, Director
(919) 733-3055

August 9, 2001

**Dear County Director of Social Services
County DSS Attorney
Member of N.C. Child and Family Services Association**

**Attention: Child Welfare Supervisors
Child Welfare Social Workers**

Subject: Preparation for Federal IV-E Eligibility Review

In the spring of 2002, North Carolina will be the subject of a federal Title IV-E Eligibility Review. With this review, the Federal government will assess the State's adherence to Title IV-E eligibility criteria. Cases to be subject of this review will be drawn from cases across the state that received IV-E foster care maintenance payment (even for one day) at any time during the review period as reported to AFCARS. We believe that our review period will be from April 1, 2001, through September 30, 2001.

The ramifications for this review are extremely serious for our state. Out of a sample of 80 cases, the error threshold is 8 cases. Any case found in error will be subject to disallowance of Federal Financial Participation (FFP) for both maintenance costs and for associated IV-E Administrative costs. If the state exceeds the error threshold of 8 cases, the state will be subject to additional financial sanctions and be required to implement a program improvement plan.

The Title IV-E Eligibility Review will measure compliance with all requirements related to the child, such as:

- Judicial orders: "contrary to the welfare (best interest)" and "reasonable efforts"
- Voluntary placement agreements with appropriate determinations within 180 days
- Agency has responsibility for placement and care
- Income and deprivation determinations based on the AFDC "Look Back Date"
- Child placed in a licensed home or facility

This review will also measure compliance with all requirements for the provider, such as:

- Licensing file with complete history
- Copy of the license
- Documentation of compliance with safety requirements
- Any supplementary information to the licensing file as necessary to verify eligibility

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In preparation for the Federal Title IV-E Eligibility Review, we have an opportunity to correct any errors and make any necessary overpayment adjustments for cases found in error. It is our understanding that if errors are corrected and federal overpayment adjustments are made back to the original date of ineligibility, these cases would not be found in error in the actual review. Consequently, we are asking each county DSS agency to review every case in which Title IV-E maintenance payments were made (even for one day) between April 1, 2001, and September 30, 2001, using the attached Federal Review Checklist and Instructions. Corresponding payment adjustments and status changes (e.g. from IV-E to SFHF) must be completed by the end of October in order to complete the appropriate federal overpayment adjustments prior to the review.

The Children's Programs Representatives (CPR's) will be contacting you to assist in developing a plan for these reviews. We have asked the CPR's to check each of the Federal Review Checklists for cases that you review and to independently review a sample of the cases as a "second-party safeguard". The CPR's will provide written feedback to each county Director and the Division regarding the findings of their reviews.

The procedure for submitting overpayment adjustment requests will be the same procedure that is currently in place. As errors are found, the county will need to complete an Overpayment Adjustment Request form (copy attached) and attach screenprint copies of Section VIII of the child's DSS 5094 that shows the child's living arrangement history and a screenprint of the child's payment history for the affected time period. This information must be mailed (please do not Fax) to Elsie Roane, 325 North Salisbury St., MSC 2408, Raleigh, NC, 27699-2408. If you have any questions about this procedure, you may contact Elsie Roane at (919) 733-4622 or e-mail her at elsie.roane@ncmail.net.

The Division is in the process of drafting a revision to Section 1205 of the Children's Services Policy Manual, Foster Care Assistance, to incorporate several IV-E policy announcements that we have recently received. In doing so, we have asked the federal regional office to clarify a number of issues and to review the draft manual material. Until the Division receives the results from this request and can distribute the updated material, there are a number of documents on the Children's Bureau web site that may assist you in clarifying the requirements. Go to <http://www.acf.dhhs.gov/programs/cb>. Select "Hot Issues" and then select "Foster Care Procedures and Title IV-E Eligibility" and "Title IV-E Eligibility Review." These are two Power Point presentations that explain the review process and the requirements being measured. At the same web address, select "Laws/Policy" and then "Policy". Select "Questions and Answers on the Child Welfare Final Rule." The Final Rule itself can be found at the same web address for "Policy" above. Select "Federal Register Announcements" and then select "Title IV-E Foster Care Eligibility Reviews and Child and Family Services State Plan Reviews; Final Rule – January 25, 2000 (Volume 65, Number 16). You will want to select the PDF version.

We recognize that we are asking a great deal from you and your staff in preparation for this federal review. However, if we can adequately prepare, we will be in compliance with regulations and be able to avoid financial sanctions that would reduce our capacity to provide services to children and families.

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If you have questions or need clarification, please contact your CPR or Sara Anderson Mims at (919) 733-9461 or at her e-mail address, sara.mims@ncmail.net.

Sincerely,



Charles C. Harris, Chief
Children's Services Section

cc: Pheon Beal
Paul LeSieur
Gary Fuquay
Austin Conners
Local Business Liaisons
Local Support Managers
Children's Services Team Leaders
Children's Services Programs Representatives

CS-30-2001

REQUEST FOR FOSTER CARE ASSISTANCE OVERPAYMENT ADJUSTMENT

Form completed by:

Name: _____

DSS _____

Date: _____

Phone: _____

<u>Child's Name & DOB</u>	<u>SIS ID No.</u>	<u>M/D/Y-M/D/Y</u> <u>1 Mo. Per line</u>	<u>Claim/Rmt.</u> <u>Amounts</u>	<u>Fund</u>	<u>Facility</u> <u>ID#</u>
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Return to:

Elsie Roane, MSW, Children's Services
Financial Resources Coordinator

Documentation to be attached

1.) Reason for overpayment

325 N. Salisbury Street MSC 2408
Raleigh, NC 27699-2408

2.) Payment History screen print
3.) Page #3-DSS 5094 screen print

Filled out by State Office

_____ **Approved** _____ **Denied**

Reason:

CC: County DSS/ Agency

Note to Agency: A copy of this form will be returned to you to notify you that your request has been reviewed and forwarded to the NCDHHS Controller's Office for processing

Signature (Financial Res. Coor.)

