

November 1, 2016

DEAR COUNTY DIRECTOR OF SOCIAL SERVICES

**Attention: COUNTY DSS ATTORNEYS, CHILD WELFARE PROGRAM MANAGERS AND SUPERVISORS,
AND CHILD WELFARE PROGRAM ADMINISTRATORS**

SUBJECT: PREPARATION FOR FEDERAL IV-E ELIGIBILITY REVIEW

The purpose of this letter is providing counties with details in preparation for our next Federal Title IV-E Eligibility Review scheduled for the week of July 24, 2017. With this review, the Federal government will assess the State's adherence to Title IV-E eligibility criteria. Cases subject to this review will be drawn from cases identified as receiving one or more IV-E foster care maintenance payments in the period under review identified as October 1, 2016 to March 31, 2017. The ramifications for this review are extremely serious for North Carolina's Child Welfare system. Out of a sample of 80 cases, the error threshold for this review is 4 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 error rate exceeds the threshold of 4 cases, the state (and ultimately, the counties) may be subject to additional financial sanctions and will be required to implement a program improvement plan.

In July 2014, North Carolina passed the IV-E review with three errors. Two of these errors resulted from missing court order language. One involved a removal order that was missing a finding of contrary to the welfare at the time of removal and IV-E funds were claimed during the period under review prior to a finding that the agency had made reasonable efforts to prevent removal in the second case. AFDC connectedness did not exist in two of the cases that were identified as errors. Although North Carolina passed the review, the Administration for Children and Families (ACF) identified several concerns that required attention to include frequent continuances, multiple clerical errors in court orders and Placement Logs were often incomplete and difficult to interpret.

The Title IV-E Eligibility Review will measure compliance with all requirements related to the child's eligibility including, but not limited to:

- Judicial determinations within valid, enforceable orders that include findings and conclusions of contrary to the welfare (or best interest) and reasonable efforts language
- Judicial determinations, within 180 days of the placement, that it is in the best interests the child to continue in care, for any voluntary placement agreement (VPA);
- A judicial determination in every court order that the county DSS has responsibility for placement and care;
- Proper need and deprivation determinations based on the AFDC "Look Back Date"; and
- Verification that the child was continuously placed in a licensed home or facility for every month that IV-E reimbursement was claimed; and
- Compliance with all licensing requirements for every placement provider with whom the child was placed during the period under review.



In preparation for the Federal Title IV-E Eligibility Review, counties must review every case for which a IV-E foster care payment is made during the period under review, using the attached Federal Review Tool and Instructions. A 100% review of all open cases must be completed no later than December 31, 2016.

The following activities will assist counties in ensuring that children are being correctly coded to IV-E:

- Counties should utilize the NCXPTR report, PQA 107 each month to identify any new children receiving IV-E foster care payments.
- Cases should be closely monitored for due dates for required Permanency Planning findings.
- Do not change the funding source too early. Changes to the DSS-5094 prior to the 19th of the month will change the funding source for the previous month's foster care payment. This is particularly important for children entering custody near the end of the month who did not meet all eligibility requirements until the following month and could result in an overpayment.
- If the child would be eligible but for certain missing documents, you should ensure that documents are located and placed in the file. Some of the review questions relate only to the period under review while other questions relate back to the child's entry into DSS custody.
- The NCXPTR report, PQA-020-Final Foster Care Payment Report, should be reviewed regularly to monitor for accurate reimbursement. This report is published multiple times each month at include after the 5th working day, the 16th, and the final report is completed the evening of the 19th or the last working day before the 19th if it falls on a weekend or holiday. Changes can be made for the previous month until the final report is completed.

If your county decides it needs to make an overpayment adjustment, the procedure for submitting the DSS-5274, Request for Adjustment for Foster Care Assistance Payment will be the same procedure that is currently in place. Counties with questions concerning these requests should contact Tina Bumgarner at Tina.Bumgarner@dhhs.nc.gov or at 828-397-3901. All funding adjustments must be submitted no later than January 31, 2017. This deadline allows for timely submission of return payments before the Federal selection of sample cases. In addition, be sure to update the change in funding source to the DSS-5094 form as well. As a result of the need for early submission of adjustments, counties will need to be particularly careful about making changes to the DSS-5094 prior to the 19th of the month or the last working day before the 19th if it falls on a weekend or holiday for the months of February and March because there will not be an opportunity to correct mistakes.

If you have questions, need clarification, or identify adjustments that are needed after the established deadline please contact Susan Sanderson (Susan.Sanderson@dhhs.nc.gov) at 910-293-4356. I recognize that we are significant information from you and your staff in preparation for this federal review. However, adequate preparation is necessary for North Carolina to meet all applicable ACF/CB regulations.

Sincerely,



Kevin Kelley, Section Chief
Child Welfare Services

ATTACHMENTS (2):

1. IV-E Foster Care Tool Reviewer Guide
2. Areas Needing Special Attention in Preparation for the Federal Title IV-E Review