



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

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September 15, 2013

DEAR COUNTY DIRECTOR OF SOCIAL SERVICES AND COUNTY DSS ATTORNEY

ATTENTION: CHILD WELFARE PROGRAM MANAGERS AND SUPERVISORS, CHILD WELFARE SOCIAL WORKERS

SUBJECT: PREPARATION FOR FEDERAL IV-E ELIGIBILITY REVIEW

The next Federal Title IV-E Eligibility Review for North Carolina will occur during the week of July 28-August 1, 2014. With this review, the Administration on Children Youth and Families (ACYF) will assess North Carolina's adherence to the Title IV-E eligibility criteria. Cases subject to this review will be a sample drawn from the Adoption and Foster Care Automated Reporting System (AFCARS) 2014(a) file, and had an indicator of being eligible for IV-E foster care payment(s) during the period from October 1, 2013, through March 31, 2014.

The ramifications for this review are extremely serious for our state. 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 state exceeds the error threshold of 4 cases, the state (and ultimately, the counties) will be subject to more frequent monitoring with the possibility of financial sanctions and a program improvement plan.

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

- Judicial determinations within valid, enforceable orders that include findings and conclusions of contrary to the welfare (best interest) and reasonable efforts language;
- Documentation of judicial determination required for Voluntary Placement Agreements, within 180 days of the placement, *that it is in the best interests of the child to continue in care*;
- A judicial determination in every case finding that the county DSS has responsibility for placement and care;

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- Income and deprivation determinations based on the AFDC “Look Back Date”; and
- Evidence that the child was continuously placed in a licensed home for facility for every month that IV-E reimbursement was claimed.

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 between October 1, 2013 through March 31, 2014 (the period under review), using the Federal Review Tool and Instructions provided in the Dear County Director Letter CSW-05-2013 (see <http://www.ncdhhs.gov/dss/dcdl/famsupchildwelfare/CWS-05-13.pdf> and <http://www.ncdhhs.gov/dss/dcdl/famsupchildwelfare/CWS-05-13a.pdf>)

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

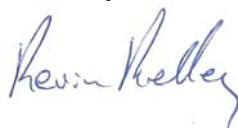
- Counties should continue to review the NCXPTR report, “DHR-PQA107-Special AFCARS-IV-E”, monthly to identify any new children receiving IV-E foster care payments.
- Cases should be closely monitored for due dates for required Permanency Planning findings and children turning 18 within the period under review.
- 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 the documents are located and placed in the file. Some of the review questions relate only to the period of October 1, 2013 through March 31, 2014. Other review questions relate back to the child’s original entry into DSS custody.
- The NCXPTR report, PQA-020-Final Foster Care Payment Report, should be reviewed regularly to monitor for the correct funding source. This report is published multiple times each month 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 to the funding source 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 to Foster Care Assistance Payment will be the same procedure that is currently in place. Counties with questions concerning these requests should contact Tina Baumgarner at tina.bumgarner@dhhs.nc.gov or at 828-397-3901. **All funding adjustments must be submitted no later than January 31, 2014.** This deadline allows for timely submission of return payments before the Federal selection of sample cases. In addition, be sure to update the corrective changes to the DSS-5094 form also.

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 through May, 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 Jennifer Johnson (Jennifer.Johnson@dhhs.nc.gov) at 919-527-6405 or Susan Sanderson (Susan.Sanderson@dhhs.nc.gov) at 910-293-4356. I 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 better prepared for ongoing compliance.

Sincerely,

A handwritten signature in blue ink that reads "Kevin Kelley". The signature is written in a cursive style with a large initial "K".

Kevin Kelley, Section Chief
Child Welfare Services

CWS-16-2013

cc: Wayne Black
Local Business Liaisons
Children Services Program Representatives