



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

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Raleigh, North Carolina 27699-2408
Courier # 56-20-25

Michael F. Easley, Governor
Carmen Hooker Odom, Secretary

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

October 14, 2004

Dear County Director of Social Services and County DSS Attorney

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

Subject: Preparation for Federal IV-E Eligibility Review

In August 2002, North Carolina was the subject of the Federal Title IV-E Eligibility Review. At that time, the state passed the review with no errors. This was largely because of the hard work by county DSS staff in reviewing records, making necessary corrections and working with their Children's Program's Representatives to ensure that all children identified as IV-E eligible were, in fact, eligible.

We have just learned that our next Federal Title IV-E Eligibility Review will occur during the last week of April 2005. 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 were identified as IV-E foster care eligible on the DSS-5094 during the period from April 1, 2004, through September 30, 2004.

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 as opposed to the threshold of 8 cases in the last review. 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 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 determinations: 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 every placement provider with whom the child was placed during the period of April 1, 2004, through September 30, 2004, such as:

- Licensing file with complete history
- Copy of the license current to the time of the child's placement in the home
- Documentation of compliance with safety requirements (i.e. criminal records checks)
- Any supplementary information to the licensing file as necessary to verify eligibility

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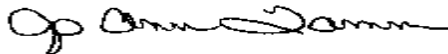
In order to prepare for the Federal Title IV-E Eligibility Review, we have an opportunity to correct any errors, and if the child is not IV-E eligible, change the funding source listed on the DSS-5094 or 5095 to another funding source. In order to prepare for the federal review, we are requiring that each county review every case in which the child was listed as being IV-E eligible April 1, 2004, through September 30, 2004, using the attached Federal Review Checklist and Instructions. **This task must be completed by November 10, 2004**, which is prior to the submission of the state's AFCARS data to the federal government. A list of each county's children that are in the state's Child Placement and Payment system during the above time frame has been posted in NCXPTR. Someone in each agency has the capability to access NCXPTR. They should select the report titled: "DHR-PQA107 – Special AFCARS – IV-E." Also, a hard copy of this list will be sent with the hard copy of this letter for each county. We are asking that you review 100% of these children to determine if they are correctly coded as IV-E eligible and to make the necessary corrections if they are not. If the child would be eligible but certain documents are missing in the file, you should ensure that the documents are located and placed in the file. Some of the review questions relate only to the period of April 1, 2004, through September 30, 2004. Other review questions relate back to the child's original entry into DSS custody. We ask that counties pay close attention to the time frames associated with each question on the review instrument and instructions.

The Children's Programs Representatives (CPR's) will be contacting the county Departments of Social Services to arrange to visit each of their counties to conduct reviews of a sample of cases using the Federal Review Checklist and Instructions.

If the county decides that they need to make an overpayment adjustment, the procedure for submitting overpayment adjustment requests will be the same procedure that is currently in place. Counties should contact Tina Bumgarner with any of these requests at tina.bumgarner@ncmail.net or at (704) 462-2686.

If you have questions or need clarification, please contact your CPR or Hope Hunt or Sara Anderson Mims at (919) 733-4622 or at hope.hunt@ncmail.net or sara.mims@ncmail.net. 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,



Jo Ann Lamm, Section Chief
Family Support and Child Welfare Services Section

Attachment

Cc: Pheon Beal
Sherry Bradsher
Sarah Barham
Austin Conners
Local Business Liaisons
FSCWS Team Leaders
Children's Services Programs Representatives