



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

325 North Salisbury Street • Raleigh, North Carolina 27603
Courier # 56-20-25 MSC 2409

Michael F. Easley, Governor
Carmen Hooker Odom, Secretary

Sherry S. Bradsher, Director
(919) 733-3055

August 9, 2007

Dear County Director of Social Services and County DSS Attorney

**Attention: Child Welfare Program Managers and Supervisors
Child Welfare Workers**

Subject: Preparation for Federal IV-E Eligibility Review

In April 2005, North Carolina was the subject of the Federal Title IV-E Eligibility Review. At that time, the state passed the review. 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. Our next Federal Title IV-E Eligibility Review will occur during the week of June 24, 2008. 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, 2007, through September 30, 2007.

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 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, 2007, through September 30, 2007, 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

Please also pay close attention to the following issues from past reviews:

Child Information

- Children who are over 18 and still in foster care are not eligible for IV-E funds. Those that were IV-E eligible prior to their 18th birthday must be switched to State Foster Home Funds by the CPPS system update deadline for the service month in which their birthday occurs (usually the 20th of the following month).
- Birth certificates must be in all records

Relevant dates

- Ensure that the non-secure order contains the contrary to the welfare/best interests language and that the petition thoroughly demonstrates why the child would have been unsafe if not removed. Completing thoroughly the standard non-secure order (AOC-J-150) ensures that the first requirement is satisfied. The child specific details of the petition and items 1 and 2 on the AOC-J-150 meet the second requirement.
- The placement log must be in every record and up to date. (Respite care is not considered to be a placement move. If a county chooses to indicate respite care on their placement log, they must clearly indicate that it's respite care.)

Removal by a court order

- Children are not eligible for IV-E until the first day of the month in which all of the eligibility requirements (including court order language such as contrary to the welfare/best interests, reasonable efforts to prevent placement/reunify the child and family) are in place.

Voluntary Placement Agreements

- Ensure that the most recently revised version of the Voluntary Placement Agreement is used (dss-1789 rev 01/02)
- Ensure that the child is actually placed into a foster home or with a licensed relative.
- Remember that IV-E eligibility ends after the 180th day unless there has been a judicial determination finding that continued voluntary placement is in the best interest of the child.
- The person signing the VPA must have legal responsibility for the child (e.g., a caretaker can not sign a VPA)

Ongoing Judicial Activity

- Reasonable Efforts to prevent removal or to reunify language must be in a court order within 60 days from removal. If not present, the child is not IV-E eligible. State policy requires this language to be in the initial order, usually the non-secure order. Care is required around this issue when children come into DSS custody as a result of delinquency order.
- There must be a judicial determination of reasonable efforts to finalize/achieve a permanency plan no later than 12 months from the date the child is considered to have entered foster care and at least once every 12 months thereafter while the child is in foster care. These efforts must be specifically enumerated. **Please Note: Each of the three cases found to be in error in the 2005 review were in error because they did not have a judicial determination of reasonable efforts to finalize a permanency plan. This**

must be included.

- The court order must detail: 1. What specific efforts have been made by the agency (not what the parents did) up to the date of the court hearing. 2. What the permanency plan is. 3. Recommendations and plans for what specific efforts will be made by the agency in the future.
- If a permanency planning hearing is not held timely, the child is not eligible for IV-E reimbursement from the end of the 12th month in which the PP hearing should have been held until the 1st day of the month in which the PP hearing was actually heard and the appropriate language put in a judicial order.

AFDC Eligibility

- Ensure use of the current DSS-5120 form. Make sure every item is completed accurately and thoroughly.
- Ensure that the “look back” date of July 16, 1996 (disregarding the Section 1115(a) waiver that was in effect on that date in North Carolina) is used to determine AFDC eligibility.
- DSS-5120 and DSS-5120A (redetermination) must be completely filled out with clear verification for need and deprivation. Parents statement alone is not sufficient verification.
- Remember that ongoing eligibility determination is a requirement. The activity in the case narrative must be reflected in the DSS-5120A documentation.
- Make sure the DSS-5120 and DSS-5120A document the final determination of eligibility.

State Agency Responsibility for Placement and Care of the Child

- Recommend use of standardized language and checklists in court orders, but also must ensure that the court order language is child specific and the findings and efforts are directed to a particular child(ren).

Placement in Licensed Home or Facility

- As we have moved to two-year licenses, there is no grace period and we must ensure that relicenses occur timely.

Safety Requirements

- County foster family home local criminal record checks must be documented in the case record and updated annually.

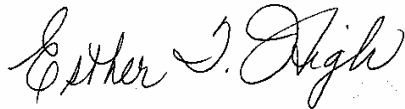
In preparation for the Federal Title IV-E Eligibility Review, we have an opportunity to correct any errors, and if the child is not IV-E eligible, change the funding source listed on the DSS-5094 or 5095 to another funding source. In order to prepare for the federal review, **we are requiring that each county review every case in which the child is listed as being IV-E eligible between April 1, 2007 and September 30, 2007 (the period under review)**, using the attached Federal Review Checklist and Instructions. **Please begin this task immediately for cases that are currently receiving IV-E funding. However this task must be completed by October 1, 2007 for all children receiving IV-E foster care funds during the period under review.** 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.” **You must continue to review this report up to September 30, 2007 to include all children receiving IV-E foster care funds during the period under review (PUR).** 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, 2007, through September 30, 2007. 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. **CPR's will begin this process after the completion of the counties' review of cases on October 1, 2007 and will complete their review by October 15, 2007.**

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 Beverly Daniel (beverly.daniel@ncmail.net) at (919) 733-9461 or Thomas Smith (thomas.smith@ncmail.net) at (919) 733-9465. 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,



Esther T. High, Acting Chief
Family Support and Child Welfare Section

Attachment

[Title IV-E Foster Care Eligibility](#)
[On-Site Review Instrument and Instructions](#)

cc: Sherry S. Bradsher
Jo Ann Lamm
Sarah Barham
Local Business Liaisons Managers
Family Support and Child Welfare Services Team Leaders
Children' Services Program Representatives

FSCWS-53-07