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

The next Federal Title IV-E Eligibility Review for North Carolina will occur during the week of July 18-24, 2011. 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 the AFCARS file, which is the statewide population of children that were identified as receiving a IV-E foster care payment during the period from October 1, 2010, through March 31, 2011.

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’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,
- Voluntary placement agreements (VPA) require documentation of a judicial determination, 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,
- Income and deprivation determinations based on the AFDC “Look Back Date”,
- Evidence that the child was continuously placed in a licensed home or facility for every month that IV-E reimbursement was claimed.

In preparation for the Federal Title IV-E Eligibility Review, counties should continue with a review of every case for which a IV-E foster care payment is made between October 1, 2010 through March 31, 2011 (the period under review), using the Federal Review Checklist and Instructions that were provided in the Dear County Director Letter CWS 19-2010.
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 monitored closely for due dates of required Permanency Planning findings and children turning 18 within the period under review.

- Remember that changes to the DSS-5094 prior to the 20th of the month would change the funding source for the previous month’s foster care payment. This is particularly important for children entering custody near the end of month who do not meet all eligibility requirements until the following month.

- 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 October 1, 2010, through March 31, 2011. 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 after the 5th working day, the 16th of the month, and the final report is completed the evening of the 20th or the last working day before the 20th 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 the county decides that they need 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 Bumgarner at tina.bumgarner@dhhs.nc.gov or at 828.397.3901. All funding adjustments must be submitted no later than February 14, 2011. This dating 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 20th of the month or the last working day before the 20th if it falls on a weekend or holiday for the months of January through March.

If you have questions, need clarification, or identify adjustments that are needed after the established deadline please contact Thomas Smith (thomas.smith@dhhs.nc.gov) at 919.334.1089 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,

Kevin Kelley, Interim Section Chief
Child Welfare Services

cc: Sherry S. Bradsher
Local Business Liaisons
Child Welfare Services Team Leaders
Children’ Services Program Representatives

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