

**DSS ADMINISTRATIVE LETTER
CHILD WELFARE SERVICES CWS-AL- 04-12**

TO: COUNTY DIRECTORS OF SOCIAL SERVICES

**ATTENTION: CHILD WELFARE SERVICES PROGRAM ADMINISTRATORS,
MANAGERS, SUPERVISORS, SOCIAL WORKERS, BUSINESS
MANAGERS, AND FISCAL STAFF**

DATE: AUGUST 1, 2012

**RE: CHANGES IN USE OF TITLE IV-E ADMINISTRATIVE FUNDS AS
A RESULT OF THE FEDERAL ADMINISTRATIVE COST REVIEW**

EFFECTIVE DATE: OCTOBER 1, 2012

Intent

The purpose of this letter is to inform about the impending actions in response to North Carolina Title IV-E Foster Care Program Administrative Review Pilot in September, 2011. The Final Report is complimentary of the North Carolina staff and the processes in, at the county and state level, regarding efforts to provide for children and families and support to sustain those efforts. It also identifies some areas for enhancement and corrections. Some of these corrections will have a significant impact on funding and practice while others are behind the scenes adjustments to ensure accountability with our federal partners. A copy of the Final Report can be found at <http://www.ncdhhs.gov/dss/stats/cw.htm>.

Changes outlined in this letter will be effective in October, 2012, with new rates being applied to September, 2012 services.

For purposes of this letter, the term “penetration rate” will be used to identify rates of IV-E eligible children to their respective foster care or adoption populations. The Final Report utilizes the term “eligibility rates” which is the term used by the federal office, but has the same meaning as “penetration rates”.

Background

In September, 2011, North Carolina participated in an Administrative Cost Review (ACR) Pilot with the Administration of Children and Families. The purpose of the pilot review was “to test the draft ACR protocol and instruments designed to review a States Public Assistance Cost Allocation Plan (PACAP) and any other material processes it utilizes to accumulate, measure, allocate, and claim costs for reimbursement as Title IV-E Foster Care Administration.” North Carolina participated in this pilot as an opportunity to have input regarding future federal review processes without incurring penalties for previous activities not consistent with Federal policy. Cumberland, Guilford, and Wake Counties are recognized for their contributions and invaluable assistance during the on site visits. The report notes that “We were very impressed with all the workers and managers that

we met as part of our visits to and interviews in North Carolina County DSS and Human Services agencies.”

The Report presents a number of recommendations that require the Department of Health and Human Services to improve definitions of service codes, provide additional guidance on using program codes, and enhancing the alignment of service and program codes to the 1571 process. This letter is intended to highlight areas for immediate attention to counties for planning and action.

It cannot be emphasized strongly enough that service and fiscal staff must maintain a dialog to assure county departments are able to claim reimbursement accurately and timely. County departments are encouraged to establish protocols for service and fiscal staff to review their data monthly to ensure maximum reimbursement is secured.

Application of the Title IV-E Penetration Rate

The area that has the greatest impact on county operations is the application of the IV-E foster care penetration rate to reimbursement claims for service codes 215-CPS – In-Home Services, 219-Protective Services for Children-Team Setting, and 228-Preparation for and Participation In Judicial Determinations In Juvenile Court (Preplacement). Heretofore, North Carolina has only applied the Federal Financial Participation (FFP) rate to reimbursement claims for providing these services. North Carolina must now apply the state foster care penetration rate to all claims for services provided to all children considered a “candidate for removal from their homes and placement in foster care.” The net result will decrease revenue generated for these services.

For all 215-CPS – In-Home Services, 219-Protective Services for Children-Team Setting, and 228-Preparation for and Participation In Judicial Determinations In Juvenile Court (Preplacement) services provided on or after September 1, 2012:

- Social workers will continue to use program code Z when recording these services on day sheets (DSS-4263)
- Fiscal staff will apply the state foster care penetration rate before applying the 50% foster care FFP rate to time assigned to these service codes when completing the 1571.

Service staff involved with the recruitment, assessment, and training of foster and adoptive parents will continue to use program code Z when using service codes 102-Training for Foster Parents, 103-Recruitment and Assessment of Foster Parents, 011-Recruitment and Assessment of Adoptive Parents and 014-Training for Adoptive Parents on their Day Sheets. County service staff will interview families to determine whether adoption or fostering is their motivation for applying for services. This determination will dictate which codes to use, adoption (011 and 014) or foster care (102 and 103), for recording interactions with the family on Day Sheets. If a family is seeking both, their stated primary interest should be used. These decisions must be documented in the individual's or family's service files.

Beginning with services provided on and after September 1, 2012, county fiscal staff will:

- Apply the new adoption penetration rate for 011-Recruitment and Assessment of Adoptive Parents and 014-Training for Adoptive Parents
- Apply the foster care penetration rate for 102-Training for Foster Parents and 103-Recruitment and Assessment of Foster Parents
- Continue to apply the 50% foster FFP for 011-Recruitment and Assessment of Adoptive Parents and 103-Recruitment and Assessment of Foster Parents
- Apply a 75% training FFP to 014-Training for Adoptive Parents and 102-Training for Foster Parents
- All remaining time will be coded to other fund sources available for the service codes as listed in Appendix B of the SIS Manual.

Agency fiscal staff will locate the penetration rates on the DHHS Controllers' website:
<http://www.ncdhhs.gov/control/socserv/socserv.htm>

Documentation of Candidacy for Foster Care

An item that requires immediate attention is documentation of "candidacy for foster care." In 38.5% of the cases reviewed there was insufficient documentation of candidacy for removal from their homes and placed in foster care. The reviewers found that many of the candidacy determinations were based almost solely on a moderate or high risk rating on the SDM tools. While this high or moderate risk of future harm is a contributory piece of documentation regarding candidacy, it is not the determining factor for imminent risk of removal. To be eligible for Title IV-E funding for In Home Services (215), a child must be at "imminent risk of removal from the home and placement in foster care absent effective preventive services." The primary way in which candidacy for foster care is documented in North Carolina is through the development of a case plan. The report notes that the NC Case Decision Summary/Initial Case plan (DSS-5228) which is identified as the first plan, is not sufficient to be a case plan according to Title IV-E requirements. The case plan must be developed with the family and include the initial determination and documentation of risk of removal and placement along with the reasonable efforts being made to prevent placement. The plan and the determination of candidacy status must be reviewed every 6 months.

To achieve compliance in this area, county staff must carefully reflect on the child's imminent risk of removal at the time of the CPS assessment case decision. The following actions need to be implemented to assure that IV-E reimbursement claims are appropriate.

- Title IV-E (Z) should not be claimed on the Day Sheet for In Home Services until the first day of the month in which there is an In Home Family Services Agreement (DSS-5239) in place.
- Until the In Home Family Services Agreement form can be revised, social workers must include clear and concise documentation of the specific reason the child is at imminent risk of removal if services are not promptly provided to prevent placement on page 2 of the In Home Family Services Agreement (DSS-5239) under the question "Describe behaviors that are of concern." If more room is needed, continue under "Comments regarding the review status and/or areas of concern" lower on the same page.

If it is believed that the child and family could benefit from services and potentially decrease the risk of future reports of maltreatment, but there is insufficient information to justify that the child is at imminent risk of removal and placement, county staff can still decide to provide In Home Services. However, these services must be coded to a Program Code other than Title IV-E (Z). The report advises that At Risk Case Management (ARCM) may be an option. Dear County Director Letter <http://www.ncdhhs.gov/dss/dcdl/famsupchildwelfare/fscw-24-2005.pdf> provides the most recent instruction on the use of ARCM for In Home Services along with the constraints and documentation requirements.

Calculation of the Title IV-E Penetration Rate

The Report also calls into question the formula in which the penetration rate is calculated. North Carolina has calculated the IV-E penetration rate applying a formula that used only children receiving maintenance payments in the numerator and denominator. The Report advises that the denominator should use the federal definition for foster care which includes all children in custody and placement responsibility of a county department of social services. The report also points out that there are children for whom maintenance payments are not made but who could still be counted in the numerator which would have an impact on the penetration rate. The penetration rates incorporating these changes will be available, as noted earlier, on the DHHS Controllers Office website.

The penetration rates are derived from data recorded on DSS-5094's and 5095's. County staff are encouraged to promptly and accurately determine foster care eligibility using the DSS-5120 when a child enters foster care and ensure timely entry of the information on the DSS-5094. The timeliness and accuracy of information in fields 45 through 61 on the DSS-5094 is **critical** in the calculation of these rates. These fields address living arrangements and eligibility coding.

Documentation of Activities Claimed under Title IV-E

The Review found in the probe record review that 60% of the Day Sheet entries had activities that were thoroughly documented in case records. Any claim of time on a Day Sheet must be documented in the record for that date with a description of the activity that meets the definition for the service. County staff need to immediately explore ways to ensure what is recorded on the Day Sheets is documented in the record. This could include some quality assurance checks of records by supervisors or other staff. The Children's Program Representatives and Local Business Liaisons can provide consultation and technical assistance to assist county staff to establish ways and means to ensure there is appropriate documentation to support the Day Sheet claim. This is not a new requirement, and has previously been identified as an issue in many counties during Single County Audits.

Timeliness in Completing the Day Sheets

A specific issue raised in the review related to the use and accuracy of Day Sheets. ACF has consistently contended that Day Sheets should be done contemporaneously with the work activities, meaning that staff should record time immediately upon completing a task with a client. The Report makes several suggestions regarding the completion of Day Sheets.

To begin addressing this concern, county staff need to explore ways and means that ensure that staff who complete Day Sheets record their activities as soon as possible following completion of the activity, ensure the amount of time recorded is plausible to the activity, and assure appropriate documentation in the client records.

Aftercare Services

After care services, described in Chapter XIII-Child Welfare Funding manual as services to families after a child has returned home and the agency no longer has custody, is an allowable service for which Title IV-E (Z) can be claimed since the child is a potential candidate for removal from their home. Heretofore, county staff were advised to claim this time through 109(Z). However, full 50% FFP is not allowable for these children without applying the foster care eligibility rate since they are candidates for removal and placement. Therefore, any services provided as Aftercare services must be coded for In Home Services (215) with all documentation of candidacy for removal and placement. To that end, an In Home Services Agreement must also be developed with the family as described above under Documentation of Candidacy.

Evaluation Activities

Use of Title IV-E (Z) was permitted for Service Codes 320 - Evaluation Activities for Adoption Programs and 322 - Evaluation Activities for Child Foster Care Programs. The review determined that these are not allowable IV-E services. Effective September 1, 2012, Title IV-E (Z) will not be an available Program Code for these services.


Future Items

There are a number of other items that are being addressed. You will be informed about the specifics of the changes as they are completed.

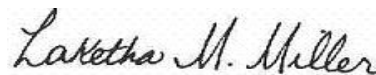
- Service definitions are being revised to remove references to direct services for services for which Title IV-E is a program code option.
- The adoption and foster care codes will be revised to assure that each code captures distinct and non-overlapping activities.
- Additional guidance and direction on interpreting data from the day sheets to the 1571 will also be developed.
- Further instructions on the use of the Comments section on the Day Sheets.

As additional items are completed, the information will be sent to county offices. The target date for implementing these changes is October 1, 2012, to coincide with the beginning of the federal fiscal year. If you have any questions, contact your state Children's Program Representative or Local Business Liaison.

Sincerely,



Sherry S. Bradsher, DSS Director



Laketha Miller, DHHS Controller