

DEPARTMENT OF SOCIAL SERVICES

744 P Street, Sacramento, California 95814



October 14, 2003

COUNTY FISCAL LETTER (CFL) NO. 03/04-20

TO: COUNTY WELFARE DIRECTORS
COUNTY FISCAL OFFICERS
COUNTY AUDITOR CONTROLLERS
COUNTY PROBATION OFFICERS

SUBJECT: CLAIM INSTRUCTIONS FOR THE ADJUSTMENT OF COSTS
REPORTED ON THE CA 800 FC (FED) FORM, FEDERAL CHILDREN IN
FOSTER CARE, AS THE RESULT OF RELATIVE/NONRELATIVE
EXTENDED FAMILY MEMBER (NREFM) APPROVAL MONITORING
PROCESS

REFERENCES: All County Letter No. (ACL) 01-85
All County Information Notice (ACIN) No. I-17-03
CFL No's. 01/02-61, 02/03-49 and 02/03-50 Adoptions and Safe
Families Act (ASFA) Public Law, Statutes of 1997
Assembly Bill (AB) 1695, Chapter 653, Statutes of 2001

The purpose of this CFL is to issue claim adjustment instructions pertaining to case review findings associated with the relative placements/NREFM Monitoring Process.

BACKGROUND

The Federal Department of Health and Human Services (DHHS) has disallowed a total of \$45 million in Federal Financial Participation (FFP) for Title IV-E, pertaining to the Relative Approval process, for the January through December 2002 quarters. Also, the California Department of Social Services (CDSS) was the subject of a lawsuit initiated by the Youth Law Center (YLC) regarding Relative Approvals. As part of the settlement agreement for the Higgins vs. Saenz lawsuit and to resolve the Title IV-E deferral, the CDSS has developed a Relative Approval Monitoring Process, based on approval standards outlined in AB 1695. By using the Child Welfare Services/Case Management System (CWS/CMS) to review county relative approval processes and

documentation, the CDSS is able to ensure that all relative/NREFM placements meet the AB 1695 approval standards and are eligible for FFP under Title IV-E.

The CDSS Children Services Operations Bureau (CSOB) has issued All County Information Notice (ACIN) No. I-17-03, dated June 12, 2003, that provides information and instructions concerning the Relative Approval Monitoring Process. The following instructions pertain to the fiscal responsibility that counties have in adjusting claims for placements found ineligible for FFP as the result of the monitoring process.

CDSS MONITORING PROCESS

As outlined in ACIN I-17-03, the Relative Approval Monitoring Process will measure two types of compliance:

1. Individual Case Compliance.
2. Systemic Policy Compliance.

The review process also looks at six subject areas when measuring both types of compliance:

1. Background Checks and Criminal Records Clearances;
2. Caregiver Qualifications;
3. Safety of Home and Grounds;
4. Child's Personal Rights;
5. Caregivers Training/Orientation; and
6. Timeliness of Home Approval Reassessments.

INDIVIDUAL CASE COMPLIANCE

Individual Case Compliance determines whether the case reviewed is eligible for Title IV-E funding based on AB 1695 standards. After the review is complete, counties will be provided with a rebuttal log that identifies those cases that do not meet the relative approval requirements. Counties will have ten business days to provide rebuttal documentation that explains or clarifies how each case listed meets the approval requirements. The CDSS will accept or reject the rebuttal documentation and determine whether each case will remain on the list as noncompliant. The CDSS will issue a monitoring report and any cases that remain designated as noncompliant will be identified in the report.

The county will have 30 calendar days from the receipt of the report to provide documentation that proves that each case has met the AB 1695 compliance criteria from January 2002 forward. Counties must send the supporting documentation to their CSOB County Consultant in writing prior to the end of the 30-day time period and demonstrate that the documentation exists in the case file proving that the case was in compliance. Any case determined to be in compliance will be removed from the list. Any case that does not contain the documentation confirming that the case meets the

AB 1695 criteria will be found out of compliance. After the close of the 30-day response timeline, the cases determined to be out of compliance will be forwarded to the Financial Services Bureau (FSB) for processing of fiscal claim adjustments for the period of Federal ineligibility.

Reminder: Regardless of the results of any corrective action required through the relative/NREFM Monitoring Process, counties shall adjust any case found to be ineligible for FFP through the normal assessment process for all months of ineligibility.

FISCAL COMPLIANCE

Within 30 days of receiving CSOB's report of the final list of cases found to be out of compliance, the FSB will notify the applicable County Director and County Fiscal Officer that the County is to make adjustments for all noncompliant cases (See Attachment I, CDSS' out of compliance letter). The letter will include:

- Attached list of cases found out of compliance;
- Required claim adjustments for the CA 800 FC (FED) form (Attachment II);
- Timeline for adjustments;
- County documentation requirements; and
- Sanction process for noncompliance.

All adjustments must be entered on the monthly CA 800 FC (Fed) assistance claim form, Line 10B, DSS Office Audit Corrections (for State use only). The adjustments shall also be included on the CA 800 FC (FED) Placement Information Addendum (PIA), Line 12, Total Prior Period Negative Adjustments for Approved Relative Homes. An additional attachment to the current month CA 800 FC (FED) form will be required to support the Line 10B adjustment and to provide a listing of all cases and the adjustment amount(s) for each case due to the Relative Approval Monitoring Process. This attachment should include the case name, case number, placement date, number of months in noncompliance and the amount adjusted (See Attachment II, Line 10B Detailed Adjustments).

As directed in the FSB letter, Counties are required to make the adjustments or demonstrate that the adjustments have already been made on a prior monthly claim. If the County does not make the appropriate adjustments, under the Department's general claim audit authority, the CDSS will make the adjustments using available fiscal data.

Counties may refer to CFL 01/02-61, dated June 26, 2002, CFL 02/03-49, dated March 20, 2003, and CFL 02/03-50, dated April 22, 2003, for additional claim adjustment and supporting documentation information.

Reminder: Cases that are adjusted for noncompliance will shift to 100 percent county share pursuant to CFL 02/03-50, as the AB 1695 approval criteria applies to all relative/NREFM cases.

SYSTEMIC POLICY COMPLIANCE

The second type of compliance will measure the counties' compliance level in each of the six subject areas. Any subject area that does not meet the 90 percent compliance threshold will require a Corrective Action Plan (CAP). The CSOB will monitor the CAP's effectiveness by reviewing an additional sub-sample of cases at both 30 and 60 calendar days from the date the CAP is approved to ensure that systemic policy/process problems have been corrected. If cases are found ineligible for FFP during the Systemic Policy Compliance portion of the review, county costs shall be reduced for all placement months where the case was found ineligible for FFP.

For cases monitored during the first year, only those cases found ineligible for FFP will be adjusted. In the second year, those counties that do not meet the 90 percent compliance threshold will have the monitoring results extrapolated to 100 percent of the total relative/NREFM placement costs. The CSOB will notify counties of the second-year compliance review process in future correspondence. Depending upon county compliance levels and further Federal deferral actions, the CDSS reserves the right to modify first and second year adjustment processes as appropriate. Additionally, CDSS will consider whether action pursuant to Welfare and Institutions Code Section 10605 is necessary to ensure county compliance.

CONCLUSION

For more information on the Relative/NREFM Approval Monitoring Process, please contact the Children's Services Operations Bureau at (916) 323-1672. For questions concerning claiming instructions or fiscal adjustments made as the result of the Relative/NREFM Approval Monitoring process, contact the Financial Services Bureau at (916) 657-3390. To review the ACLs, CFLs, and the ACIN listed above, please visit the CDSS webpage at www.dss.cahwnet.gov.

Sincerely,

*Original Signed Marge Dillard
on October 14, 2003*

MARGE DILLARD, Chief
Fiscal Systems and Accounting Branch

Enclosures

DEPARTMENT OF SOCIAL SERVICES**ATTACHMENT I**

Date

County Address

Dear Mr/Ms:

The California Department of Social Services (CDSS), Children's Services Operations Bureau's (CSOB), Compliance Monitoring Report, dated _____, for Relative/Nonrelative Extended Family Member (NREFM) placements, has identified specific cases within your County as not meeting the Adoptions and Safe Families Act requirements as outlined in Assembly Bill (AB) 1695, Chapter 653, dated October 10, 2001. Therefore, these cases are not eligible for Federal Financial Participation (FFP) under Title IV-E (see attached list). Please refer to your county's Compliance Monitoring Report for more detailed information.

Per County Fiscal Letter (CFL) 03/04-20, dated October 14, 2003, the county must submit claim adjustments for all noncompliant cases. Counties will adjust costs for cases back to the date indicated in the monitoring report. The required information outlined in this CFL must be submitted as an attachment to the (month) CA 800 FC (FED) claim form for each case listed as noncompliant on the attached report. Any adjustments must also be reflected on the Placement Information Addendum (PIA) Form, CA 800 FC (FED) PIA, as an attachment to the CA 800 FC (FED) form.

If the adjustments are not made or justified as compliant/previously adjusted by the (month) claim, the CDSS will make the necessary adjustments using available data or, as pursuant to Welfare and Institutions Code 10605, will withhold all funding for Relative/NREFM placements until the County comes into compliance by making the necessary claim adjustments.

If you have questions concerning this letter, please contact the Financial Services Bureau at (916) 657-3390.

Sincerely,

TERRIE O'CONNOR, Chief
Financial Services Bureau

CA 800 FC (FED) Form Attachment
Line 10B Detailed Adjustments,
DSS Office Audit Corrections (for State use only)

County: _____

Date: _____

| Case Number | Case Name | Placement Date | Number of Months Not In Compliance | Amount Of Adjustment |
|-------------|-----------|----------------|------------------------------------|----------------------|
| 1. | | | | |
| 2. | | | | |
| 3. | | | | |
| 4. | | | | |
| 5. | | | | |
| 6. | | | | |
| 7. | | | | |
| 8. | | | | |
| 9. | | | | |
| 10. | | | | |

SA E

Total Amount Adjusted _____