



**Department of Health and Human Services**

# **Office of Inspector General**

---

## **Work Plan**

**Administration for Children and Families Projects**

**Fiscal Year 1999**

**June Gibbs Brown  
Inspector General**



# Office of Inspector General

## MISSION:

Under the authority of the IG Act, we improve HHS programs and operations and protect them against fraud, waste, and abuse. By conducting independent and objective audits, evaluations, and investigations, we provide timely, useful, and reliable information and advice to Department officials, the Administration, the Congress, and the public.

## VISION

### WE ARE GUARDIANS OF THE PUBLIC TRUST

-  Working with management, we will ensure effective and efficient HHS programs and operations.
-  Working with decision-makers, we will minimize fraud, waste and abuse in HHS programs.
-  Working with our talented and motivated staff, we will manifest the highest standards as a Federal OIG.

## VALUES

### WE VALUE:

-  Quality products and services that are timely and relevant.
-  A service attitude that is responsive to the needs of decision-makers.
-  Fairness, integrity, independence, objectivity, proficiency, and due care in performing our work.
-  Teamwork and open communication among OIG components.
-  A positive environment that supports our personal and professional needs and encourages us to be innovative and reach our full potential.

**Department of Health and Human Services**

# **Office of Inspector General**



**Work Plan for Fiscal Year 1999**

## **INTRODUCTION**

The Office of Inspector General (OIG) Work Plan is set forth in five chapters encompassing the various projects to be addressed during Fiscal Year (FY) 1999 by the Office of Audit Services, Office of Evaluation and Inspections, Office of Investigations, and Office of Counsel to the Inspector General. The first four chapters present the full range of projects planned in each of the Department of Health and Human Services' (HHS) major entities: the Health Care Financing Administration, the Public Health Service agencies, the Administration for Children and Families, and the Administration on Aging. The fifth chapter embraces those projects related to issues that cut across Department programs, including State and local government use of Federal funds, as well as the functional areas of the Office of the Secretary.

In preparing this edition of the OIG Work Plan, we have provided a brief description of the various project areas that we perceive as critical to the mission of the OIG and the Department. Unless otherwise noted, reports on all projects are expected to be issued in FY 1999. However, as the work planning process tends to be ongoing and dynamic, the focus and timing of many of these projects can evolve in response to new information, new issues, and shifting priorities of the Congress, the President, and the Secretary and may be altered over time.

Given these variables, the OIG objective still remains the targeting of available resources on those projects that best identify vulnerabilities in the Department's programs and

activities that have been designed to serve and protect the safety, health, and welfare of the American people and promote the economy, efficiency, and effectiveness of the Department's programs. The Health Insurance Portability and Accountability Act of 1996, strengthened by the Balanced Budget Act of 1997, brought much needed authorities and resources to achieving this objective.

---

## **Program Audits**

---

The Office of Audit Services (OAS) conducts comprehensive financial and performance audits of departmental programs and operations to determine whether program objectives are being achieved and which program features need to be performed in a more efficient manner. The OAS also provides overall leadership and direction in carrying out the responsibilities mandated under the Chief Financial Officers Act of 1990 and the Government Management Reform Act of 1994 relating to financial statement audits.

The audit portion of the OIG Work Plan represents the most significant audit work that will be conducted in FY 1999.

---

## **Program Inspections**

---

The Office of Evaluation and Inspections (OEI) seeks to improve the effectiveness and efficiency of departmental programs by conducting program inspections to provide timely, useful, and reliable information and advice to decision makers. These inspections are program and management evaluations that focus on specific issues of concern to the Department, the Congress, and the public. The inspections identified in this Work Plan focus on programs with significant expenditures of funds and services to program beneficiaries or in which important management issues have surfaced. The results of these inspections should generate accurate and up-to-date information on how well those programs are operating and offer specific recommendations to improve their overall efficiency and effectiveness.

---

## **Investigative Focus Areas**

---

The OIG's Office of Investigations (OI) conducts investigations of fraud and misconduct to safeguard the Department's programs and protect the beneficiaries of those programs from individuals and activities that would deprive them of rights and benefits.

The OIG concentrates its resources on the conduct of criminal investigations relating to the programs and operations of HHS. These investigative activities are designed to prevent fraud and abuse in departmental programs by identifying systemic weaknesses in areas of program vulnerability that can be eliminated through corrective management actions, regulation or legislation, by pursuing criminal convictions; and by recovering the maximum dollar amounts possible through judicial and administrative processes, for recycling back to the intended beneficiaries.

---

## **Legal Counsel Focus Areas**

---

The Office of Counsel to the Inspector General (OCIG) coordinates the OIG's role in the resolution of health care fraud and abuse cases, including the litigation and imposition of administrative sanctions, such as program exclusions, and civil monetary penalties and assessments; the global settlement of cases arising under the Civil False Claims Act; and the development of corporate agreements for providers that have settled their False Claims Act liability with the Federal Government. It also develops and promotes industry awareness of models for corporate integrity and compliance programs and monitors ongoing integrity agreements. The OCIG also provides all administrative litigation services required by OIG, such as patient dumping cases and all administrative exclusion cases. In addition, OCIG issues special fraud alerts and advisory opinions regarding the application of OIG's sanction statutes and is responsible for developing new, and modifying existing, safe harbor regulations under the anti-kickback statute. Finally, OCIG counsels OIG components on personnel and operations issues, subpoenas, audit and investigative issues, and other legal authorities.

---

### **Internet Address**

*The FY 1999 OIG Work Plan and other OIG materials, including final reports issued and OIG program exclusions, may be accessed on the Internet at the following address:*

<http://www.hhs.gov/progorg/oig>

---

Department of Health and Human Services

# Office of Inspector General



## Administration for Children and Families Projects

### Table of Contents

#### WELFARE REFORM

Measurement and Reliability of Outcome Data .....	1
State Assessments of Welfare Recipients' Skills .....	1
Education and Training .....	1
Maintenance of Effort .....	2
Administrative Cost Adjustments .....	2
Surplus Welfare Funds .....	2
Two-Parent Participation Rate .....	3
Implementation of Recipient Sanction Policies .....	3
Privatization and Welfare Reform .....	3
Welfare Recipient Perspectives .....	4
State Fraud and Abuse Activities .....	4

#### CHILD CARE

Quality of Care .....	4
Technical Assistance Contracts for Quality Child Care .....	5
Enforcement of State Child Care Health and Safety Standards .....	5
Use of Tribal Child Care Funds - An Early Alert .....	5
Head Start and Child Care Collaboration .....	6

#### CHILD PROTECTIVE SERVICES

Service Effectiveness .....	6
Emergency Shelters .....	6

Interstate Compact on the Placement of Children .....	7
Coordination of Child Welfare Efforts .....	7

**CHILD SUPPORT**

Collection Methods .....	8
Improving Interstate Case Collections .....	8
Earnings of Noncustodial Parents .....	9
Paternity Establishment .....	9
Welfare Recipient Cooperation .....	9
Review and Adjustment of Child Support Orders .....	10
Welfare and Child Support Agency Coordination .....	10
Employer Compliance with New Hire Directories .....	10
Medical Insurance Coverage: Detection and Coordination with Medicaid .....	11
Child Support Annual Report: A Customer Survey .....	11

**INVESTIGATIONS**

Child Support Enforcement Task Force Model .....	11
--	----

**FOSTER CARE**

Child Abuse in Foster Care Settings .....	12
State Oversight of Foster Care Residential Facilities .....	12
Foster Family Operations .....	13
Foster Care Group Homes .....	13
Independent Living Program .....	13
Foster Care Rates .....	13
Reimbursement for Residential Foster Care .....	14
Level of Care: Therapeutic Foster Care Per Diem Rates .....	14
Cost Shifting of Juvenile Justice Costs .....	15
Foster Care Claims Filed by States .....	15
Barriers to Freeing Children for Adoption: Follow-up Study .....	15
Adoption and Foster Care Analysis and Reporting System .....	16

**HEAD START**

Health and Safety Standards .....	16
Family and Community Partnerships .....	16
Technical Assistance to States .....	17

**OTHER ISSUES**

Year 2000 Computer Renovation Plans ..... 17  
Abuse of Disabled Children ..... 17  
State Developmental Disabilities Councils ..... 18  
Management and Performance of OCS Discretionary Grants ..... 18  
Emergency Assistance Retroactive Claims ..... 18  
Statewide Automated Child Welfare Information Systems ..... 19

# **WELFARE REFORM**

---

## **Measurement and Reliability of Outcome Data**

---

We will examine how States plan to measure the outcomes experienced by recipients under the Temporary Assistance for Needy Families (TANF) block grant, in concert with other provisions of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996. The TANF program transformed welfare into a system that requires work in exchange for time-limited assistance. The program is intended to end dependence on Government benefits by promoting job preparation, work, and marriage. We will test the accuracy of reported data and discern the data States need to collect to measure outcomes. We will also discuss the potential ease and/or difficulty of collecting this data.

*OAS; W-00-99-20016; A-02-99-00000*

*OEI; 05-98-00130 (Expected Issue Date: FY 2000)*

---

## **State Assessments of Welfare Recipients Skills**

---

We will examine States' compliance with the requirement of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 to assess the skills, prior work experience, and employability of each TANF recipient. We will also describe the assessment tools States use to screen and appropriately refer recipients for job search, job training, and other support services. Early indications show some States may not complete these assessments in a timely manner.

*OEI; 00-00-00000*

---

## **Education and Training**

---

We will determine whether States have used Federal funds provided by the Job Opportunities and Basic Skills program to supplant State funds for training and education. Our review of Wisconsin's education and training programs, which was coordinated with the U.S. Department of Agriculture's (USDA) OIG, found that the State's accounting methodology resulted in State and local funds' being replaced by Federal funds. Nearly \$6 million in ineligible Federal funds was identified. Both USDA and HHS regulations provide that Federal funds to operate a training and education

component not be used to supplant State funds for existing educational services and activities. We plan work in another State and propose a national review in coordination with USDA auditors.

*OAS; W-00-98-20016; A-05-98-00010*

---

## **Maintenance of Effort**

---

We will examine how States have implemented the maintenance of effort provision under the TANF program. States are required to expend at least 80 percent (75 percent if they meet participation requirements) of their historical spending level under AFDC and related programs. Some uncertainty may exist about which expenditures of State funds count toward the maintenance of effort requirement.

*OAS; W-00-99-20016; A-06-99-00000, A-07-99-00000*

---

## **Administrative Cost Adjustments**

---

The OIG, in partnership with USDA and nonfederal auditors, will provide audit assistance to the Assistant Secretary for Management and Budget in its effort to assess administrative costs in public assistance programs. The TANF block grant to each State inadvertently included common administrative costs attributable to AFDC, Medicaid, and Food Stamps. The Agriculture Research, Extension, and Education Reform Act of 1998 requires the Secretary to determine the amount of administrative costs attributable to each of these programs in the TANF base year. The purpose is to determine the reductions in payment needed to preclude double charging that may now result as States start allocating administrative costs to the Food Stamps and Medicaid programs.

*OAS; W-00-99-20016; A-12-99-00000*

---

## **Surplus Welfare Funds**

---

We will determine whether States have inappropriately funded other programs with surplus TANF funds. As a result of a decline in welfare caseloads, many States are incurring a surplus of these funds. Federal regulations allow transfers of up to 30 percent of surplus funds to the Child Care and Development Block Grant or the Social Services

Block Grant programs. As part of our review, we will determine the extent that TANF funds have been used to subsidize any unauthorized activities.

*OAS; W-00-99-20016; Various CINs  
Expected Issue Date: FY 2000*

---

## **Two-Parent Participation Rate**

---

We will describe barriers States face, and report innovative practices found helpful, in meeting the TANF two-parent participation rate requirement. States must have 90 percent of their two-parent families participating in work by 1999. Those that do not meet this requirement face a reduction in welfare grants.

*OEI; 00-00-00000*

---

## **Implementation of Recipient Sanction Policies**

---

At the request of the Assistant Secretary for Planning and Evaluation, we will describe how States have implemented recipient sanctions under the TANF program. The sanctions, which may be imposed for failure to meet program requirements, are one tool in moving welfare recipients into the work force. The extent to which they are used appropriately and support this goal is important for the success of the program. The number of recipients sanctioned has increased over the past 2 years.

*OEI; 09-98-00290*

---

## **Privatization and Welfare Reform**

---

We will examine current State efforts to privatize aspects of welfare programs under the Personal Responsibility and Work Opportunity Reconciliation Act. States have the flexibility to contract the administration of child support enforcement, TANF, and other assistance programs to private nonprofit and for-profit organizations. Cost savings, the ability to begin new services quickly without additional employees, and the flexibility to meet seasonal service peaks in service demand are major reasons for privatizing. No

comprehensive studies have indicated the extent of privatization or described the successes and barriers encountered in contracting for welfare services.

*OEI; 00-00-00000*

---

## **Welfare Recipient Perspectives**

---

We will describe welfare recipients' experiences with and perceptions of the TANF program. At the heart of the program is the expectation that States be held accountable for moving families from welfare to self-sufficiency through work. Since the success of welfare reform will rely, among other things, on recipients' understanding of their role, we will identify early indications of their changing role.

*OEI; 00-00-00000*

---

## **State Fraud and Abuse Activities**

---

We will describe States' fraud and abuse prevention and detection activities under the TANF program. Under this program, States are required to certify that they have established standards and procedures to ensure against fraud and abuse. We will describe State activities relating to preventing pre-eligibility and post-eligibility fraud.

*OEI; 00-00-00000*

---

# **CHILD CARE**

---

---

## **Quality of Care**

---

We will review one State's monitoring of the quality of child care services, including checks of providers' criminal backgrounds and child abuse or neglect records. In addition, we will determine whether the State has overpaid providers who care for more children than its regulations permit. Our review will include an evaluation of State site visits to verify reported complaints.

*OAS; W-00-99-20018; A-05-99-00000*

---

## **Technical Assistance Contracts for Quality Child Care**

---

We will examine the States' experiences with, and perceptions of, the technical assistance they receive for administering the Child Care Development Fund and improving the quality of child care. The Administration for Children and Families (ACF) contracts with a private entity to provide technical assistance to State agencies. As States struggle to serve increasing numbers of children in child care as a result of welfare reform, the technical assistance provided through this contract will be critical to assist States in building and maintaining quality child care.

*OEI; 07-97-00420*

---

## **Enforcement of State Child Care Health and Safety Standards**

---

We will examine States' enforcement of child care health and safety standards and identify effective strategies for improved monitoring of child care providers. Child care providers serving children funded by the Federal block grant must meet health and safety requirements set by States and tribes. These requirements address the prevention and control of infectious diseases (including immunizations), building and physical premises safety, and minimum health and safety training. Past OIG studies have found that State efforts may not be sufficient to ensure that health and safety standards are met. Federal funding of child care and the number of children in federally subsidized child care continue to grow and are key components of moving welfare families to self-sufficiency.

*OEI; 00-00-00000*

---

## **Use of Tribal Child Care Funds - An Early Alert**

---

We will examine the challenges tribal child care agencies face in ensuring effective use of increased child care funds. With the passage of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, additional child care funds are available to tribes through the Child Care Development Fund Tribal Mandatory Fund, beyond the congressionally appropriated discretionary funds. This doubles child care funds available to tribes to \$60 million a year.

*OEI; 05-98-00010*

---

## **Head Start and Child Care Collaboration**

---

We will examine how Head Start and child care programs have collaborated to expand Head Start services to full-day, full-year, and alternative-hour programs. With over 50 percent of Head Start children receiving welfare benefits, the movement of their parents into the work force raises concerns about the hours of program operation and the ability of Head Start to meet parents' child care needs. Head Start has provided about \$200 million to support collaboration with child care programs.

*OEI; 00-00-00000*

---

## **CHILD PROTECTIVE SERVICES**

---

---

### **Service Effectiveness**

---

We will determine whether (1) the services/treatment prescribed to State Child Protective Services clients are appropriately focused, (2) any service delays exist that could result in further occurrence of child abuse and/or neglect, and (3) service is being followed up. We will also determine if the States have looked at recidivism rates to identify and correct the potential and/or leading causes of recidivism.

State investigations are intended to identify the risk factors (stressors) that led or significantly contributed to the child abuse or neglect. Remedial services and/or treatments are usually provided with the objective of eliminating or reducing to an acceptable level the risk of harm to children in the household.

*OAS; W-00-99-20018; A-03-99-00000*

---

### **Emergency Shelters**

---

We will describe the use of emergency shelters in the child welfare system. Emergency shelter care is the door through which many children enter the child welfare system. Shelters also house runaway youths and juvenile delinquents. Our study will look at the

types of services provided, lengths of stay, co-mingling of children, etc. There has never been a national study of these facilities.

*OEI; 00-00-00000*

---

## **Interstate Compact on the Placement of Children**

---

We will examine whether States have met their obligations under ACF's Interstate Compact on the Placement of Children. This compact was created in response to the lack of protective and supportive services provided to children sent into out-of-State placement. When a child is placed in another State, the receiving State must provide required services for the protection of children. The ACF has received complaints that certain States are not meeting their responsibilities under the compact, such as ensuring a safe living environment and conducting periodic site visits for "out-of-State placement" children.

*OEI; 02-95-00041*

---

## **Coordination of Child Welfare Efforts**

---

We will examine the coordination between ACF's child protection programs and child delinquency programs administered by the Office of Juvenile Justice and Delinquency Prevention in the Department of Justice. These programs often cover the same populations and are both adjudicated through the juvenile court system. The juvenile court has played an increasingly significant role in determining dependency case outcomes since the Federal Adoption Assistance and Child Welfare Act of 1980 required greater judicial oversight of the child protective service agency's performance. Program officials are receptive to exploring improved coordination and helping States and local communities build a continuum of services aimed at prevention and early intervention.

*OEI; 00-00-00000*

# CHILD SUPPORT

---

## Collection Methods

---

We will examine whether States have effectively used available methods to enforce collection of child support payments. Wage withholding is the method most often used by States. However, it is not effective for the self-employed or for accessing nonwage income, such as royalties, commissions, interest, and dividends. States may be missing an opportunity to collect child support arrearages by not garnishing income sources other than wages. We will also assess State procedures for timely withholding of wages when the wage earner changes jobs. Data from a State audit indicated that about 30 percent of wage earners with a garnishment order changed jobs and had continuing income but were no longer paying the mandated child support. Wage withholding through the new employer had not been accomplished in a timely manner.

Liens are another collection method. States are required to have in effect and use procedures for imposing a lien against real and personal property of an absent parent who is delinquent in child support payments. We will examine both intrastate and interstate cases.

*OAS; W-00-99-20005; A-01-99-00000*

---

## Improving Interstate Case Collections

---

We will determine whether the collection of child support across State lines has been enhanced as a result of the Uniform Interstate Family Support Act. This act is intended to improve States' ability to establish, enforce, or modify a support order or to determine parentage across State lines. About 30 percent of child support cases are interstate cases. Differing State programs and the lack of an effective procedure to collect interstate child support have raised barriers to increased collections for these cases. The historical problems in collecting child support across State lines make a review of this new act timely.

*OEI; 00-00-00000*

---

## **Earnings of Noncustodial Parents**

---

We will examine the earnings of a sample of noncustodial parents, review child support agency actions to collect sums owed, and determine increased collection opportunities for child support cases. Nationally, child support collections are low; only about 30 percent of custodial families receive regular child support. Little empirical data exists showing the actual earnings or earnings potential of noncustodial parents. The Office of Child Support Enforcement and the Assistant Secretary for Planning and Evaluation requested that the OIG examine this issue.

*OEI; 00-00-00000*

---

## **Paternity Establishment**

---

We will identify State methods for establishing paternity and describe how these determinations are used within the child support enforcement system. In recent years, both Federal and State child support enforcement agencies have invested considerable resources in creating in-hospital voluntary paternity acknowledgment programs. Less is known about efforts to establish paternity outside the hospital setting and to ensure that paternity information, regardless of its source, is accessible for use in creating and enforcing child support awards.

*OEI; 06-98-00050*

---

## **Welfare Recipient Cooperation**

---

We will review the processes States use to determine recipient cooperation in establishing child support orders, including provisions that release recipients from cooperation obligations. In an effort to maximize child support collections, welfare recipients must provide information to help identify and locate absent parents. Custodial parents receiving public assistance are required to cooperate with authorities in locating absent parents for payment of child support. Cooperation includes providing the name of the father and any other information that was known, or could be reasonably obtained, by the mother. Under welfare reform, IV-D agencies are mandated to make the cooperation determination.

*OEI; 06-98-00040*

---

## **Review and Adjustment of Child Support Orders**

---

We will describe the States' methods of reviewing and adjusting child support orders. Under welfare reform, State IV-D agencies now have options for review and adjustment of orders using any one of the following methods: (1) periodically reviewing cases, (2) using automated systems to identify cases needing updates, or (3) adjusting for the cost of living. Earlier OIG studies demonstrated that many child support orders were established when the noncustodial parents were young and/or earned little money. Once established, these orders were seldom, more often never, reviewed and adjusted. If child support orders for TANF parents are not modified regularly, custodial parents leaving the program may have a more difficult time attaining orders.

*OEI; 05-98-00100*

---

## **Welfare and Child Support Agency Coordination**

---

We will examine the extent that welfare offices make timely case referrals to child support agencies and establish child support for welfare recipients. Welfare offices are required to refer welfare cases to child support agencies for enforcement. With the advent of time- limited welfare and work participation requirements, it is essential that child support be established for as many welfare cases as possible. Regular child support payments can have a positive impact on moving a welfare family into work.

*OEI; 00-00-00000*

---

## **Employer Compliance with New Hire Directories**

---

We will determine how States ensure that all employees are included in new hire directories. Welfare reform law requires all States to have a new hire directory in place by October 1, 1997. Each State directory will be used to create the National New Hire Directory maintained by the Office of Child Support Enforcement to assist in interstate location of absent parents. If some employers are exempt or fail to comply, the effectiveness of the new hire directory could be reduced, and more costly and difficult location techniques would have to be used.

*OAS; W-00-99-20005; A-01-99-00000, A-04-99-00000*  
*Expected Issue Date: FY 2000*

---

## **Medical Insurance Coverage: Detection and Coordination with Medicaid**

---

We will determine the progress State child support enforcement agencies have made in detecting available dependent health insurance and coordinating the information with State Medicaid agencies. By law, Medicaid pays secondary to other insurance which may exist for beneficiary health care. This also pertains to dependents of absent parents for which a court order requires that medical insurance be provided. Under a recent requirement, all child support orders enforced under the law must include a provision for health care coverage. If the absent parent changes jobs and the new employer provides health care coverage, the State must send notice of coverage (which serves to enroll the child in the health plan) to the new employer.

*OEI; 07-97-00500*

---

## **Child Support Annual Report: A Customer Survey**

---

We will provide the Office of Child Support Enforcement the results of a user survey of the Office's Annual Report to the Congress. The Congress requires the Office to submit an annual report no later than 3 months after the end of each fiscal year, describing the program activities over the prior year. The report is largely based on States' reports of their child support activities. Past studies have raised questions about the accuracy, usefulness, and comparability of this State data. The Office of Child Support Enforcement intends to use the results of our survey in improving the content and format of the report. Of particular interest is user feedback on the new initiatives that will be discussed in the report.

*OEI; 02-98-00070*

## **INVESTIGATIONS**

---

### **Child Support Enforcement Task Force Model**

---

The OIG's Office of Investigations and the Office of Child Support Enforcement developed a task force model that is currently being piloted in Chicago. It calls for the Office of Investigations, U.S. Marshals, U.S. Attorney Offices in seven districts, local

law enforcement, local prosecutors, State child support agencies, and other interested parties to join forces in creating a coordinated effort to identify, investigate, and prosecute criminal nonsupport cases in three States -- Illinois, Ohio, and Michigan.

The task force will investigate intrastate as well as interstate cases, making the involvement of local law enforcement and prosecutors critical. It is hoped that the task force model can then be exported to other areas of the country.

## **FOSTER CARE**

---

### **Child Abuse in Foster Care Settings**

---

We will determine the extent to which children in foster care are at risk of child abuse. We will review child abuse reports in several States to assess the incidents that occurred in foster care settings and what remedial actions were taken to reduce the risk to the children. We will also review the screening process, such as criminal background checks, used to determine the suitability of foster care providers.

*OAS; W-00-99-20008; A-09-99-00000*

---

### **State Oversight of Foster Care Residential Facilities**

---

We will review State licensing and quality assurance activities relating to residential foster care paid under title IV-E. According to the Child Welfare League of America, State licensing and oversight of residential foster care facilities varies considerably among the States. Although the Child Welfare League maintains standards for residential foster care, the Social Security Act requires States to have standards “which are reasonably in accord with recommended standards of national organizations.” There is concern over the disparity among States with respect to the quality of care and safety of children in residential foster care.

*OEI; 07-98-00250*

---

## **Foster Family Operations**

---

This review in one State will examine the use of Federal and State funds for providing foster care services through foster family agencies and the reliability of financial information reported by the agencies for use in rate setting. This State's county welfare offices contract with foster family agencies to provide services for a portion of the State's foster care caseload, such as recruiting and training foster parents, certifying that foster homes meet acceptable standards, and performing other services on behalf of foster children. The use of the agencies has been increasing without State audit of the agencies' financial operations.

*OAS; W-00-98-20008; A-09-98-00071*

---

## **Foster Care Group Homes**

---

At ACF's request, we will assess selected aspects of one State's use of foster care group homes. We will examine the appropriateness of child placement in the homes, licensing procedures, and selected business practices related to the operations of the homes. Our work will be expanded as appropriate.

*OAS; W-00-99-20008; A-09-99-00000*

---

## **Independent Living Program**

---

We plan to review the objectives, performance, and program results of one State's Independent Living Program. To determine if children have successfully transitioned from foster care to independent adult living, we will, as feasible, examine State records to ascertain the outcomes of foster care youth who have and have not participated in the Independent Living Program. We will also review ACF's information sharing among States' Independent Living Programs.

*OAS; W-00-99-20008; A-09-99-00000*

---

## **Foster Care Rates**

---

We will determine if the Title IV-E rates charged by contracted foster care providers are reasonable and supported. These rates should include only those costs that are

reasonable for the maintenance of the foster child, such as costs of food, shelter, and clothing. The State agency contracts with child placement agencies and other providers to care for children in facilities (institutions and group homes) and to place children with foster parents. Payments to these providers are based on a monthly/daily rate per child which is negotiated based on providers' cost reports. The amount determined to be Title IV-E eligible is claimed for Federal reimbursement. We will determine if the State agency adequately reviews the payment rates and if they are based on actual costs.

*OAS; W-00-99-20008; A-05-99-00000, A-09-99-00000*  
*Expected Issue Date: FY 2000*

---

## **Reimbursement for Residential Foster Care**

---

We will examine how residential foster care funds are used and what expenditures reimbursement rates include. Although the American Public Welfare Association conducts an annual rate survey, the survey is limited to family foster care. We will provide information for further work on the relationship between foster care and Medicaid reimbursement; for example, there have been concerns that both programs may be paying for mental health services in residential facilities.

*OEI; 00-00-00000*

---

## **Level of Care: Therapeutic Foster Care Per Diem Rates**

---

We will determine whether Title IV-E has been charged higher therapeutic foster care rates even though the children no longer need that level of care. Children who are considered to be emotionally disturbed and who cannot be placed and properly cared for in regular foster care homes are placed in therapeutic foster care homes. Because the children require intensive monitoring and counseling, their per diem rates are considerably higher than rates for regular foster care. In one State, our survey work disclosed that after 2 to 6 months in therapeutic care, many children no longer needed intense monitoring and counseling. However, children placed in therapeutic foster care homes remained for an average of 2 years and were billed at the higher therapeutic per diem rates. We will evaluate the criteria used to determine whether therapeutic care is needed and whether the need for continued services at that level is adequately supported.

*OAS; W-00-99-20008; A-05-99-00000*

---

## **Cost Shifting of Juvenile Justice Costs**

---

We will determine if Title IV-E funds have been misused to pay for children in detention facilities, forestry camps, training schools, or other facilities operated primarily for the detention of children determined to be delinquent. Title IV-E funds are not authorized for such purposes. During our review of Pennsylvania's emergency assistance program, we learned that the State had received claims for Title IV-E foster care maintenance payments on behalf of children living in detention facilities.

*OAS; W-00-99-20008; Various CINs  
Expected Issue Date: FY 2000*

---

## **Foster Care Claims Filed by States**

---

We will determine if Title IV-E claims filed by States are accurate, adequately supported, and comply with Federal eligibility requirements. We will review both retroactive and current claims. Previous work identified \$6.4 million in a State's prior quarter adjustments that could not be supported. Similarly, an ACF review of foster care claims in Massachusetts determined that 42 percent of the cases and 46 percent of the dollars reviewed were ineligible in 1994. We believe that similar situations may exist in other States.

*OAS; W-00-98-20008; A-04-98-00123*

---

## **Barriers to Freeing Children for Adoption: Follow-up Study**

---

We will review the progress child welfare programs have made in facilitating adoptive placements. The OIG's February 1991 report entitled "Barriers to Freeing Children for Adoption" (OEI-6-89-01640) focused on children in foster care who could not return to their families. The report identified a number of problems in the process of terminating parental rights which delayed or prevented children from leaving foster care and entering permanent adoptive homes. Since the issuance of our report, the Department has developed the Adoption 2002 initiative and the Congress has passed the Adoption and Safe Families Act of 1997, both of which are designed to facilitate the adoption of foster children.

*OEI; 00-00-00000*

---

## **Adoption and Foster Care Analysis and Reporting System**

---

We will review State implementation of the Adoption and Foster Care Analysis and Reporting System. Under this management information system, States are required to collect case-specific data on all children in foster care for whom the State child welfare agency has responsibility for placement, care, or supervision. Also, States are required to collect data on all adopted children who were placed by the State child welfare agency and report semiannually. The Department provides over \$4 billion annually to States to support foster care programs. Reliable management data has become critical in measuring caseload activities.

*OAS; W-00-99-20008; A-03-99-00000*  
*OEI; 00-00-00000*

---

## **HEAD START**

---

---

### **Health and Safety Standards**

---

We will assess compliance with health and safety standards by grantees of Early Head Start, Head Start, and TANF child care programs. Our review will examine practices for ensuring that child care facilities provide safe and healthy environments for children in the programs. We will also determine if background checks on employees have been performed. Previous OIG reviews showed that, in addition to improvements needed at the State level, greater Federal oversight was needed to improve the health and safety conditions of the Nation's child care programs.

*OAS; W-00-99-20009; Various CINs*  
*Expected Issue Date: FY 2000*

---

### **Family and Community Partnerships**

---

We will review grantee implementation of the Family and Community Partnership performance measure. A May 1993 OIG report, "Evaluating Head Start Expansion Through Performance Indicators," found that grantees frequently did not identify or address families' social service needs. Our December 1993 "Final Report of the Advisory Committee on Head Start Quality and Expansion" noted the Head Start social

services component (now called Family and Community Partnerships) needed improvement. We will review the progress that Head Start grantees have made in meeting the “social service” needs of Head Start parents and children.

*OEI; 00-00-00000*

---

## **Technical Assistance to States**

---

We will examine States’ experiences with and perceptions of technical assistance provided to State TANF agencies by ACF and determine opportunities for improvement. Under welfare reform, one of ACF’s major responsibilities is to provide technical assistance to State and local entities.

*OEI; 00-00-00000*

---

## **OTHER ISSUES**

---

---

### **Year 2000 Computer Renovation Plans**

---

We will evaluate ACF's efforts to meet Year 2000 computer renovation and validation goals. The Federal Government's Year 2000 strategy regarding computer systems places emphasis on ensuring that agencies' mission-critical systems are Year 2000 compliant well before December 31, 1999, to avoid widespread system failures. As of May 1998, the Department reported to OMB that ACF had 55 mission-critical systems. This review is part of our Departmentwide Year 2000 compliance review.

*OAS: W-00-98-40007; A-12-98-02000*

*Expected Issue Date: Periodic Reporting FYs 1999 and 2000*

---

### **Abuse of Disabled Children**

---

This review will identify opportunities to improve States’ practices for preventing abuse to disabled children in institutions such as nursing homes. Currently, about 6,000

disabled children reside in nursing facilities, where children have been reported as being severely neglected and not receiving needed care.

*OAS; W-00-99-20018; A-09-99-00000*

---

## **State Developmental Disabilities Councils**

---

We will examine the effectiveness of State Developmental Disabilities Councils funded by the Administration on Developmental Disabilities. The Developmental Disabilities Basic State Grants program assists States in developing and implementing a comprehensive Statewide plan for meeting the needs of persons with developmental disabilities. A basic program goal is the development of a comprehensive system that provides a coordinated array of services. The FY 1997 funding for the State councils was approximately \$65 million. The Administration previously performed onsite monitoring every 3 years but because of funding cuts, they stopped this practice in 1992. The Commissioner of the Development Disabilities Administration requested our review.

*OEI; 07-98-00260*

---

## **Management and Performance of OCS Discretionary Grants**

---

We will examine the Office of Community Services (OCS) oversight of discretionary grants, as well as grantees' use of funds and achievement of program objectives. Annually, OCS awards grants to assist projects that sponsor employment, training, and business development opportunities for low-income residents. These grantees are generally nonprofit organizations that carry out the project themselves or through profit-making businesses as subgrantees. Prior work identified instances in which grant monies were not properly used and project objectives not met.

*OAS; W-00-98-20019; A-09-98-00065, A-04-98-00000*

---

## **Emergency Assistance Retroactive Claims**

---

We will examine the amount and nature of retroactive claims by States, as well as FY 1996 claims for juvenile justice costs. A number of consultants have entered into contingency fee contracts with States to maximize Federal financial participation under the emergency assistance program. This effort may be shifting considerable costs to

emergency assistance from other Federal and State programs. Preliminary work in one State indicates that many claims, particularly those for kinship care, contain unallowable and unsupported costs.

*OAS; W-00-98-20017; Various CINs*

---

## **Statewide Automated Child Welfare Information Systems**

---

This review of the implementation of Statewide Automated Child Welfare Information Systems will study States' use of Federal development funds, the capabilities of the systems, the reliability of the data, and the appropriateness of costs charged. These comprehensive Statewide systems are to support the administration of services offered under the Titles IV-E and IV-B programs. Each system is independently designed according to a State's needs.

In FY 1995, States spent about \$100 million in Federal funds on these systems. Federal funding was authorized by the 1993 Omnibus Budget Reconciliation Act at a 75 percent Federal match. To be eligible for the enhanced match, State systems must meet certain statutory requirements and, to the extent feasible, provide electronic data exchange with data collection systems operated under TANF, Medicaid, child support enforcement, and the National Child Abuse and Neglect programs.

*OAS; W-00-99-20017; A-06-99-00000, A-07-99-00000*