DEPARTMENT OF SOCIAL AND HEALTH SERVICES
Olympia, Washington

TO: HOLDERS OF DCFS Manual

NEW CHAPTER 33
Issued: 07/84

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SUBJECT: MAINTENANCE PAYMENT FUNDING SOURCE ELIGIBILITY FOR CHILDREN IN OUT-OF-HOME PLACEMENT.
DSHS 14-140(X), SOURCE OF FUNDS APPLICATION AND FACE SHEET FOR CHILD IN PLACEMENT
DSHS 14-226(X), REFERRAL TO FINANCIAL SERVICES FOR CHILD IN PLACEMENT
DSHS 15-192(X), CHILD PLACEMENT AND LEGAL HISTORY

I. BACKGROUND

DSHS has had problems regarding its claims for Federal Financial Participation (FFP) to recoup the costs of foster care. The attached Chapter 33 clarifies and updates policies and procedures regarding the choice and documentation of the funding source to pay for out-of-home placements.

Eligibility criteria which had formerly been included in Manual G, Chapter 03, (Sections 3.32 and 3.15(E.)), Chapter 34 (Sections 34.32 H. and 34.60 B.), Green Notice No. G-113 for Chapter 31, and Chapter 32 (as listed below) are all superceded and replaced by this new Chapter 33 entitled "Maintenance Payment Funding Source Eligibility for Children in Out-Of-Home Placement.

For Chapter 32, Revision 82 dated 4/84, Chapter 33 replaces these sections: 32.35 A.1.,2.,3. and 4.; 32.61 (all); 32.62 D.1. and D.2.; 32.97 A., B., and G.1. In addition, all references to the DSHS 14-05(X) or DSHS 14-24(X) change to the DSHS 14-140(X) and references to Section 32.61 change to Chapter 33.

II. ACTION REQUIRED

These instructions are to be implemented upon receipt by the CSO as follows:

A. For all newly placed children whose funding for maintenance payment starts after these procedures are received, all the new forms and procedures contained in this chapter shall be implemented.

B. For children currently in care funded through AFDC-FC, implement the re-eligibility determination procedures as the six-month eligibility reviews come due. For these children, it will be necessary to complete portions of the DSHS 14-140(X) as follows: Page 1, Section A; Page 2, Sections E and H; and all of page 5.

C. For all cases (new or old) in which page 5 of the DSHS 14-140(X) indicates that AFDC-FC was paid for an ineligible child, one copy of page 5 should be forwarded to the casework supervisor. Supervisors should hold this information and wait for further instructions on how to process corrections for these cases.

D. CSOs must initiate contact with their local juvenile court and Assistant Attorney General/Prosecuting Attorney to:

1. Discuss with them the "reasonable efforts" determination now required for children in out-of-home placements (as detailed in Section 33.15 A.), and now included as part of RCW 13.32 A.170, RCW 13.32 A.190, RCW 13.34.060 and RCW 13.34.130.

2. Establish procedures to include the "reasonable efforts" determination in court orders as children are placed into out-of-home care from this time forward.

E. EVERY ATTEMPT MUST BE MADE BY CSO STAFF TO DETERMINE THE CORRECT ELIGIBILITY FOR FOSTER CARE PAYMENTS AS DEFINED IN CHAPTER 33 AND TO EXPLORE ALL OTHER POTENTIAL RESOURCES OF THE CHILD SUCH AS SSI, PRIVATE MEDICAL INSURANCE, ETC. APPROPRIATE FUNDING SOURCE CODES MUST BE ENTERED ON THE REQUIRED ELIGIBILITY (DSHS 14-140(X)) AND PAYMENT AUTHORIZATION (DSHS 14-154(X)/159(X)) FORMS.

CHAPTER 33

MAINTENANCE PAYMENT FUNDING SOURCE ELIGIBILITY FOR CHILDREN IN OUT-OF-HOME PLACEMENT

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CHAPTER 33

MAINTENANCE PAYMENT FUNDING SOURCE ELIGIBILITY FOR CHILDREN IN OUT-OF-HOME PLACEMENT

33.00 OVERVIEW

33.01 Clarified Procedures for Foster Care Maintenance Payments

A. A funding source eligibility determination must be made prior to the authorization of foster care maintenance payments through the payment system for every child entering an out-of-home placement.

B. Under the provisions of RCW 43.20A.550, the department is to take maximum advantage of federal money. This means using 100% federal money or federal money with a state match before using "State Only" money to pay for the cost of foster care. Further, it means utilizing federal programs with the greater percentage of federal match before those with lesser percentages. The clarified procedures which follow will assist the service worker in making the best selection of funding source.

C. The most problematic funding source, in terms of being underutilized and inappropriately utilized, is AFDC-Foster Care (AFDC-FC, Title IV-E). This is also the largest source of federal funds available for foster care maintenance payments. In order to maximize this funding source, more detailed information and procedures are provided. To assist in this process, financial staff will be available to deal with questions about income and resources for any funding source through the use of the new form, the DSHS 14-226(X), Referral to Financial Services for Child in Placement.

33.02 Forms Changes/New Forms

A. The following forms are replaced by a new multiple purpose form:

DSHS 14-05(X), Application for Foster Care and Support Enforcement Services

DSHS 14-24(X), Face Sheet

DSHS 14-139(X), Social Services Application (already eliminated)

B. The new multiple purpose form is the DSHS 14-140(X), Source of Funds Application and Face Sheet for Child in Placement. This form is designed to aid the service worker in making the correct selection of funding source and to translate this selection to the actual authorization of funds, as well as to the service eligibility and Random Moment Time Sample codes.

The DSHS 14-140(X) is completed for each child placed into receiving care, foster care, group care, and crisis residential care when the department is making payment.

C. Additional new forms available for use when needed are:

1. DSHS 14-226(X), Referral to Financial Services for Child in Placement (replaces the DSHS 2-306(X), Communication/Referral form for foster care only) to be used to request and exchange information with financial services.

2. DSHS 15-192(X), Child Placement and Legal History, to be used as a running summary of a child's placements and court-related activities.

33.10 FUNDING SOURCES, ELIGIBILITY CRITERIA AND PROCEDURES

33.11 Introduction to Funding Sources

A. There are currently four sources of money for foster care maintenance payments.

The service worker should consider and use the funding sources in this order whenever the specific eligibility criteria are met.

1. Refugee Assistance - 100% federal dollars.

2. Supplemental Security Income (SSI) - 100% federal dollars to maximum of $352.30 federal dollars (see A.3. below).

3. AFDC-FC, Title IV-E - 50% federal match.

4. State Funds - no federal match.

B. In some instances, a source lower on the list may be used as an interim measure while eligibility is being determined for the preferred source.

C. A child receiving SSI is actually coded on the DSHS 14-140(X) and DSHS 154(X)/159 to "state funds" to accommodate existing accounting procedures. SSI funds are then used to reimburse the state funds.

D. Parental support is considered a recovery of funds, not a source of funds. Accounting procedures are in place to reimburse the source of funds used when parental support is received.

33.12 Basic Procedures for All Cases

A. The funding source selection process requires the use of the DSHS 14-140(X), Source of Funds Application and Face Sheet for Child in Placement. The form serves as an application for foster care, a face sheet and an eligibility determination source document as well as the referral document to Office of Support Enforcement and Medical Assistance. It is designed to assist the service worker to make correct funding source selections.

B. IN ALL CASES, THE SERVICE WORKER SHALL:

1. Complete the DSHS 2-128(X), Application Registration and Control and route it to Master Files to request a case record and verification of current income assistance status.

2. Within FIVE working days of placement (or sooner), complete pages 1 through 4 of the DSHS 14-140(X) to determine funding source eligibility for each child in an out-of-home placement when the department is making payment.

3. FOR CHILD-PLACING AGENCY (CPA) STAFF ONLY:

   When requesting foster care payments from DSHS, the CPA shall complete pages 1 and 2 of the DSHS 14-140(X) and submit it promptly to the appropriate CSO for completion with the referral packet (ISP and legal authority to place).

   PLEASE NOTE: CPAs holding contracts with the Bureau of Refugee Assistance to serve refugee children must also complete Section I.2. on page 3 of the DSHS 14-140(X).

4. Within 20 working days of placement, explore, identify and initiate appropriate applications for any potential financial and/or medical resources for the child. Examples include, but are not limited to, Supplemental Security Income (SSI - also see Section 33.14), Veterans benefits, medical insurance, social security, child's earnings (see Section 33.30 for procedures on handling child's income/resources).

   NOTE: In specific cases, the CSO may negotiate with a CPA to complete these applications.

5. Arrange for DSHS to become representative payee when a child receives income as described in 4. above, AND terminate DSHS as payee when child leaves foster care.

6. Within SEVEN working days of placement, route pages 1 and 2 of DSHS 14-140(X) as follows: (see instructions to the 14-140(X) for more detail)

   a. Route all cases to the local Support Enforcement Office except:

      - Children receiving Adoption Support (refer case to Adoption Support Program instead).
      - Developmentally disabled children in foster care in lieu of institutionalization, i.e., any child determined eligible for services by the local Developmental Disabilities case services office.
      - Children who return home in 72 hours or less and who are in placement less than a cumulative total of 15 days in the preceding 90-day period.

b. Route those cases to Medical Assistance which contain information in:

- Section B.1-3. on parent(s) employer.

- Section E.4. on known private medical coverage.

Route appropriate cases to:

Division of Medical Assistance
Office of Provider Services
Third-Party Liability Unit
MS LG-11
Olympia, WA 98504

7. As soon as the appropriate funding source is determined on the DSHS 14-140(X), complete DSHS 14-154(X)/159, authorizing service and payment. The source of funds codes used in Item 31 are:

2 - AFDC-FC (Title IV-E)
3 - Refugee Assistance
5 - State Funds

Items 24 and 33 on the DSHS 14-154(X)/159 should be end dated for a maximum of six months from the date of placement or review in most cases. A shorter end date is needed for AFDC-FC cases in some circumstances. (See Section 33.15 C.)

C. The service worker shall utilize the DSHS 14-226(X), Referral to Financial Services for Child in Placement, in the following situations:

1. To notify Financial Services that a child was removed from an active AFDC (or active Refugee Assistance) household and request the date the child is removed from the AFDC grant.

2. To request assistance in determining the amount of non-exempt income or resources of a child (the DSHS 7-42D(X), Income Report, may be used in addition), and the basis of initial deprivation.

D. The service worker shall initiate a DSHS 15-192(X), Child Placement and Legal History, for the file of a child going into an out-of-home placement for the first time, or update an existing DSHS 15-192(X).

E. For voluntary placements only, the service worker shall complete a DSHS 9-04(X), Placement Authorization and Acknowledgement, for each voluntary placement to authorize placement and/or authorize medical care, indicate religious preference and acknowledge that a financial obligation exists. When the parent(s) is requesting the placement, unless custody has been given to one parent, a good faith effort must be made to have both parents sign the form.

33.13 Refugee Assistance Criteria and Procedures

A. Eligibility Criteria

1. Refugee Assistance is a program designed to meet the needs of indigent refugees.

2. Any child who meets the definition of a refugee (see Chapter 68, Refugee Services) and is placed in licensed receiving/shelter, foster family/group care or a crisis residential care center will be eligible for foster care maintenance payment from the Refugee Assistance Act.

B. Procedures

The service worker shall:

1. Determine whether the child is a refugee.

2. Verify refugee status by determining whether the child has an Alien Registration Card, I-151 or I-551, or U.S. Immigration Form, I-94, with data that meets the definition of a refugee (see Chapter 68 - Refugee Services).

33.14 Supplemental Security Income (SSI) Criteria and Procedures

A. Eligibility Criteria

A child who appears to be blind, physically, emotionally or developmentally disabled may be eligible for SSI.

B. Procedures

The service worker shall:

1. Determine whether the child is receiving SSI benefits by contacting the child's parents and/or the Social Security Administration. If yes, arrange for DSHS to become representative payee AND terminate DSHS as representative payee when the child leaves foster care.

2. Apply for benefits to the local Social Security Office if the child appears to be eligible (birth verification is required).

3. Notify the Trust Account Unit if child is receiving SSI benefits or if application for such has been made (see Section 33.33 for Trust Account Procedures).

4. Determine that the child is not receiving SSI and AFDC-FC simultaneously.

5. Code the child on the DSHS 154(X)/159 as follows:

   - Item 21 - code to show that a trust account exists (if you have forwarded the information to the Trust Account Unit, assume a trust account exists).

   - Item 25 - code as SSI eligible (i.e., "5" is SSI-Blind and "6" is SSI-Disabled).

   - Item 31 - use code 5 for state funds.

   NOTE: Correct coding is essential to trigger accounting procedures to reimburse state funds from the child's trust account.

33.15 AFDC-FC (Aid to Families with Dependent Children Related to Foster Care) - Title IV-E Criteria and Procedures

A. Eligibility Criteria

AFDC-FC is a program to pay the costs of foster care of children from AFDC households. A child is eligible for AFDC-FC who meets all of the eligibility criteria listed below:

1. Child is under 18 years of age. Eligibility ends at the end of the month the child becomes 18.

2. Child was removed from the home of a relative of specified degree (including parents) by court determination of conditions contrary to his/her welfare. A shelter care order, an Alternative Residential Placement (ARP), or dependency order would meet this requirement.

   Relative of specified degree is defined in WAC 388-24-128 as:

   a. Father, mother, grandmother, grandfather, brother, sister, stepfather, stepmother, stepbrother, stepsister, uncle, aunt, first cousin, nephew or niece. Adoption of a child by the stepparent changes the relationship from stepparent to adoptive parent.

   b. Relationships to persons of preceding generations denoted by prefixes of grand, great or great-great are within this definition.

   c. Persons who legally adopt a child. Relatives of persons who adopt children are included in the definition of relative above.

   d. Spouses of any persons named in the above groups are within the scope of these provisions, although the marriage is terminated by death or divorce.

3. Child is under the court-ordered custody and/or supervision of DSHS stated clearly in the court order, and no other person or agency is named as having custody/supervision/guardianship.

4. FOR ALL NEW PLACEMENTS AFTER OCTOBER 1, 1983, the court must determine and state in the court order that reasonable efforts were made:

   a. Prior to the child's placement into foster care to prevent or eliminate the need for removal; AND

   b. To make it possible for the child to return to his home.

   In emergency situations where the safety of the child would preclude provision of services to prevent placement, the court must determine and include in the court order a statement indicating that the lack of preventative efforts was reasonable in light of the child's and family's circumstances.

5. Child was placed into:

   a. A licensed family foster home.

   b. A licensed, nonprofit group home.

   c. A licensed crisis residential center.

   d. A licensed receiving home.

   e. A home of a certified caretaker relative, i.e., a relative of specified degree who is certified as meeting minimum licensing requirements per WAC 388-73.

6. Child was receiving AFDC in the month the court petition was filed. The following describes in more detail what this means:

   a. Child was in an active assistance household or with a relative receiving AFDC on his/her behalf in the month in which the court petition was filed, (the service worker will verify this from DSHS records, e.g., terminal check); OR

   b. If child was already in a voluntary placement during the month in which the court petition was filed, the child was receiving AFDC during the month in which the Consent-to-Place was signed by the relative of specified degree (including the parents).

7. Child has a social security number or has made an application for a social security number.

8. Child is a citizen of the United States, is an alien lawfully admitted for permanent residence or otherwise permanently or lawfully residing in this country.

9. If child is 16 or 17 years old, he/she attends school regularly or is registered with WIN in those counties with a WIN program.

10. A child receiving SSI (Supplemental Security Income) is not eligible for AFDC-FC. If SSI is terminated, then the child may receive AFDC-FC.

11. Child is deprived of parental care and support of one or both natural, adoptive or stepparents, i.e., referred to as deprivation.

B. Procedures for Child Removed from Active AFDC Household

The service worker shall:

1. File in the service record the printout (from the Master File clearance) showing the child was removed from an active assistance household, i.e., the family is receiving AFDC on behalf of the child in the month the court petition was filed.

2. Use the DSHS 14-226(X) to notify Financial Services that the child was removed and provide them with the child's name, case number, birthdate, and household's name, case number, and the date of the change (removal) per the form instructions. Obtain from financial services the date child was removed from the AFDC grant and the initial basis of deprivation.

3. Obtain a statement regarding the provision of "reasonable efforts" to prevent placement in the court order authorizing the child's placement. The service worker shall:

   a. Provide necessary information to the court on all NEW placements regarding services/interventions provided to prevent or eliminate the need for removal and to make it possible for the child to return to his home OR the reasons why the lack of preventative efforts was reasonable given the emergency nature and/or circumstances of the case.

   b. Request from the court that a determination be made in the court order that "reasonable efforts" were (or were not) made.

c. Obtain this ruling at the first hearing after the child's placement. A hearing, for purposes of meeting this AFDC-FC requirement, must provide protection of the parents' rights, i.e., they must have the right to appear with legal representation, if desired, and have the right to present evidence. When sufficient information can be provided to the court to make the "reasonable efforts" ruling, the shelter care order can meet this requirement. In other cases, however, this requirement may not be met until the fact finding/dispositional hearing.

4. If a child is 16 or 17 years old and not attending school, register the child with the WIN program using the EMS 587, WIN Registration Record, in those counties with a WIN program.

5. When necessary, use state funds as an interim funding source in order to:

   a. Prevent duplication of AFDC payments during the calendar month in which the child was placed. Use AFDC-FC as the funding source for the next calendar month, i.e., as soon as the child is removed from the AFDC grant; OR

   b. To pay for placement until the court determination is obtained regarding "reasonable efforts" (see Section 33.15 C.3. below for procedure).

6. Determine eligibility on the DSHS 14-140(X). The source of funds code is entered on it and on the DSHS 14-154(X)/159, Item 31.

   If an interim source of funds is used, complete the "First Funding Source" column in Section I on the DSHS 14-140(X) to document that AFDC-FC eligibility is pending. When the child becomes AFDC-FC eligible, complete the "Second Funding Source" column and record the change on the DSHS 14-159.

C. Procedures to Determine the Correct "Begin Date" for AFDC-FC Eligibility

AFDC-FC may be claimed back to the first day of the month in which the DSHS 14-140(X) was completed and ALL the AFDC-FC eligibility criteria (including removal from assistance grant) were met. (Example: child is placed and removed from AFDC grant effective April 1; court order is obtained April 3; DSHS 14-140(X) is completed April 5 showing all criteria are met; claim AFDC-FC beginning April 1.)

1. For children in care for 72 hours before a court order is obtained, the service worker should complete the DSHS 14-140(X) at the point the court order is obtained.

   If it shows the child to be AFDC-FC eligible, AFDC-FC may be claimed back to the date of the original placement as long as it falls within the same calendar month, and all other AFDC-FC criteria were met in that month.

2. For a child originally placed under a Consent-to-Place who later becomes court-ordered placement, the service worker should:

   a. Determine if the child meets the "AFDC-related" eligibility requirement in Section 33.15 A.6. above.

   b. If the child is "AFDC-related", complete the "Second Funding Source" column on the original DSHS 14-140(X) to determine AFDC-FC eligibility. Question 4.a. in Section I (page 3) on the form is answered "yes" if you found that AFDC was received in the month the Consent-to-Place was signed.

   c. If child is AFDC-FC eligible, claim AFDC-FC beginning on the first of the month in which all AFDC-FC criteria were met.

3. Eligibility for AFDC-FC cannot begin until all criteria are met including the court determination of "reasonable efforts" (defined in Section 33.15 A.4. above).

   a. If the court determination is obtained in the shelter care order, AFDC-FC can be claimed the first day of the month in which the child is removed from the AFDC grant and all other criteria are also met.

   b. If the child is otherwise AFDC-FC eligible, but the court determination is NOT obtained until a later hearing, i.e., fact finding/dispositional, the service worker must:

      (1) Use state funds as an interim, temporary measure.

      (2) Authorize the state funds on the DSHS 14-140(X) and DSHS 14-154(X) FOR 60 DAYS OR LESS. The service line and eligibility end dates must be 60 days or less in these cases, so a redetermination for AFDC-FC eligibility will occur coinciding with the fact finding/dispositional hearing.

      (3) When the court makes a determination that "reasonable efforts" were made, change the child's source of funds to AFDC-FC on the DSHS 14-140(X) and DSHS 14-159. AFDC-FC can begin on the first day of the month in which all the eligibility criteria are met, i.e., the first day of the month in which the court hearing occurs that makes the "reasonable efforts" determination.

      (4) In Item 1 of the DSHS 14-159, Change Effective Date (CED), enter the date that eligibility changes to AFDC-FC. This change must also be reflected in Items 25 and 31.

      NOTE: It is not necessary to change the Service Begin Date.

D. Procedures and Criteria for Redetermination of AFDC-FC Eligibility

1. The service worker shall redetermine eligibility for AFDC-FC no later than six months after the last determination AND when any of the following occurs:

   a. The child turns 18 years of age.

   b. The child's income/resources change; for example, the child starts to work.

   c. The child's own parent reconciles with the estranged parent, remarries, finds employment, or has a change in incapacity; this applies only to children removed from their parent(s)' home.

   d. The court order is changed establishing guardianship or another person/agency is named as having custody and/or supervision.

2. The service worker shall remove a child from AFDC-FC funding in cases where guardianship has been established. The source of funds must be changed to state funds.

3. The service worker redetermines eligibility for AFDC-FC on the ORIGINAL DSHS 14-140(X) by completing the "Redetermination" section on page 5, and by updating Section H on page 2.

   a. If the child remains eligible, the source of funds code (2) is entered on the DSHS 14-140(X) and continued on DSHS 14-159.

   b. If no longer eligible for AFDC-FC, the new source of funds code must be entered on the DSHS 14-140(X) and the DSHS 14-159.

      (1) In Item 1 of the DSHS 14-159, Change Effective Date (CED), enter the date eligibility changes to state funds. This change must also be reflected in Item 25 and Item 31.

      NOTE: It is not necessary to change the Service Begin Date.

4. At the time of review, the following six factors (a-f) must be taken into consideration:

   a. Age

      The child is under 18 years of age. Eligibility ends at the end of the month the child turns 18.

b. Court-Ordered Placement

The child continues in court-ordered placement and DSHS has court-ordered custody and/or supervision, and no other agency or person is named as having custody, supervision or guardianship.

c. Deprivation (As Related to the Parent(s)' Situation)

(1) Criteria

The child must be continuously deprived of parental care and support because of the parents' death, continued absence from home, incapacity or unemployment, OR because of removal from a caretaker relative's home by court action on behalf of the child. Deprivation may change from one type to another as long as deprivation is continuous.

For a child removed from a caretaker relative other than the parent(s), there will always be a deprivation unless the parents move in with that relative.

Once parental rights have been terminated, deprivation factors for purposes of AFDC-FC eligibility will continue.

(2) Procedure

The service worker shall:

(a) Assume that deprivation continues unless a change occurs that affects the original basis of deprivation; i.e., parent(s) reconciles, remarries, becomes employed or incapacity ceases to exist.

The original basis of deprivation is determined by financial services when the family applies for its AFDC grant. It is recorded in Section C.1 of the DSHS 14-226(X).

(b) If one of the changes listed above occurs and affects the original basis of deprivation, the service worker shall determine whether the child's family is still receiving AFDC. If yes, deprivation still exists; if no, assume deprivation has ceased and child is no longer AFDC-FC eligible.

d. School Attendance

If the child is 16 or 17 years of age and not attending school, the child must be registered with WIN in counties with a WIN program. Register the child with the WIN program using the EMS 587, WIN Registration Record.

e. Income and Resources

The non-exempt monthly income and resources available to the child must continue to be below the standards described in Section 33.30. See that section for procedures related to income/resources.

5. SSPS Reports

The service worker may:

a. Use SSPS Report 013, Expiring Services Report, or 032, Worker Services Report, as a reminder to redetermine AFDC-FC eligibility at intervals of no later than six months, or to re-examine eligibility at the point of the fact finding/dispositional hearing.

b. If available, use SSPS Report 080 A-E Series, "Foster Care" Children by Placement, to double-check that all AFDC-FC funded cases show DSHS as having custody/supervision of a court-ordered placement.

c. Use SSPS 039, Foster Care/Day Care Birthday Tickler Report, as a reminder for children who are almost 18 years old.

33.16 State-Funded Foster Care Criteria and Procedures

A. Eligibility Criteria for State-Funded Foster Care

A child is eligible for state-funded foster care who meets the following eligibility criteria:

1. Is under 18 years of age. However, foster care payment for a child over the age of 18 may continue in order to enable the child to complete high school or the equivalent of high school. Foster care payment may not extend beyond the age of 21.

2. Is not or is no longer eligible for IV-E (AFDC-FC) or Refugee Assistance, OR meets one or more of these special situations:

   a. Child is placed and returned home in the same calendar month and the child's family received AFDC on behalf of the child during this period.

b. Child is placed and returned home in 72 hours or less.

c. Child is receiving SSI (Supplemental Security Income). SSI benefits are deposited in the foster care trust account. These funds are used to reimburse state funds when Item 21, 25 and 31 on the DSHS 14-154(X)/159 are correctly coded. (See Section 33.14 for correct coding.)

d. Foster parent is made legal guardian.

e. Caretaker relative is made the legal guardian per RCW 13.34.231, AND child was receiving AFDC-FC in the home of the relative prior to the guardianship.

B. Procedures for State-Funded Foster Care

The service worker shall:

1. Use the DSHS 14-140(X) to determine if the child is eligible for other sources of funding or has resources available to offset the cost of care, before authorizing state-funded foster care.

2. Re-examine eligibility for state funds when any one of the following occurs:

   a. The child becomes 18 (the child may be eligible for other resources at this age).

   b. The 18-year-old child drops out of school (no longer eligible).

   c. The child's income/resources change (see Section 33.30).

   d. A voluntary placement becomes court-ordered giving DSHS custody and supervision (consider AFDC-FC).

3. Update Section H on page 2 of the original DSHS 14-140(X) at each six-month reauthorization (on the DSHS 14-159) of foster care placement, or whenever the "source of funds" is changed.

C. SSPS Reports

The service worker may:

1. Use SSPS Report 013, Expiring Services Report, or 032, Worker Services Report, as a reminder to consider factors which might affect state funds as the funding source.

2. Use SSPS 039, Foster Care/Day Care Birthday Tickler Report, as a reminder for children who are almost 18 years old.

33.20 PLACEMENTS WITH RELATIVES OF SPECIFIED DEGREE

33.21 Eligibility Criteria for Payments to Relatives of Specified Degree

A. For a child placed with a caretaker relative of specified degree, either AFDC (on behalf of the child) or AFDC-FC may be authorized IF the respective eligibility factors are met. THE RELATIVE HAS THE CHOICE OF APPLYING FOR EITHER PROGRAM. STATE ONLY FUNDS MAY NOT BE PAID FOR A CARETAKER RELATIVE EXCEPT IN THE SPECIFIC SITUATIONS AS DESCRIBED IN E. BELOW.

B. Natural parents, adoptive parents and stepparents are not eligible to receive foster care payments.

C. For AFDC Grant Payments

1. A relative may be the AFDC payee for a child placed with him/her, if:

   a. The relative is of specified degree; AND

   b. The relative applies for AFDC at Financial Services and the child is determined to be eligible.

2. The relatives' home need not be certified.

3. A child receiving AFDC-FC funding who becomes 18 and will graduate prior to his/her 19th birthday may receive AFDC payment if 1.a. and b. above are also met.

D. For AFDC-FC -- A relative may be the AFDC-FC payee for a child placed with him/her, if:

1. The relative is of specified degree; AND

2. The relative requests payment under AFDC-FC rather than AFDC, and applies through the Children's Services worker; AND

3. The child is determined eligible for AFDC-FC (see Section 33.15 for AFDC-FC criteria); AND

4. The home is certified as meeting licensing requirements.

E. State Funded Foster Care - A relative may be the payee for a child placed with him/her, ONLY IF:

1. The relatives' home is certified as meeting licensing requirements; AND

2. The child is determined not eligible for AFDC and AFDC-FC. (By state law, state foster care funds may not be expended for a child living with a relative eligible to receive AFDC on behalf of the child. The only exception to this is described in 3. below); OR

3. The AFDC-FC payee relative is subsequently named as guardian per RCW 13.34.231 in the court order; OR

4. Eligibility for AFDC or AFDC-FC is pending. This is temporary until the other eligibility is determined.

33.22 Procedures for Placements with Relatives

The service worker shall:

A. Inform the relatives of their option to choose to apply for AFDC or AFDC-FC, and that benefits may be greater under the AFDC-FC program, depending on the case circumstances.

B. Determine eligibility using the DSHS 14-140(X) and the criteria described in Section 33.21 above if the relative caretaker chooses to apply for foster care funds.

33.30 INCOME AND RESOURCES OF A CHILD IN OUT-OF-HOME PLACEMENT

33.31 Definitions and Uses of Income/Resources

A. Definitions

A child in foster care may have:

1. Earned income (wages).

2. Unearned income (SSA, SSI, VA benefits, etc.).

3. Resources (bank accounts, bonds, stocks, automobile, personal property, real property, etc.).

Each of these three areas are additionally classified as either:

4. Exempt -- Not included when considering if a child is eligible for a particular federal funding source nor when determining a child's possible participation in the cost of care.

5. Non-exempt -- May be used to cover the cost of foster care. If the income is SSA, SSI or VA benefits (unearned income), it must be used to cover the cost of care; if it is wages (earned income) or resources, it may be used depending on several criteria.

B. Uses of Income and Resources in Foster Care

THE LEVEL AND TYPE OF INCOME/RESOURCES A CHILD HAS MUST BE EXAMINED TO DETERMINE THE FOLLOWING TWO THINGS:

1. Re-eligibility for AFDC-FC.

   Continued AFDC-FC eligibility must be re-determined each six months or sooner (procedures in Section 33.32 below).

2. Participation toward the cost of foster care.

   Whether or not the child who has income/resources should participate in payment toward the cost of care must be determined (procedures in Section 33.33) below based on these requirements:

   a. The earned income of a foster child that is above the exempt earned income standard (i.e., the child's non-exempt income) must be applied to the cost of foster care. This is true for all children in foster care regardless of source of maintenance funding, i.e., state only or AFDC-FC (see WAC 388-70-068, 388-28-535(3) and 388-28-570). The exempt earned income standards which apply to AFDC also apply in foster care.

   b. The unearned income and resources of a foster child that are nonexempt (i.e., SSA, SSI, VA, etc.) must be applied to the cost of foster care, except for resources held in trust for an American Indian child (refer to WAC 388-70-069 and 388-28-650).

33.32 Procedures for AFDC-FC Eligibility Redetermination for Child With Income and/or Resources

Also see Section 33.15 D. for all other AFDC-FC eligibility redetermination criteria.

AFDC-FC eligibility must be re-determined each six months, or sooner if a change occurs. Re-determine eligibility as it relates to the criteria of income/resources as follows.

A. The service worker should refer the case to Financial Services using the DSHS 14-226(X), Referral to Financial Services for Child in Placement, to determine if the child's income and/or resources are within allowable limits for AFDC-FC as follows:

   1. Determine the total amount and source of all income received by (or on behalf of) the child.

2. For a child with income, complete the backside of form DSHS 7-42D, Income Report:

   a. Enter all unearned income in Section 1.

   b. For earned income, complete all appropriate boxes in Section 2. (Pay stubs are not required.)

3. Determine the amount or value of all resources available to the child (defined in Section 33.31 A. above).

4. For a child with resources, enter the amount of resources available to the child in Section A.2. or B.3. of the DSHS 14-226(X).

5. Complete remaining sections of the DSHS 14-226(X), attach DSHS 7-42D, if relevant, and route both forms to Financial Services.

B. The service worker will receive the DSHS 14-226(X) back from Financial Services, who will indicate the amount of nonexempt income and resources in Section C.2.

C. The service worker must use the information from Financial Services (on the DSHS 14-226(X)) to determine the child's continued eligibility for AFDC-FC.

The child must meet each of the criteria discussed below to remain eligible for AFDC-FC. The service worker shall:

1. Determine whether or not the child is receiving SSI.

   A child receiving SSI is not eligible to receive AFDC-FC. Terminate one or the other.

2. Compare the nonexempt resources to the $1,000 limit.

   The child's nonexempt resources must be $1,000 or less to remain AFDC-FC eligible.

3. Compare the total nonexempt income (earned plus unearned) to the "cost of care".

   The nonexempt income must be less than the cost of foster care for AFDC-FC eligibility to continue. "Cost of care" is defined as the payment standard, which includes room and board, clothing, personal and incidental allowance and specialized foster care rate. Additional rates through the Exception to Policy process are not included.

4. Add the exempt plus the nonexempt income to determine the child's total gross income.

   The total must be less than 150% of the cost of care for AFDC-FC eligibility to continue.

D. After the child's eligibility status for AFDC-FC has been determined, follow procedures in Section 33.33 below to process the child's income/resources.

33.33 Procedures for Handling Income/Resources of a Foster Child

A. Establishing Child's Trust Account

When it is determined that a child has actual or potential income and/or resources, the service worker shall establish a trust account for the child according to the procedures below.

For a child placed through a Child-Placing Agency (CPA), the CPA must forward all relevant materials (as discussed below) to the CSO who will establish the child's trust account.

1. Unearned Income/Resources

The service worker shall:

a. Establish a trust account for a foster child by forwarding copies of the items listed below, and including the CSO's name, return address and contact person to:

Trust Funds Unit
MS OB-24J
Olympia, WA 98504

(1) Applications to the Federal Government for SSA, SSI or VA.

(2) Applications for benefits from Washington State agencies, such as the Department of Labor and Industries.

(3) All notifications of changes in status (including initiation or termination of DSHS as representative payee) forwarded to SSA, SSI, VA or other providers.

(4) Changes not reportable to provider agencies (i.e., SSA, VA, etc.) such as change of status involving county, CSO, address, schooling, etc.

(5) General correspondence concerning any of the above.

b. Assume that after a copy of the application, etc., has been forwarded to the Trust Fund Unit, that unit will be responsible for establishing the trust account, contacting the appropriate agency for any followup which may be necessary, and applying the funds to cover the cost of care.

c. Forward receipts (if payment is received at the CSO) from SSA, SSI, Veterans, Railroad and Labor and Industries, when DSHS is representative payee, to:

DSHS, Office of Financial Recovery
P.O. Box 9501
MS OB-21
Olympia, WA 98504

Include a memo with the check indicating that it is for a child in foster care who has a trust account.

d. Foward receipts from all other sources, i.e., responsible parents, to the appropriate Office of Support Enforcement, unless otherwise specified.

e. Refer any questions regarding the non-exempt status of unearned income/resources to Financial Services using the DSHS 14-226(X) and, if needed, the DSHS 7-42D(X), Income Report.

2. Earned Income of a Foster Child

For a child with earned income, the service worker must determine whether or not to apply any of the child's earned income to his/her cost of maintenance.

The service worker will:

a. Complete DSHS 7-42D(X), Income Report, as described in Section 33.32 A.2.

b. Attach it to the DSHS 14-226(X) completed by the service worker.

c. Forward both to Financial Services, who will make a determination regarding the earned income exemption.

d. Receive a response from Financial Services indicating the amount of the child's nonexempt income, which is the amount that must be applied toward the cost of foster care.

e. Advise the DSHS Trust Fund Unit in writing and foster child of the amount of his/her earned income that will be applied to his/her foster care maintenance.

f. Assist the child to send the amount of earned income designated for his/her maintenance costs to the DSHS Trust Fund Unit for deposit in the child's trust account.

B. Withdrawal of Funds From Trust Account

1. In the following situations, funds may be withdrawn from a child's trust account:

   a. Resources and unearned income of a foster child (except of an American Indian or Alaska Native foster child) in excess of the amount applied to his/her cost of maintenance, may be used to reimburse foster parents for property damage done by the foster child to foster parent(s)' property, or for additional clothing or medical resources that would normally require an ETP.

   b. Nonexempt earned income of a foster child above the amount applied to his/her cost of maintenance may be used to recover part or all of a claim for property damage to foster parent(s)' property, dependent on child's needs and individual circumstances of damage/loss as determined by the service worker.

   c. The balance of a child's trust account may be withdrawn by the adoptive parent(s) after the finalization of the adoption (also see Chapter 36.53 D.).

2. To withdraw money from a child's trust funds in these situations, the service worker:

   a. Shall determine that this is the best plan for the child.

   b. Shall telephone the Trust Fund Unit (234-4436) to see if the child has funds in his/her trust account in excess of the amount applied to his/her maintenance costs.

   c. Shall forward, if excess funds are available, a memo to the:

      Trust Fund Unit
      MS OB-24J
      Olympia, WA 98504

      which includes:

      (1) Specific dollar amount needed.

      (2) Specific item, i.e., clothing, medical or property damage/loss repairs/reimbursement to be purchased.

      (3) Name and address of payee.

3. Funds will then be disbursed by the Trust Funds Unit according to the request.

33.99 FORMS REQUIRED BY THIS CHAPTER

See Chapter 99, Forms, for instructions on these forms.

1. DSHS 7-42D(X), Income Report.
2. DSHS 14-140(X), Source of Funds Application and Face Sheet For Child in Placement.
3. DSHS 14-226(X), Referral to Financial Services for Child in Placement.
4. DSHS 15-192(X), Child Placement and Legal History.
5. EMS 587, WIN Registration Record.

DEPARTMENT OF SOCIAL AND HEALTH SERVICES
Olympia, Washington

TO: Holders of DCFS Manual

NOTICE NO.: T-32
ISSUED: 8/30/85

FROM: Division of Children & Family Svc.
Shirley Goins, Director

SECTIONS REVISED::
None

EFFECTIVE: Immediately
FOR INFORMATION CALL:
Gordon R. McDougall
SCAN 234-0561 or
Non-SCAN 753-0561

IF NOT DELIVERABLE, RETURN TO: MANUAL PRODUCTION UNIT, MS OB-16

SUBJECT: CORRECTION OF PAYMENTS FROM INCORRECT FUNDING SOURCES FOR CHILDREN IN OUT-OF-HOME PLACEMENTS

Place this notice in front of DCFS Manual, Chapter 33, and note on the Tan Notice Control Sheet the date Notice No. T-32 was entered.

A. Background

The federal Department of Health and Human Services requires that we have an ongoing system to correct errors regarding incorrect funding sources for "foster care" payments; and that the system provide an audit trail back to the eligibility of individual children.

B. Action Required

These instructions are to be implemented upon receipt by the DCFS field office as follows:

1. For all newly placed children, placed October 1, 1984 or later, for whom an incorrect funding source was utilized.

2. For all cases (old or new) in which page 5 of the DSHS 14-140(X) was forwarded to the casework supervisor to hold until this procedure was issued. (See DCFS, Chapter 99, instructions for DSHS 14-140(X), Section J.

3. Use the following instructions which will be eventually issued as a regular Chapter 33 revision.

Attachments

33.40 Correction of Payments from Incorrect Funding Source

A. Policy

1. Every foster care payment charged to an incorrect funding source must be changed to reflect the correct source, both in the authorization and accounting systems.

2. Changes should be made at the point of discovery of the incorrect charge; or in the instance of AFDC-FC, preferably at the point of discovery or at least at the next six-month redetermination.

3. For new payment openings, starting October 1, 1984, any ineligible foster care payment not corrected in phase 1 or 2 of the 1984 "100% Reviews" of AFDC-FC is to be corrected using these procedures. See the instructions for the DSHS 14-140, Section J. The supervisor may have a file of pending cases initially under that section.

B. Procedures

1. Determine the starting date for the ineligible payment(s) from the incorrect source.

2. Determine end date for incorrect source using a. or b. below.

   a. If payments from the incorrect source have been discontinued, use that end date for the end date in this process. (The department pays for the first but not the last day of placement.) OR

   b. If payments from the incorrect source continue, use the last day of the month as the end date if the input can be accomplished by the regular invoicing date in the next month (as published by SSPS). For example, the end date is January 31, if the change is inputted before the regular invoicing date during February. The begin date for the new source is February 1. This is also the change effective date in item 1 on the DSHS 14-159. See item 7 below.

3. Determine the correct funding source for the period of ineligibility. (Often this will be state dollars.)

4. Determine the correct new funding source, if payments continue. (This step may coincide with 3. above.)

5. Complete "Correction of Payments from Incorrect Funding Source" form DSHS 4-374(X). See instructions for details.

6. Send the completed correction form to:

   Division of Children and Family Services
   MS OB-41
   Olympia, WA 98504

7. Complete the DSHS 14-159, Change of Service Authorization, entering the correct new funding source in item 31. The change effective date (item 1) must be the first of a month, see 2.b. above. The service begin date (item 32) and the service end date (item 33) should not be changed. If the payment service has been terminated, the source of funds cannot be corrected on the DSHS 14-159.

DSHS 4-374(X) (1/85), CORRECTION OF PAYMENTS FROM INCORRECT FUNDING SOURCE

Instructions

General Instructions

The form is to be used to correct child out-of-home placement payments charged to an incorrect funding source. Most often this will be a charge to AFDC-FC for which the child was ineligible and a change to state funds.

The form is not used to correct the amount of foster care payments. See DCFS Manual, Chapter 5, for overpayments or the SSPS Manual or DCFS Manual, Chapter 32, for changes in amounts and the use of the DSHS 14-154/159.

Completed forms should be sent to:

Division of Children and Family Services
MS OB-41
Olympia, WA 98504

Specific Instructions

1. Transmittal Date - Date form was sent to the Division.

2 and 3. Reporting Unit Number and Name - self-explanatory.

4. Child's Name - This should be the same name as appears on the authorization forms and the invoice vouchers. The extra space is for aliases, if any.

5. Region - The center (region) charged for the incorrect payments.

6. Case Number - The case number under which the ineligible/incorrect payment was made. The extra space is for any other case numbers assigned to the child under which ineligible/incorrect payments were made.

7. Payment Listing

   a. Enter the time period (begin and end dates) for each ineligible/incorrect payment. The time period may be a single day (one-time payment), a few days (short-term placement) or years if the rates, payee, and authorization codes (service code, reason and objective) do not change. Telephone DCFS-Headquarters (SCAN 234-0561) for assistance if this time period overlaps with rate changes.

   (Enter the following code numbers as they are, not as they should be, from DSHS 14-154/159.)

   b. Item 21 - Trust Fund/Insurance.

DSHS 4-374(X) (1/85), CORRECTION OF PAYMENTS FROM INCORRECT FUNDING SOURCE (cont.)

c. Item 31 - Source (of funds).

d. Item 36 - Service Code. Write in all of the payment codes used when the ineligible/incorrect payment or payments were authorized.

e. Authorization number.

f. Use authorized amount if the actual amount is not available locally and label it as authorized.

g. Payee Name - Name of vendor who provided the service.

8. Worker's signature and date.

9 Supervisor's initials and date. Reminder: if payments continue, the DSHS 14-159, Change of Service Authorization, must also be submitted. See 33.40 B. 2., 4., and 7.

10. For Headquarters Staff Only - Accounting Staff will enter the following:

a. Date the adjustment was completed.

b. Transmittal date - date pink copy sent back to DCFS field office.

11. Accounting staff will use the information on the form and accounting reports to make the necessary journal voucher entries.

DISTRIBUTION

1. White and pink to DCFS, MB OB-41, Olympia, WA 98504.

2. Goldenrod to case record.

3. Canary to pending file.

4. Headquarters: return pink to originator, file white.

DSHS 4-374(X) (1/85), CORRECTION OF PAYMENTS FROM INCORRECT FUNDING SOURCE

WASHINGTON STATE DEPARTMENT OF SOCIAL & HEALTH SERVICES

CORRECTION OF PAYMENTS FROM INCORRECT FUNDING SOURCE

1. TRANSMITTAL DATE MO. DAY YR.	2. REPORTING UNIT NUMBER AND 3. NAME		10. FOR HEADQUARTERS STAFF ONLY
4. CHILD'S NAME (Last, First, Middle)	5. REGION	6. FULL CASE NUMBER	PROCESS DATE MO. DAY YR.
			TRANSMITTAL DATE MO. DAY YR.

7. PAYMENT LISTING

TIME PERIOD	21 T/Ins	31 Source	36 Svs Code	AUTHORIZATION NUMBER	ACTUAL AMOUNT	PAYEE NAME
Begin * End						

8. WORKER	DATE MO. DAY YR.	9. SUPERVISOR	DATE MO. DAY YR.

* THE DATE PAYMENTS WERE DISCONTINUED; OR THE LAST DAY OF THE MONTH, IF THE CHANGE CAN BE INPUTTED BEFORE THE REGULAR INVOICING DATE DURING THE NEXT MONTH. FOR EXAMPLE, THE END DATE IS JANUARY 31, IF THE CHANGE IS INPUTTED BEFORE THE REGULAR INVOICING DATE FOR FEBRUARY. THE BEGIN DATE FOR THE NEW SOURCE IS FEBRUARY 1.

DISTRIBUTION:
1. WHITE & PINK TO DCFS, OB-41, OLYMPIA 98504
2. GOLDENROD TO CASE RECORD
3. CANARY TO PENDING FILE
4. HEADQUARTERS: RETURN PINK TO ORIGINATOR, FILE WHITE

DSHS 4-374 (X) (1-85) -948- 3

DEPARTMENT OF SOCIAL AND HEALTH SERVICES
Olympia, Washington

DCFS Manual - Revision 33 (Issued 11/90)

IF NOT DELIVERABLE, RETURN TO: MANUAL DISTRIBUTION CENTER, MG-13. FOR MANUAL DISTRIBUTION CHANGES, PLEASE NOTIFY: MANUAL PRODUCTION, MS OB-16.

If you have questions about this revision, call or write the Division of Children and Family Service.

Telephone Number SCAN 586-2657 or (206) 586-2657
Mail Stop OB-41

Note that revision number and date appear at the bottom of each page.

On Revision Control Sheet, note the date Revision 33 is entered. On the Tan Notice Control Sheet note the date Tan Notices 32 and 77 were removed.

REMOVE	INSERT
T-32 and T-77	----------
Chapter 33 (Issued - 07/84)	Chapter 33 (Rev. 33 - 11/90)

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33.00 INTRODUCTION

This chapter is being revised to reflect changes in DCFS policy to comply with the requirements of P.L. 96-272, Title IV-E of the Social Security Act.

33.10 PROGRAM AUTHORITY

State: RCW 43.20A.550
Federal: P.L. 96-272 Title IV-E of Social Security Act

33.20 POLICY

33.21 Referral

DCFS shall review the circumstances of every child placed into department paid substitute care to determine the child's eligibility for Title IV-E funding and/or other financial benefits.

Under no circumstances is Title IV-E (SSPS codes 2 or 4) to be paid on behalf of any child prior to the establishment of Title IV-E eligibility by the Eligibility Specialist. Title IV-E shall not be paid on the basis of presumed eligibility.

The DCFS Social Worker shall refer to the Eligibility Specialist each case when the child first enters care. The role of the Social Worker is to collect data regarding the family's social and financial circumstances.

The Eligibility Specialist shall analyze data, make eligibility determinations, assist in the application for other financial benefits and notify appropriate parties of the results of these actions. The eligibility specialist shall do six-month redeterminations of Title IV-E eligibility as long as the child remains in care.

33.22 Purpose of Services

Under the provisions of RCW 43.20A.550, the department is to take maximum advantage of federal funding. This means using 100 percent federal money or federal money with a state match before using "State Only" monies to pay maintenance costs of substitute care.

The most problematic funding source, in terms of being under and/or inappropriately utilized, is Title IV-E AFDC maintenance payments for substitute care. This is also the target source of federal funding available for these costs. In the past, Title IV-E determinations were made by social workers. That system resulted in a multiplicity of funding source inaccuracies that were revealed in federal audits. With the development of

these new procedures, the social worker's role is to collect the necessary financial data from the child's family. In addition, and with the help of the Eligibility Specialist, these procedures are also designed to identify other potential financial resources for which the child and/or parents may be entitled.

33.23 Forms Change/New Forms

A. The multipurpose form DSHS 14-140(X), Source of Funds Application and Face Sheet for Child in Placement, is replaced by a new multipurpose form DSHS 14-024(X) Family Face Sheet. Two new forms, the DSHS 14-279 Eligibility Action Referral and the DSHS 14-281 Source of Funds Application for a Child in Placement, have been added.

B. The DSHS 14-024(X), DSHS 14-279, DSHS 14-281 and DSHS 15-192(X) Child Placement and Legal History sheet are completed for each child entering department paid substitute care and for each child initially (after 72 hours) entering into relative placement when DSHS/DCFS retains supervision.

33.30 FUNDING SOURCES, ELIGIBILITY CRITERIA AND PROCEDURES

33.31 Introduction To Funding Sources

A. There are currently three sources of money for foster care maintenance payments. They should be used in this order:

1. Supplemental Security Income (SSI) - 100 percent federal dollars to maximum. (For SSI Limit, contact SSA at 1-800-234-5772.)

2. AFDC-FC, Title IV-E - 50 percent federal match (approximately).

3. State Only funds - no federal match.

B. A child receiving SSI is actually coded on the SSPS DSHS 154/159 to "state only" funds to accommodate existing accounting procedures. SSI funds are then used to reimburse the state funds.

C. Parental support is considered a recovery of funds, not a source of funds. Accounting procedures are in place to reimburse the source of funds used when parental support is received.

33.32 Title IV-E Eligibility Criteria (AFDC-FC)

A. Overview of Eligibility Factors

AFDC-FC (Title IV-E) is an entitlement program designed to reimburse the costs of eligible children entering into department paid substitute care from AFDC households. A child is eligible for Title IV-E funding who meets all the eligibility criteria listed.

1. Removal was by court order or Voluntary Placement Agreement DSHS 09-004B (Rev. 1/88); and

2. Child was placed in the care, custody and control of DSHS/DCFS; and

3. Child was physically removed via the court order or VPA from the home of a parent or caretaker relative of specified degree (WAC 388-24-125); or

4. Child had lived with a parent or caretaker relative of specified degree within six months of placement; and

5. That parent or caretaker relative was in receipt of AFDC in the month court action was initiated for removal or the Voluntary Placement Agreement was signed; or

6. That parent or caretaker relative would have been eligible to receive AFDC had an application been made; and

7. Child is under 18 years of age or is under 19 years of age if still in secondary school (or its equivalent) and expected to complete the program before age 19; and

8. Child was placed in a licensed substitute care facility. Documentation of licensure is required in the case record. The following documentation is required for children in out of state placements:

   a. Verification that the out of state foster home is licensed or approved by the agency in that state which is responsible for licensing or approval of such facilities, or

   b. A written statement that the home meets the state's standards for licensure. The letter must give the licensing dates in that state.

9. A Title IV-E eligible child must be:

   a. A United States Citizen; or

b. An alien lawfully admitted under the provision of section 203(a)(7), 207(c), 208 or section 212(d)(5) of the Immigration and Nationality Act; or

c. An amnesty alien granted temporary resident status by the Immigration and Nationality Act and otherwise IV-E eligible but prohibited from receiving AFDC.

B. Judicial Determination Requirements

1. Title IV-E requires a court determination (if child removed by court order) that "continuation in the home would be contrary to the welfare of the child." The contrary to the welfare determination must be in the first court order issued in conjunction with the removal or repeat removal of the child from the home of a parent or caretaker relative of specified degree. Failure to obtain this language at the proper time makes a child ineligible for Title IV-E for the entire foster care episode.

2. Title IV-E requires a court determination to the effect that reasonable efforts were made to prevent removal or to return a child home. Reasonable efforts determinations must contain language, to the effect that:

   a. Reasonable efforts were made prior to the placement of the child to prevent or eliminate the need for removal of the child from the home, or

   b. The lack of preventative services was reasonable in light of the emergency circumstances, or

   c. Reasonable services are being provided to return the child home.

   A court order signifying any one of these outcomes meets the reasonable efforts requirement. Once such a statement is made the reasonable efforts requirement is met for the duration of the placement episode. The Title IV-E claim can begin from the date of the court order.

3. The judicial determination requirements may be satisfied through issuance of nunc pro tunc orders if, through an inadvertent clerical error, the court made the required determinations but the court order does not reflect that. The court transcript that supports the nunc pro tunc order must be available. It is acceptable to have a copy of the court transcript in the record in lieu of the nunc pro tunc order.

C. Voluntary Placement

1. Effective 7-1-87, Washington State is eligible to claim Title IV-E for children voluntarily placed in foster care. Children in placement based on the signing of the Voluntary Placement Agreement DSHS 09-004B and Title IV-E eligible must:

   a. Be placed in the sole custody of DSHS/DCFS.

   b. Within 180 days of placement, have a judicial determination by the court to the effect that such placement is in the best interests of the child.

   c. If the court has not made a judicial determination by the 180th day of the voluntary placement, Title IV-E must be closed. Title IV-E eligibility cannot be continued or reopened during the duration of the child's placement if this time line is not met.

D. Repeat Removals

Title IV-E requires, in each case, for each removal, a court determination to the effect that it is contrary to the child's welfare to remain in the home and that reasonable efforts were made to maintain the child in his or her own home. If a child is returned home by case plan (not a visitation) but DSHS/DCFS retains supervision, the above court determination must be made at the time of removal if the child is replaced into department paid or relative care. Failure to obtain the required judicial determinations causes an otherwise IV-E eligible child to be ineligible for the entire placement episode.

E. Title XIX and XX

Title IV-E recipients are deemed to be recipients of AFDC for purposes of Title XIX and Title XX.

33.33 Guardianship

A. A child shall be removed from Title IV-E funding (SSPS codes 2 or 4) when dependency guardianship pursuant to RCW 13.34.231 has been established and the department continues to pay foster care. The source of funds shall always be coded state only (SSPS code 5) as long as the child remains in this placement. The social worker shall notify the Eligibility Specialist immediately upon establishment of a dependency guardianship under 13.34.231.

B. If the child is removed from a guardianship and replaced into other department paid substitute care, the social worker shall:

1. Upon removal obtain a new court order containing both contrary to welfare and reasonable efforts determinations; and

2. Re-refer the case to the eligibility specialists for a new determination of Title IV-E eligibility.

33.34 Supplemental Security Income (SSI)

A. A child who is blind or disabled may be eligible for SSI benefits. All children in the custody of DSHS/DCFS shall be reviewed for potential SSI eligibility. Children who are SSI eligible prior to the final decree of adoption have an almost automatic "door" into Title IV-E Adoption Support funds.

B. Children cannot receive SSI payment and Title IV-E foster care payments concurrently. When SSI eligible children are in placement, the Title IV-E eligibility shall be reviewed to determine whether the federal match on Title IV-E dollars is more than the SSI dollars coming into the agency. Careful consideration must also be given to determining if it is in the child's best interest to suspend SSI, recognizing that if SSI is suspended it can be reinstated. These cases need to be reviewed every six months as the cost of care may change dramatically.

33.35 Eligibility Procedures For Children Whose Placement Is Supervised By DSHS/DCFS

A. The funding source selection process requires the use of the DSHS 14-024(X) Family Face Sheet and the DSHS 14-281 Source of Funds Application for Child in Placement. These forms serve as the face sheet, an eligibility source document and a referral document to Offices of Support Enforcement and Office of Provider Services.

B. The DCFS Social Worker shall take the following actions on each initial placement:

1. Complete the DSHS 02-128(X) Application Registration and Control and route it to Master Files to request a case record and verification of current income assistance status.

2. Authorize payment within five working days of placement. Indicate state funds (code 5) as the initial source of funds on the SSPS DSHS 14-154(X). A copy of the DSHS 14-159 shall be forwarded to the Eligibility Specialist.

3. Initiate a DSHS 15-192(X) Child Placement and Legal History for a child going into out of home placement for the first time, or update an existing DSHS 15-192(X).

4. For voluntary placement only, complete a DSHS 09-004B Voluntary Placement Agreement. Unless custody has been given to one parent, a good faith effort must be made (and be documented) to have both parents sign the form. The Social Worker shall also sign the form.

5. Transmit copies of the following items within 10 working days of placement to the Eligibility Specialist:

   a. DSHS 14-024(X) Family Face Sheet; the white copy remains in the record as the face sheet, the pink and goldenrod copies go to the Eligibility Specialist;

   b. DSHS 14-281(X) Source of Funds Application for Child in Placement on all children whose placement is supervised by DSHS, including children in private child placement agency care if DSHS has custody; the white copy remains in the case record, the pink and goldenrod are sent to the Eligibility Specialist;

   c. DSHS 15-192 Child Placement and Legal History;

   d. DSHS 14-154(X) Social Services Authorization;

   e. ITIS Terminal Clearance;

   f. Petition and court order that initially removed the child from his or her home; (including children re-entering foster care); or

   g. DSHS 09-004B Voluntary Placement Agreement that initially removed the child from his or her home.

6. Transmit a copy of the above items to the Eligibility Specialist using the DSHS 14-279 Eligibility Action Referral as a cover memo. The Social Worker completes Parts I and II of this form indicating what forms are attached and what section(s) is/are required.

7. Change the turnaround DSHS 14-159 Social Services Authorization to show the correct source of funds if not already corrected by the Eligibility Specialist as noted on the color coded DSHS 02-501 Notice of Funding Category for Placement.

C. No application is required when children leave care on or before the third working day.

D. For Child Placing Agency (CPA) staff only: When requesting foster care payments form DSHS, the CPA shall complete the DSHS 14-024(X) and the DSHS 14-281 and submit them promptly along with the legal authorization to place to the appropriate DCFS local office for a Title IV-E eligibility determination.

E. The application procedures for benefits to which the child may be entitled which require efforts in addition to the completion of forms (i.e., personal office visits for SSI benefits) will continue to be conducted by the Social Worker. Since local office procedures vary

throughout the state, the roles of the Eligibility Specialist and Social Worker in applying for other financial benefits may vary. It shall be the responsibility of each region to define these roles.

F. Alternative Referral System

In regions and/or offices that employ dedicated Title IV-E clerical staff, and the demographics of that region and/or office permit, the following Title IV-E referral system is recommended.

1. Immediately upon input of any SSPS 154/159 by the SSPS input clerk, that clerk forwards a copy of that 154/159 to the IV-E clerk.

2. The IV-E clerk, on a daily basis, reviews each new 154/159 to sort out all the mandatory referrals to the Eligibility Specialists.

3. The IV-E clerk inputs a source of funds code 5 (state funds only) and a result code of pending into the IV-E tracking system.

4. The IV-E clerk (or case aid) collects all the necessary IV-E referral data on each new and/or repeat placement and routes the completed referral packet to the Eligibility Specialist.

5. The Eligibility Specialist performs an eligibility source of funds determination, inputs updated eligibility information into the tracking system, makes the appropriate referrals to the Office of Support Enforcement and Provider Services and initiates or updates the eligibility documentation file.

G. The Eligibility Specialist shall take the following action upon notification of each placement: (Local office procedures may vary somewhat.)

1. Review and evaluate the DSHS 14-279 Eligibility Action Referral and the accompanying packet within 30 days of receipt. Referrals which indicate that the children were removed from AFDC homes should be given priority status for processing.

2. Notify the appropriate CSO using the DSHS 14-226(X) Referral To Financial Services if a child has been removed from an active AFDC, medical only or food stamp household.

3. Notify the Social Worker of the correct source of funds via the color coded forms DSHS 02-501, 02-501A and 02-501B Notification of Funding Category for Placement.

4. Regions may elect to have the Eligibility Specialist also enter the source of funds change on SSPS. The IV-E Coordinator in each region will determine this responsibility.

5. Assist the Social Worker in the application for other benefits such as SSI, SSA, Veteran's benefits, etc.

6. Make referrals to the Office of Support Enforcement and Office of Provider Services if the child has other medical insurance. Every child in department paid substitute care shall have a referral sent to OSE within 30 days of placement, <u>except</u> children receiving adoption support payments from Washington State or children certified as eligible for Developmental Disability services. A complete referral packet shall consist of the DSHS 14-024(X) Family Face Sheet, DSHS 14-281 Financial Resource Data Sheet, legal authorization for placement and the SSPS 154/159 showing the amount authorized, the funding source and the date payment was initiated.

7. Document and maintain all eligibility information in separate IV-E files maintained by the Eligibility Specialists.

8. Maintain a computer tracking system for all IV-E eligible care.

H. Six-Month Eligibility Re-Determination Process.

Children who are eligible for Title IV-E funding shall have their eligibility redetermined every six months.

1. Four weeks prior to the redetermination month, the Eligibility Specialist will notify the Social Worker by sending the Financial Resource Redetermination Data Sheet DSHS 14-280;

2. The Social Worker completes the Redetermination Data sheet and returns it to the Eligibility Specialist within 10 working days of receipt. The Social Worker shall include a copy of the DSHS 15-192 Child Placement and Legal History sheet; or

3. At local DCFS office option, the Eligibility Specialist can pull the case record and make all determinations from the record itself.

4. Following the eligibility redetermination, the Eligibility Specialist shall document in the IV-E file as follows:

   a. General, updated case information as placed on the DSHS 02-305(X) Service Episode Record.

   b. A new color coded DSHS 02-501 is filed on the top right hand side of the record, indicating the updated funding source.

   c. Place an updated DSHS 14-298 IV-E Reimbursability Summary underneath the 02-501.

   d. Place any necessary court orders underneath the 14-298.

e. Place all updated, pertinent SSPS authorizations underneath the new court orders, or underneath the 14-298 if no new orders.

f. If any DSHS 04-374 correction of Payment From an Incorrect Funding Source forms are completed (see 33.70) file a copy of this form underneath the SSPS forms.

33.40 ELIGIBILITY CRITERIA FOR ADOPTION SUPPORT

33.41 Funding Source Determination

A. Prior to the application for Adoption Support benefits, all cases shall be referred to the DCFS Local Office Eligibility Specialist. This includes children in the custody of a private Child Placement Agency.

B. The DCFS Eligibility Specialist shall perform a funding source determination specific to adoption support.

C. The DSHS 14-319, Adoption Support Monitoring Schedule, shall be included in the adoption support application packet that is sent to Olympia. The application will not be processed without the inclusion of the DSHS 14-319, except for SSI eligible children (see 33.42 A. 1).

D. Since it is possible for a child to be ineligible for foster care Title IV-E funding but eligible for Adoption Support Title IV-E funding, the foster care eligibility determination shall not be used.

33.42 Adoption Support Title IV-E Eligibility Criteria

A. SSI Eligible Children

1. Children who are certified by the Social Security Administration as eligible for SSI benefits prior to the final decree of adoption automatically meet the tests for AFDC relatedness and judicial determination requirements because of federal policy. Therefore no referral to the Eligibility Specialist is required.

2. Adoption Social Workers shall make certain that SSI benefits are applied for if there are indications that the child might be eligible. The adoption support application will not be completed until this funding source has been explored.

3. The only acceptable proof of SSI eligibility is the SSI Award Letter. The award letter must be attached to the adoption support application.

B. Relative Adoption

1. Children who are living with a specified relative, who, by federal policy, is going to adopt that child, also, by federal policy, meet the AFDC and judicial determination requirements.

2. At the time of the filing of the petition to adopt, the child must meet the AFDC test for financial need and deprivation of parental support. These cases shall be referred to the Eligibility Specialist for a funding source determination based on these requirements.

3. The Eligibility Specialist will send a completed DSHS 14-319 Adoption Support Monitoring Schedule to the referring social worker for inclusion in the adoption support application packet.

C. All Other Children

1. Children <u>not</u> SSI eligible and <u>not</u> being adopted by a specified relative must meet the AFDC relatedness and judicial determination requirements to be eligible for Adoption Support Title IV-E funding.

   a. The child must have been removed, in the last placement episode leading directly to the termination of parental rights, from the home of a specified relative; and

   b. That relative must have been an active AFDC recipient, or would have been an AFDC recipient had an application been made, based on documentation in the case file; and

   c. The removal was the result of a judicial determination that continuation in the home would be contrary to the welfare of the child; <u>or</u>

   d. The removal was the result of a properly completed Voluntary Placement Agreement DSHS 09-004B, with either DSHS or a private Child Placement Agency.

      (1) If the VPA was with DSHS, there must have been a court order by the 180th day of placement. The court order must have said it was in the child's best interest to remain in care. During the period that the VPA was in place, DSHS must have coded the source of funds to Title IV-E. Only voluntary placement agreements <u>after</u> July 1, 1987 are eligible for adoption support Title IV-E funding.

      (2) If the VPA was with a private Child Placement Agency, there must have been a petition filed within six months and a subsequent court order issued stating it

was in the child's best interest to remain in care. The source of funds while in foster care does not have to have been coded to Title IV-E for these cases.

e. Children that initially enter care under voluntary relinquishments, with either DSHS or private Child Placement Agencies, are considered court ordered placements. The petition must have been filed within six months of the placement into foster care and the court order must contain the appropriate contrary to welfare findings.

f. The Eligibility Specialist will send to the referring Social Worker a DSHS 14-319 showing the correct source of adoption support funding. The Adoption Social Worker shall include that completed form in the adoption support packet.

D. Special Needs

To be eligible for Adoption Support Title IV-E funds, all children must meet the special needs requirements as follows:

1. The State must have determined that the child cannot or should not be returned to the home of the birth parents; and

2. DSHS must have determined that the child cannot be placed without a subsidy because of the child's special emotional and/or physical handicaps; and

3. It must be documented that reasonable efforts were made to place the child without subsidy. To demonstrate that a non-subsidized resource is not available, a child must be listed for a minimum 90 days with:

   a. The DSHS adoption exchange or the Washington Adoption Resource Exchange (WARE); and

   b. The Northwest Adoption Exchange (NWAE).

4. If the prospective adoptive parents are foster parents to the child, and the child has close emotional ties to that family which would cause severe emotional damage if severed, then registration with adoption exchanges is not necessary. The child must have lived with the family a minimum of six months prior to the application for support.

33.43 COBRA Medical

A. The Consolidated Omnibus Reconciliation Act of 1985 (Public Law 99-212) permits Title IV-E eligible children receiving adoption support benefits to receive MEDICAID, under COBRA, in their state of residence. COBRA guarantees a uniform level of medical services for Title IV-E eligible children nationwide.

B. Adoptive parents of Title IV-E eligible children who move into Washington State will need to apply for COBRA medical from:

Adoption Support Program
DSHS OB-41C
Olympia, WA 98504
Phone: Toll free 1-800-562-5682

C. Adoptive parents of Title IV-E eligible children who move from Washington State to another state of residence will need to apply for COBRA medical in their new state of residence. The Adoption Support Program in Olympia will send a letter to the new state verifying Title IV-E eligibility.

D. Adoption Support children not Title IV-E eligible from Washington State are deemed Title XIX Categorically Needy medically eligible. Their medical coupons will always be issued by Washington State, regardless of their state of residence.

E. All non Title IV-E eligible children moving to Washington State will receive medical coverage from their state of origin.

33.44 Title IV-E Eligibility File Archiving Procedure

Prior to any adoption case being sent to archives, the case record shall be reviewed by the eligibility specialist. Any IV-E eligibility specific information that may be required to document Title IV-E claims will be pulled unless there is an existing IV-E file that adequately documents the Title IV-E claim. If the child is receiving Title IV-E Adoption Support funds the IV-E file will be requested by the Adoption Support Unit in Olympia. The file shall be forwarded to:

Adoption Support Program
Mail Stop: OB 41-C
Olympia, WA 98504

33.50 STATE FUNDED DEPARTMENT PAID SUBSTITUTE CARE CRITERIA

A child who meets the following eligibility criteria is generally eligible for state funded foster care (see DCFS Manual Chapter 32).

A. Child is placed and returned home within 72 hours of placement.

B. The child was placed in care by either a court order or a Voluntary Placement Agreement, DSHS 09-004B; and

C. Child is under 18 years of age. However, foster care payments may continue in order to enable the child to complete high school or its equivalent. Foster care payments may not extend beyond the child's 21st birthday.

D. Child is not eligible for Title IV-E funding; or

E. Child is receiving SSI. SSI benefits are deposited in the foster care trust account. These funds are used to reimburse state funds when items 21, 25 and 31 on the DSHS 14-154(X)/159 are correctly coded; or

F. Foster parent is made legal guardian pursuant to RCW 13.34.231; or

G. Caretaker relative is made legal guardian pursuant to RCW 13.34.231, and the child was receiving Title IV-E foster care in the home of that relative prior to the guardianship.

H. Refer to WAC 388-70-013 and DCFS Manual, Chapter 32 for specific authorization criteria for foster care placements.

33.60 PLACEMENT WITH RELATIVES OF SPECIFIED DEGREE

A. For a child placed with a caretaker relative of specified degree, either AFDC or Title IV-E foster care may be authorized if the respective eligibility factors are met. If the child is Title IV-E eligible based upon that child's removal home circumstances, then the relative has the option of applying for either AFDC or foster care funds.

B. In instances where a child is placed with a specified relative, the DCFS social worker shall refer the case to the DCFS eligibility specialists, irrespective of whether the relative chooses AFDC or foster care.

C. Natural parents, adoptive parents and stepparents are not eligible to receive foster care payments.

D. For AFDC Grant Payments:

1. A relative may be the AFDC payee for a child placed with him/her, if:

   a. The relative is of specified degree; and

   b. The relative applies for AFDC at the Community Services Office and the child is determined to be eligible.

2. The relative home need not be certified.

E. For Title IV-E foster care:

1. A relative may be the Title IV-E foster care payee for a child placed with him/her if;

   a. The relative is of specified degree, and

   b. The relative requests payment under Title IV-E foster care rather than AFDC and applies through the DCFS social worker; and

   c. The child is determined eligible for Title IV-E foster care (see section 33.12 for Title IV-E criteria); and

   d. The home is certified as meeting licensing requirements.

F. For State Funded Foster Care with Relative:

1. A relative may be the payee for a child placed with him/her, only if:

   a. The relatives home is certified as meeting licensing requirements; and

   b. The child is determined not eligible for AFDC and Title IV-E. By state law, state foster care funds may not be expended for a child living with a relative eligible to receive AFDC on behalf of the child. See WAC 388-70-064.

   c. The only exception to the above is if a Title IV-E payee relative is subsequently named as guardian per RCW 13.34.231 in the court order.

2. The social worker shall inform the relative of his/her option to apply for AFDC or Title IV-E foster care. Benefits may be greater under the Title IV-E program, depending upon the case circumstances.

33.70 CORRECTION ON PAYMENTS FROM AN INCORRECT FUNDING SOURCE

A. Policy

1. Every department paid substitute care payment charged to an incorrect funding source must be changed to reflect the correct source, both in the authorization and accounting systems.

2. Changes should be made at the point of discovery of the incorrect charge; or, in the instance of Title IV-E payments, by the next six-month redetermination at the latest.

B. Procedures

1. Determine the starting date of the ineligible payment(s) from the incorrect funding source.

2. Determine the end date of the incorrect funding source using a. or b. below.

   a. If payments from the incorrect funding source have been discontinued, use that discontinued end date for the end in this process. (The department pays for the first day of placement but not the last day of placement.)

   b. If payments from the incorrect funding source continue, use the last day of the month as the end date if the input can be accomplished by the regular invoicing date for that month (usually six working days prior to the end of that month) <u>or</u> by the supplemental invoicing date usually six working days after the first of the following month). The dates are published by SSPS. For example, the end date is January 31 <u>if</u> the change is input before either the regular run invoice date in January or the supplemental run date in February. The begin date for the new funding source is February 1.

3. Determine the correct funding source for the period of ineligibility.

4. Determine the correct new funding source if payments are continuing.

5. Complete DSHS 04-374(X) Correction Of Payments From Incorrect Funding Source as follows:

   a. Transmittal Date - the date form is sent to the Division.

   b.&c. Local office number and name - the DCFS local office name and its reporting unit number.

d. Child's name - this should be the same as it appears on the SSPS authorization for the time period in question. Use the extra space for aliases, other spellings, etc.

e. Region - the region that the incorrect funding source originated in.

f. Case Number - the case number(s) under which the incorrectly funded payments were made.

g. Payment Listing

(1) Enter the time periods in 7.a. (begin and end dates) for each incorrectly funded time period. The time period is any period where the rates, payee and authorization service code remain the same. A change in any of the above constitutes a new time period. (This form is not used to correct the amount of foster care payments. See DCFS Manual Chapters 5 and 32.)

(2) Item 7.b. - Enter the service code(s) that were used during the incorrectly funded time period(s).

(3) Item 7.c. - Enter the SSPS authorization number(s) that were used during the time period(s).

(4) Item 7.d. - Enter the actual amount(s) paid. Use the authorized amount if the actual amount is not available.

(5) Item 7.e. - Enter the incorrect funding source in "change from" and the correct funding source in "change to."

(6) Item 7.f. - Enter the name of the vendor who provided the service, as it appeared on the DSHS 14-154/159.

h. Item 8 - The Eligibility Specialist signs and dates the form.

i. Item 9 - The supervisor signs and dates the form.

j. If payments are continuing, the DSHS 14-159 "Change of Service Authorization" must also be submitted. The change effective date must be the first of the month. Do not change the service begin date and the service end date. If the payment has been terminated the source of funds cannot be corrected on the DSHS 14-159.

k. Send the completed correction form to:

Federal Funding Unit
Management Services Division/
Children Youth and Family Services
Mail Stop: OB-41
Olympia, WA 98504

l. Item 10 - For headquarters staff only. The accounting staff will enter the date that the form is processed and enter the transmittal date when the pink copy is sent back to the originating DCFS local office.

m. Accounting staff will use the information on the DSHS 04-374(X) to make the necessary journal voucher entries.

C. Distribution

1. White and pink to Federal Funding Unit, MSD/CYFS, OB-41, Olympia, WA 98504.

2. Goldenrod to IV-E record.

3. Canary to Eligibility Specialist IV-E file.

4. Headquarters: Return pink to originating Eligibility Specialist to file in case record. File White in Headquarters Records.

33.80 INCOME AND RESOURCES OF A CHILD IN DEPARTMENT PAID SUBSTITUTE CARE

33.81 Definitions And Uses Of Income/Resources

A. Child in department paid substitute care may have:

1. Earned income (wages);

2. Unearned income (SSA, SSI, VA benefits, etc.);

3. Resources (bank accounts, bonds, stocks, automobiles, personal property, etc.).

B. Each of the above three categories are additionally classified as either:

1. Exempt income - not included when considering if a child is eligible for a particular federal funding source nor when determining a child's possible participation in the cost of care.

2. Non-exempt income

a. Unearned Income

If the non-exempt income is unearned income, it must be used to cover the child's cost of care, except for resources held in trust for an American Indian child (see WAC 388-70-069).

b. Earned Income

If the non-exempt income is earned income, or resources, it may be used to cover the child cost of care. The exempt earned income/resources standards which apply to AFDC also apply to children in department paid substitute care (see Manual F Chapter 67). The earned income/resources of every child above the exempt standards must be applied to the child's cost of care. (See WAC 387-70-068, 388-28-535(3) and 388-28-570.)

33.82 Procedures For Title IV-E Eligibility Redetermination For A Child With Income And/Or Resources

A. The Social Worker shall determine the total amount and source of all income received by (or on behalf of) the child and report all income and/or resources on the DSHS 14-280 Financial Resources Redetermination Data Sheet.

B. The Social Worker shall route the DSHS 14-280 to the Eligibility Specialist. The Eligibility Specialist shall determine continuing Title IV-E eligibility based on the following:

1. The exempt plus non-exempt income must be totaled to determine the child's total gross income/month. The total must be below 185 percent of the child's cost of care for Title IV-E reimbursability to continue; and

2. The child's non-exempt resources (including trust fund balances) cannot be in excess of $1,000 for any given month; and

3. The non-exempt earned income plus the non-exempt unearned income (total non-exempt income) must total less than the child's cost of care.

   Cost of care is defined as the payment standard, which includes room and board, clothing, personal and incidental allowance and specialized rates. Additional rates through the Exception to Policy process are not included.

4. Determine if the child receives SSI funds. A child is not eligible to receive both SSI and Title IV-E. Terminate one or the other based on the best interest of the child and/or the greater benefit to the state.

5. If the child is employed full time and not in school, the source of funds shall be state only.

33.83 Procedures In Handling Income/Resources Of A Child In Department Paid Substitute Care

A. Establishing Child's Trust Account

When it is or has been determined that a child has actual or potential income and/or resources, the social worker working in conjunction with the eligibility specialist shall set up a trust account for the child. The social worker shall be responsible for application procedures which require efforts beyond the completion of forms (i.e., visits to SSA offices).

When a child is placed through a Child-Placing Agency (CPA), that CPA must forward all relevant materials (see below) to the local DCFS office who will establish the child's trust account.

1. Unearned Income/Resources

The social worker or eligibility specialists shall:

a. Forward copies of the following documents, <u>including</u> the local DCFS office's name, return address and contact person to:

Trust Fund Unit
P.O. Box 9501
Olympia, WA 98504
MS: OB-24C

(1) Applications for SSI, SSA or VA benefits.

(2) Applications for any Washington State Agency benefits, i.e., Department of Labor and Industries.

(3) Copies of change of status notifications (i.e., initiation or termination of DSHS as representative payee) forwarded to any of the above agencies.

(4) Copies of change of status's <u>not</u> required to be reported to the above agencies, such as schooling address, etc.

(5) General correspondence concerning any of the above.

b. The Trust Fund Unit will be responsible for establishing the trust fund account upon receipt of the application. The Trust Fund Unit will do any necessary follow-up with other agencies and will apply the funds to cover the cost of care.

c. Forward receipts (if payment is received at the local DCFS office) from SSA, SSI, Veterans's, Railroad, and Labor and Industries, when DSHS is representative payee, to:

DSHS Office of Financial Recovery
P.O. Box 9501
Mail Stop: HJ-21
Olympia, WA 98504

Include a memo with the check indicating that it is for a child in department paid substitute care who has a trust account.

d. Forward all receipts, i.e., child support to the appropriate Office of Support Enforcement unless otherwise specified.

e. Refer any questions regarding the non-exempt status of unearned income/resources to the local DCFS Office Eligibility Specialist(s). This includes private monies such as insurance settlements, railroad retirement, etc.

2. Earned Income of a Foster Child

For a child with earned income the social worker and eligibility specialist must determine whether or not to apply any of the child's earned income to that child's maintenance cost of care.

The Social Worker will:

a. Complete DSHS 07-042D(X), Income Reports, and forward it to the Eligibility Specialist, who will make a determination regarding the earned income exemption.

b. Receive a response from the Eligibility Specialist indicating the amount of child's non-exempt income. This is the amount that must be applied toward maintenance cost of care.

c. Advise the DSHS Trust Fund Unit in writing, and the child, of the amount of the child's earned income to be applied to the child's cost of care.

d. Assist the child to send the amount of earned income designated for the child's maintenance costs to the DSHS Trust Fund Unit for deposit in the child's trust account.

B. Withdrawal of Funds From Trust Accounts

1. In the following situations, funds may be withdrawn from the child's trust account:

   a. Resources and unearned income of a foster child (other than an American Indian or Alaska Native) that are in excess of the amount applied to the child's cost of maintenance may be used to reimburse foster parents for property damage done by that child. Additional clothing requests or medical supplies/resources that would normally require an Exception to Policy Request may also be paid for out of this trust account.

   b. Non-exempt earned income of a foster child above the amount applied to that child's cost of maintenance may be used to recover part or all of a claim for property damage to foster parents property, dependent on the child's needs and individual circumstances of damage/loss as determined by the child's social worker.

   c. Title IV-E eligible children cannot, by Federal Law, accrue more than $1,000 in their trust account and remain eligible for federal Title IV-E reimbursement. The Trust Fund Unit in Olympia will send, on a quarterly basis to the child's last known local DCFS office, a statement showing the child's balance on a particular date. The social worker should consult with the eligibility specialist as to spending down to the $1,000 limit versus the loss of federal reimbursability.

   d. The balance of a child's trust account may be withdrawn by the adoptive parents after the finalization of the adoption (see Chapter 36.53.10).

   e. If a child turns 18 years of age and leaves department paid substitute care (the department is no longer disbursing funds), the child's social worker shall make application to the Trust Fund Unit in Olympia for the child to receive any remaining trust fund balance (plus interest accrued).

   f. If the child turns 18 years of age but remains in department paid substitute care, any remaining funds usually cannot be disbursed to the child until that child terminates from care. The trust fund unit should be consulted regarding specific case situations.

2. To withdraw funds from a child's trust account the social worker:

   a. Shall determine and document that this is the best plan for the child.

b. Shall determine if the child's trust account has funds in excess of amount applied to that child's maintenance costs. That information can be obtained by calling the Trust Fund Unit at SCAN 234-4436.

c. Shall forward, if excess funds are available, a special memo to the:

Trust Fund Unit
P.O. Box 9501
Olympia, WA 98504
Mail Stop: OB-24C

which includes:

(1) Specific dollar amount needed.

(2) An itemized list of items and/or services to be purchased.

d. Funds will be disbursed by the Trust Fund Unit according to this request.

DCFS MANUAL: CHAPTER 33 -- MAINTENANCE ELIGIBILITY DETERMINATION FOR CHILDREN IN DEPARTMENT PAID SUBSTITUTE CARE

TO: Holders of DCFS Manuals

NOTICE NO.: T-112
ISSUED: 01/06/94

FROM: Gerard Sidorowicz, Director
Division of Children & Family Services
MS 45710

SECTIONS REVISED:
Chapter 33

EFFECTIVE: On Receipt
FOR INFORMATION CALL:
SCAN 321-2657/(206)586

IF NOT DELIVERABLE, RETURN TO: DISTRIBUTION CENTER, MS 45807. FOR DISTRIBUTION CHANGES, NOTIFY: MANUAL DISTRIBUTION, MS 45807/(206) 586-8439 OR SCAN 321-8439.

SUBJECT: 1993 LEGISLATIVE CHANGE TO CHILD SUPPORT COLLECTIONS REGARDING DEVELOPMENTALLY DISABLED CHILDREN PLACED INTO FOSTER CARE

Place this notice in front of Chapter 33, and note on the Tan Notice Control Sheet the date T-112 was entered.

A. BACKGROUND

The 1993 Legislative Session produced a change that affect OSE's collection of child support for developmentally disabled children placed into department paid substitute care.

SB 5968 (c24 L93 E1) amends RCW 74.20A.030 to allow OSE to collection child support against parents of DD children. For the period July 1, 1993 through June 30, 1995, OSE shall establish and collection a support obligation against parents of children with developmental disabilities who are placed into community-based residential care. The amount of support collected shall not exceed one-half the child support obligation as calculated pursuant to RCW 26.19.

B. ACTION REQUIRED

1. Developmentally Disabled Children

a. DD children shall always be coded to state only funded foster or group care. A DD child can never be coded to IVE matching funds due to the legislative requirement that those children be treated differently than other children in regards the parental support obligation.

b. A referral to OSE, using existing procedures in Chapter 33.35 G. 6. shall be made on all DD children entering department paid substitute care <u>or</u> were in care as of July 1, 1993.

c. Any child referred to OSE as a DD child shall have first been "certified" as eligible for services from the Division of Developmentally Disabilities, as evidenced by the certification letter issued by DDD.

d. DD children who were in care as of July 1, 1993 shall be referred to OSE in conjunction with their six month placement review. Prior to referrals being sent to DD children brought into care prior to July 1, 1993, pursuant to RCW 13.34.030.2.d. or a Voluntary Placement Agreement, the parent(s) shall be contacted and informed of the change in legislation and offered the change to have their child returned home.

2. Revised referral form

The DSHS 14-281(X) (Rev. 09/93), Source of Funds Application for Child in Placement, has been revised to incorporate the change in SB 5968.

It is very important that only the 09/93 revision be utilized. This is the only form that was changed; no additional forms were added. Destroy all previous versions of the DSHS 14-281(X) and re-order the 09/93 revision.

C. PROCEDURES

Delete the text from DCFS Manual Chapter 33.35 G. 6. and add the following:

6. Make referrals to the Office of Support Enforcement and Office of Provider Services if the child has other medical insurance. Every child in department paid substitute care shall have a referral sent to OSE within 30 days of placement, except children receiving adoption support payments from Washington State. A complete referral packet shall consist of the DSHS 14-024(X), FAMILY FACE SHEET, DSHS 14-281(X), Source of Funds Application for Child in Placement, (Rev. 09/93) and the legal authorization for placement.