

MICHIGAN 2010 REVISED FINDING
AND DISALLOWANCE LETTER

Maura Corrigan
Director
Michigan Department of Human Services
235 South Grand Avenue
P. O. Box 30037
Lansing, Michigan 48909

Dear Ms. Corrigan:

On August 27, 2010, the Children's Bureau (CB) sent to your office a report of findings of the Michigan Title IV-E Foster Care Eligibility Review that had been conducted the week of June 14, 2010. Six (6) cases were found to be in error for either part or all of the period under review (PUR) of April 1, 2009 through September 30, 2009. In addition, one (1) non-error case contained ineligible payments. Since the number of cases exceeded by two (2) the number of error cases allowed for a State to be found in substantial compliance, Michigan was required to develop a Program Improvement Plan (PIP) to correct the areas in need of improvement. We received Michigan's PIP dated October 22, 2010 on November 18, 2010.

Of the sample cases that were found to be in error, Michigan had previously determined MI-46 and MI-61 not eligible under the title IV-E program and continued to claim title IV-E maintenance payments and administrative costs for these cases while the cases were referred for the State's Fair Hearing proceedings. As provided for in Federal regulations at 45 CFR Part 16, Michigan also appealed the error findings to the Departmental Appeal Board (DAB) of the U.S. Department of Health and Human Services.

As a result of DAB Decision No. 2360, the error findings for sample cases MI-46 and MI-61 have been reversed and the number of error cases has been reduced to four (4). CB, therefore, has determined that Michigan's title IV-E foster care maintenance payment program is in substantial compliance with Federal eligibility requirements for the above noted PUR. Since Michigan has been found to be in substantial compliance, a secondary review will not be required. In addition, Michigan is no longer required to complete a PIP.

The revised disallowances total for this review is \$399 Federal financial participation (FFP) in maintenance payments and \$5,640 FFP in related administrative costs for the remaining error cases and non-error cases with ineligible payments. In its June 30, 2010 title IV-E financial report, which was submitted July 28, 2010 to avoid the assessment of interest pending the results of its appeal, the State made an adjustment to its Federal title IV-E claims to reflect the repayment of disallowed funds. You may recover the amount of title IV-E funds associated with cases MI-46 and MI-61 by submitting an increasing adjustment of \$67,264 on the quarterly

report of expenditures (Form CB-496) and identifying the reason for recovery. Once these two cases have completed the fair hearing process, and if they are found to be ineligible, the State will be required to make the appropriate decreasing adjustments.

This is CB's final decision. Under regulations at 45 CFR Part 16, you may have an opportunity to appeal this decision to the DAB. This decision shall be the final decision of the Department of Health and Human Services unless, within 30 days of receiving this decision, you deliver or mail (using registered or certified mail to establish the date) a written notice of appeal to:

Department of Health and Human Services
Departmental Appeals Board, MS 6127
Appellate Division
330 Independence Ave., SW
Cohen Building, Room G-644
Washington, DC 20447

You must attach to the notice a copy of this decision, note that you intend to appeal, state the amount in dispute, and briefly state why you think this decision is wrong. A copy of your appeal should also be sent to the Carolyn Wilson-Hurey, Child Welfare Regional Program Manager in Region V. The DAB will notify you of further procedures.

The next primary eligibility review will take place approximately three years from the June 2010 review. If you have any questions or concerns, please contact Carolyn Wilson-Hurey at (312) 353-9672 or by e-mail at carolyn.wilson-hurey@acf.hhs.gov. You may also contact Irene Carrillo, Children and Families Program Specialist, at (312) 886-4934 or by e-mail at irene.carrillo@acf.hhs.gov.

Sincerely,

Joseph J. Bock
Acting Associate Commissioner
Children's Bureau

cc: Steve Yeager, Acting Deputy, Children's Services; Michigan DHS; Lansing, MI
Terri Gilbert, Child Welfare Improvement Bureau; Michigan DHS; Lansing, MI
Mary Mehren, Federal Compliance Office Director; Michigan DHS; Lansing, MI
Gail Collins, Director; CB, Division of Program Implementation; Washington, DC
Jennifer Butler-Hembree, Program Specialist; CB, Division of Program Implementation;
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Carolyn Wilson-Hurey, Child Welfare Regional Program Manager; CB, Region V;
Chicago, IL
Eric Staples, Regional Grants Officer; ACF, OA, OGM; Chicago, IL
Terri Davis, Financial Management Specialist; ACF, OGM; CB, Region V; Chicago, IL
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