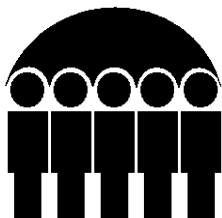


January 28, 1996

Employees' Manual
Title 18
Chapter G

FOSTER CARE RECOVERY



Iowa
Department
of
Human Services

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CHAPTER OVERVIEW

This manual chapter covers recovery of foster care costs from financial resources that are available to a child who is placed in any type of foster care, including:

- ◆ Family foster care
- ◆ Group care
- ◆ Independent living
- ◆ Shelter care

It contains information on how to implement recovery of costs from the child's income and provides references on the determination and collection of child support by the Foster Care Recovery Unit (FCRU).

Note: The policies and procedures for FCRU determination and collection of child support are found in 10-H, *DETERMINING CHILD SUPPORT OBLIGATIONS*, and 10-I, *ADMINISTRATIVE ESTABLISHMENT OF SUPPORT*, and the series of chapters in Title 11.

Legal Basis

The legal basis for recovery of the costs of foster care is found in Iowa Code Chapters 234, 252B, and 252C. Iowa Code Section 234.39 places the primary responsibility of paying for the costs of foster care on the child and the child's parents. Section 234.39 also directs the Department to establish the amount of child support when a child is placed into foster care.

The Family Support Act of 1988, Public Law 100-485, authorized the Supreme Court of each state to prescribe criteria for statewide uniform child support guidelines. These guidelines are found in Iowa Code Section 598.21, subsection 4.

Pursuant to Iowa Code Section 234.39, the court, may deviate from the prescribed guidelines to consider case permanency plan and hardship allowances. Pursuant to 441 Iowa Administrative Code 99.5(4), the FCRU may deviate by reducing net income by 30% when determining child support. This is given in lieu of other deviations and hardship allowances. To qualify, the obligor must return the foster care financial statement.

The establishment of child support in a court order enables DHS to use the same collection procedures for foster care and child support recovery.

Chapter Organization

This chapter is organized into six sections:

- ◆ Overview of foster care recovery
- ◆ Referral to the Foster Care Recovery Unit (FCRU)
- ◆ Responsibility of the Foster Care Recovery Unit for establishing child support
- ◆ Recovery of the child's unearned income
- ◆ Handling of the child's earned income
- ◆ Administration of a child's funds held in escrow by DHS
- ◆ Handling of health care resources

OVERVIEW OF FOSTER CARE RECOVERY

Legal reference: 441 IAC 156.1(234) 156.2(234); 156.15(234) and 156.16(234)
Iowa Code Section 234.39; 45 CFR 303.30 and 303.31

The recovery of foster care costs from resources available to the child in placement is mandated by federal and state laws and administrative rules and regulations. The recovered costs help pay for the cost of care, thereby reducing the reliance on appropriation of public funds. Recovery is required from the following financial resources:

- ◆ Child support
- ◆ Child's unearned and earned income
- ◆ Medical resources

The Department shall notify an individual's parents or guardians at the time of the placement of an individual in foster care, of the responsibility for paying the cost of care and services. (See **Service Worker Responsibility for Recovery.**)

Recoverable Costs

Legal reference: 441 IAC 156.7(234), 156.9(234), 156.10(234), 156.12(234)

Because there are different requirements for the various funding streams, the recovery of costs of care vary. The following chart indicates which costs are recoverable from the four types of foster care.

<u>Kind of Care</u>	<u>Recoverable Costs</u>
Family foster care	Maintenance and supervision
Group care	Maintenance
Independent living	Maintenance and services
Shelter care	Maintenance and services

Note: The cost for foster family supervision and independent living services provided directly by a Department caseworker, rather than purchased from a provider, shall be \$250 per month.

Service Worker Responsibility for Recovery

As the service worker for a child in foster care, you are responsible for:

- ◆ **Notifying** a child's parents or guardian before or at the time of the child's placement in foster care, of their responsibility for paying the cost of care and services. Provide the brochure Comm. 136, "*What You Need to Know About Paying Child Support While Your Child Is in Foster Care,*" to parents of all children placed in foster care.
- ◆ **Referring** the parents to FCRU through the FACS system within two working days of placement. (See **REFERRAL TO THE FOSTER CARE RECOVERY UNIT FCRU**) for procedures.) FCRU staff are responsible for the establishment and collection of child support.
- ◆ **Obtaining** a Medicaid application for each child. If the child is not receiving Medicaid at the time of placement, send form 470-2927, *Health Services Application*, to the child's custodial parent before placement or within three working days of the child's placement. If the parent does not complete the *Health Services Application* within five working days after it was sent, complete the form on behalf of the parent.
- ◆ **Assisting** in recovery of medical resources when they are available for a child placed in foster care by notifying the Income Maintenance Unit of the availability.
- ◆ **Reporting** any information you have regarding the child's unearned and earned income to the Foster Care Accounting Unit. This responsibility includes:
 - Determining if the child has income or financial resources.
 - Administering excess financial resources.

Note: When the judicial branch has responsibility for placement and care of a child, the judicial branch shall see that the appropriate forms are completed and returned to DHS in a timely manner. This includes forms needed for determination of the child's eligibility for Title IV-E and Medicaid and of each parent's child support obligation.

REFERRAL TO THE FOSTER CARE RECOVERY UNIT (FCRU)

Legal reference: 441 IAC 156.1(234) and 156.2(234); Iowa Code Section 234.39

As soon as you enter placement information in FACS, an alert appears on the ALER screen telling you to do an **ICAR** referral. Make a referral to the FCRU **within two working days of placement**. Referrals to the FCRU are required for all children in:

- ◆ Family foster care.
- ◆ Group care.
- ◆ Shelter care.
- ◆ Independent living.

Referrals are not required for children in:

- ◆ PMIC.
- ◆ Other Medicaid placements (i.e., Iowa Plan).
- ◆ Subsidized adoption.

Timely referral will positively impact foster care resources. The child welfare budget includes an assumed level of foster care recovery. If recoveries do not meet these estimates, the Department may have to reduce the foster care allocations. Legislation limits the Department's ability to assess retroactive child support to three months preceding the earlier of the following:

- ◆ The date the FCRU provides the initial notice to the parent or guardian of the amount of the support obligation.
- ◆ The date that the FCRU receives written request for a court hearing.

Referrals are completed through the ICSC linking screen between the Family and Children's Service (FACS) system and ICAR, the child support computer system. Once you have completed the ICSC screen to create the link, updated information from FACS is automatically transferred into ICAR. You do not need to create another link.

It is essential for you and the FCRU to work together on issues related to determining child support. Entries made on the FACS or ICAR systems are communicated to the appropriate workers through the automated systems.

You need to close the FACS foster care case timely, as FCRU will continue to assume a liability and to charge the parents until the case is closed. Once foster care services are closed on FACS, FACS sends the exit to ICAR and the FCRU will take appropriate action.

The following instructions summarize the procedures for referring cases to ICAR. For more information, refer to the FACS Desk Aid.

Entry Instructions for Accessing ICAR

At **PSNM**, access the Client Detail (CLTD) screen for the foster child you need to refer. At the CLTD screen, press F8 to go to ICSC, the 'link' screen between FACS and ICAR.

Note: If the information was not in FACS it will not be in ICAR. If no parents' names are present on ICSC, go back to RELL/RELD and add them now.

Refer each parent by entering 'Y' by the parent's name in the "REFER" column on ICSC. Only one parent can be selected and linked at a time. Then press PF7 to call up the ICAR menu screen and select CASEMATCH.

Search and Casematch

CASEMATCH displays existing ICAR cases for a family and the persons associated with each case. In each case, the payee is listed first, the payor second, and then the children.

The previous status of an ICAR case may present a variety of options for you to select from on CASEMATCH:

- ◆ The CASEMATCH screen may be blank if neither parent has ever had an ICAR case before.
- ◆ If a parent has received FIP, Medicaid, or other income maintenance programs or has had assistance collecting child support, multiple previous cases may be represented on the CASEMATCH screen.
- ◆ DHS may be listed as payee if the child has been in foster care before.

If no possible match exists, message will be displayed. Continue to the REFER2 screen and enter all available information.

If a possible match exists for the child you are referring, there should be a message to that effect at the bottom of the screen. All possible matches will be highlighted in a lighter color on the screen. Select the applicable case by entering an 'X' in the 'SEL' column.

Select only a case that displays the parent you referred on ICSC **and** lists that parent as a payor with the foster child's name underneath. (When you are referring the custodial parent, do not select a case where the custodial parent was the payee receiving support from the other parent.)

In the following example there are two previous ICAR cases involving the mother.
 Examples:

D479HR50	IOWA COLLECTION AND REPORTING SYSTEM				DATE	01/15/97
	IABC/FACS/ICAR CASE MATCH				TIME	16:15:10
IABC CASE NUMBER		STATE ID	000010B		Page:	0001
SEL ICAR CASE	NAME	ACCT	PER. INFO	STATE ID		ROLE
1101001	Susan Example		000000000	000010B		Payee
	Steve Example		222222222	000011C		Payor
	Jennifer Example	10	333333333	000111A		Child
1202002	DHS FOSTER CARE STATE OF IOWA					Payee
	Susan Example		000000000	000010B		Payor
	Jennifer Example	10	333333333	000111A		Child
PF5=INQUIRY, PF6=REFER2, PF7=PAGE BACK, PF8=PAGE FORWARD, ENTER=SELECT DETAIL						
NEXT SCREEN: NOTES:						
ENTER STATE ID AND PRESS PF5 TO INQUIRE						

The correct case to select when referring the mother is the previous foster care case, where the mother was the payor of support to the Department.

When both parents are correctly linked in this example, the ICSC screen will look like this:

ICSC#	IOWA DHS SYSTEM					DATE	01/15/97
	CHILD SUPPORT ABSENT PARENT CASE NUMBER					Payee/Child NA	
STATE ID NAME	REFER	ROLE	A/D/R	CASE NUMBER	ICAR NUM	DATE	
FIRST LAST TI	(Y, N)						
000111A	-----			F-1999999D-0			
Jennifer Example							
000010B	105 ICAR MOTHER	Y	F	F-1999999D-0	1202002	01/15/97	
Susan Example							
000011C	106 ICAR FATHER	Y	F	F-1999999D-0	1101001	01/15/97	
Steven Example							
*1=STOP 2=FRWD 3=NEXT SCRIN 4=MORE DATA 6=UPDT 7=SRCH 8=EDIT CD/SCRN:							
SID:		IABC:		FACS:		ICAR:	

Referral Screens

The REFER 2 screen describes noncustodial parents. When a child is in foster care, both parents are considered “noncustodial” for FCRU purposes. Call up the REFER 2 screen by pressing PF6 on the CASEMATCH screen after you have selected a case to link.

D479HR51	IOWA COLLECTION AND REPORTING SYSTEM	DATE	01/15/97
	IABC/ICAR -REFER2- NCP DATA	TIME	16:18:44
IABC CASE NUMBER:		IABC NUMBER:	
ALLEGED FATHER....:		GOOD CAUSE..:	
*** ENTER NON-CUSTODIAL PARENT DATA BELOW ***			
NAME (LFMS).....:	:	:	:
SEX (F/M).....:	SSN.....:	BIRTHDATE:	
RACE.....:	WEIGHT...:	HEIGHT...:	HAIR...: EYES...:
SIBLING(S) IN PLACEMENT? (FOR FC REFERRALS ONLY):			
ADDRESS LINE 1...:			
ADDRESS LINE 2...:			
CITY/STATE/ZIP.....:		:	COUNTRY:
PHONE NUMBER...: -			
EMPLOYER NAME...:			
ADDRESS LINE 1...:			
ADDRESS LINE 2...:			
CITY/STATE/ZIP.....:			
COMMENTS:			
PF2=ADD, PF3=MODIFY, PF5=INQUIRY, PF6=REFER3, PF7=BACK, PF8=FORWARD,			
PF9=REFRESH, PF10=ICSC SCREEN			
NEXT SCREEN		NOTES	
PLEASE ENTER CASE NUMBER AND PRESS PF5			

If no information is present on REFER 2, you may enter only required fields. Other information will automatically be entered once the link to FACS is completed.

The REFER 3 screen describes the status between parents.

FCRU RESPONSIBILITY FOR ESTABLISHING CHILD SUPPORT

Legal reference: 441 IAC Chapter 99, Division 1; Iowa Code Section 234.39, Chapter 252B and Chapter 252C; 45 CFR 303.6, 303.30, 303.31, 303.72, and 303.100 through 303.104

The social worker makes a referral through the FACS system to the Iowa Collection and Reporting System (ICAR) to establish a case. The Foster Care Recovery Unit (FCRU) then:

- ◆ Reviews the referral to determine the appropriate action to take in regard to establishment of child support (whether a case is to be active or inactive).
- ◆ Reviews the ICAR system to find out if there is a child support obligation already in existence for the child.
- ◆ Sets up a file (if an active case) within ten days of receipt of the FACS referral.

This section summarized the procedures FCRU uses to set up a case. For more information on the establishment of child support obligations, see 10-H, ***DETERMINING CHILD SUPPORT OBLIGATIONS***, and 10-I, ***ADMINISTRATIVE ESTABLISHMENT OF SUPPORT***. Most of the forms referenced in this section are included in 10-I-Appendix.

Parent for Whom Support Order Already Exists

Legal reference: 441 IAC 156.2(3); Iowa Code Sections 234.39, 252D.1, and 252D.17

If a parent was ordered to support the child before the child was placed in foster care, FCRU attempts to locate current address and employment information on that parent.

When the parent's location is unknown, FCRU continues to use available resources to attempt to locate the parent.

FCRU prepares an assignment of the ordered support to the Department of Human Services using form 470-2946, *Foster Care Assignment of Support Payments*, and

- ◆ Forwards it to the clerk of district court for filing;
- ◆ Sends one copy to the obligor (the person who is obligated to pay child support, usually the noncustodial parent); and
- ◆ Sends one copy to the obligee (the person who receives child support, usually the custodial parent).

FCRU sends form 470-2154, *Cover Letter*, and form 470-2870, *Financial Affidavit*, to the parent for whom a support order already exists to gather information which will be used to assess child support for the custodial parent.

If child support payments for the child in foster care have already been distributed to the custodial parent, FCRU must determine the amount to recover.

If the parent who is ordered to pay support is over 30 days delinquent in payment, FCRU enters a mandatory income withholding order and forwards form 470-0196, *Notice Directing Mandatory Income Withholding*, to the employer or other income provider.

Parent for Whom No Existing Order for Support Exists

Legal reference: Iowa Code Chapter 252C

If a parent was not ordered to pay child support before the child was placed in foster care, FCRU attempts to locate current address and employment information on the parent. If the parent's location is unknown, FCRU continues to use available resources to attempt to locate the parent.

Parent Lives in Iowa

If the parent lives in Iowa, FCRU sends the following forms to the local sheriff to serve upon the parent:

- ◆ 470-2983, *Notice of Support Debt: Foster Care*
- ◆ 470-2819, *What You Should Know About Immediate Income Withholding*
- ◆ 470-2154, *Request to Complete Financial Statement*
- ◆ 470-2870, *Foster Care Financial Statement*
- ◆ 470-3181, *Directions for Service*

If service is accomplished and the completed financial statement returned, FCRU proceeds as explained under **Preparation of Child Support Guidelines Worksheet: Financial Information Provided.**

If service is accomplished, but the financial statement is not returned, FCRU proceeds as explained under **Preparation of Child Support Guidelines Worksheet: Financial Information Not Provided.**

Parent Lives Out of State

If the parent lives out of state, FCRU sends the following forms to the parent:

- ◆ 470-2982, *Waiver of Personal Service and Acceptance*
- ◆ 470-2983, *Notice of Support Debt: Foster Care*
- ◆ 470-2819, *What You Should Know About Immediate Income Withholding*
- ◆ 470-2870, *Foster Care Financial Statement*

If the *Waiver of Personal Service and Acceptance* is returned by the parent along with a completed *Financial Statement*, FCRU takes steps explained under **Preparation of the Child Support Guidelines Worksheet: Financial Information Provided.**

If the parent does not return the *Waiver of Personal Service and Acceptance*, and jurisdiction requirements are met, FCRU sends the packet to the sheriff in the other state to serve upon the parent. If Iowa does not have jurisdiction over the parent, FCRU makes a referral to the other state's child support office for establishment of a support order.

Preparation of Child Support Guidelines Worksheet

Legal reference: Iowa Code Section 234.39; 441 IAC 99.1(234,252B,252H) - 99.5(234,252B)

FCRU prepares form 470-2640, *Child Support Guidelines Worksheet*, to calculate current and accrued support. When appropriate, the cost of the foster care placement, including both maintenance and service costs, are determined in order to ensure that the child support assessment does not exceed the cost of the placement.

FCRU sends the *Child Support Guidelines Worksheet* to the parent or the parent's attorney with form 470-2950, *Child Support Guidelines Worksheet Cover Letter*, which explains the parent's rights.

◆ Financial Information Provided:

When the parent provides financial information, support is based on current income and allowable deductions, and consideration for other children in the home.

◆ Financial Information Not Provided:

If the parent being assessed has not returned a completed financial statement, FCRU completes the *Child Support Guidelines Worksheet* using Iowa estimated state median income or any other current income information which is available.

Negotiation Conference

Legal reference: Iowa Code Section 252C.3

The parent or attorney has a right to request a negotiation conference within ten days of the date of service by the sheriff or the signing of the *Waiver of Personal Service and Acceptance*.

If the parent or attorney requests a conference, FCRU prepares and sends form 470-2883, *Negotiation Conference Scheduled or Denied*, to the parent or attorney along with the *Child Support Guidelines Worksheet*, completed based on available income information.

Once the conference is held or if the parent or attorney fails to attend, the unit sends form 470-1924, *Second Notice of Support Debt and Finding of Financial Responsibility*, to the parent or attorney along with the *Child Support Guidelines Worksheet* completed based on results of the conference.

If a negotiation conference is not requested or a conference is denied, see **Generation of Administrative Order for Support**.

District Court Hearing

Legal reference: Iowa Code Section 252C.4

If the parent or attorney requests a judicial review (court hearing), FCRU refers the case to the FCRU attorney along with form 470-1919, *Request for Hearing and Certification to Court*. The attorney then certifies the case to the district court and schedules a hearing. FCRU notifies the parent or attorney of the date and time of the hearing.

On direction of the court, FCRU prepares a court order setting the amount of support. This order is issued by the district court judge and filed with the clerk of court. A file-stamped copy of the order is sent to the parent or attorney.

If the parent is employed, or has other income subject to withholding, a notice for income withholding is also processed. Form 470 2624, *Initiation of Income Withholding/Medical Support* is sent to the parent. Form 470 3272, *Order/Notice To Withhold Income For Child Support* is sent to the parent and to the income provider.

If a district court hearing is not requested, the FCRU proceeds to establish an administrative order for support.

Generation of Administrative Order for Support

Legal reference: Iowa Code Section 252C.5

If a court hearing is not requested, FCRU generates the following forms within ten days from the date of the last *Child Support Guidelines Worksheet*:

- ◆ 470-2984, *Administrative Order for Support: Foster Care*.
- ◆ 470-2608, *252C Approval Order*.
- ◆ 470/1916, *Order for Income Withholding*.

The *Administrative Order for Support: Foster Care* is signed by the Department director's designee and forwarded to the district court for approval and filing of the orders.

FCRU sends file-stamped copies of the orders to the parent or attorney.

Collection of Child Support

Legal reference: Iowa Code Section 252B.5

If the parent is employed or has other income subject to withholding, such as unemployment, retirement, worker's compensation and social security disability benefits, FCRU forwards the Immediate Income Withholding order to the parent's employer or income provider. The parent may elect to have the support automatically withdrawn from a bank account before the *Administrative Order for Support: Foster Care* is entered.

Collection of the support amount is also allowed through liens on real property and interception of tax refunds.

If the parent becomes delinquent in the court-ordered support payments, FCRU can collect them through actions including, but not limited to:

- ◆ Contempt citations
- ◆ Seek employment orders
- ◆ Reporting information regarding past due child support to credit bureaus
- ◆ License revocation
- ◆ Levies on bank accounts

Enforcement of Medical Support

Legal reference: Iowa Code Chapter 252E

The *Administrative Order for Support: Foster Care* contains language requiring the provision of medical support for the child in foster care. To get information regarding available insurance, FCRU sends to the parent's employer either:

- ◆ Form 470-0177, *Employment and Health Insurance Questionnaire*, or
- ◆ Form 470-2240, *Health Insurance Questionnaire*.

The information gathered is entered into the ICAR system and passed to the Third Party Liability Unit to assist in recovery of Medicaid funds which are spent.

Child Leaves Foster Care

Once you code FACS to indicate the child has left the foster care placement, the information is automatically passed through the FACS system to ICAR.

If FCRU is collecting support that was assigned to DHS under an existing order, FCRU prepares 470-2945, *Foster Care Termination of Assignment of Support*, forwards it to the clerk of district court, and sends one copy to the obligor and one copy to the obligee. Current support will now be forwarded to the custodial parent.

If FCRU is collecting support under an *Administrative Order for Support: Foster Care*, FCRU ends the current support obligation and amends the income withholding order to collect only the amount which is to be applied toward the accrued support.

RECOVERY OF THE CHILD'S UNEARNED INCOME

Legal reference: 441 IAC 156.2(234) and 156.16(234); Iowa Code Section 234.39

The child's unearned income, up to the total cost of care, is to be applied to the cost of foster care. The following are the most common sources of unearned income available for children in foster care:

- ◆ Supplemental Security Income (SSI)
- ◆ Social Security Benefits
- ◆ Veterans benefits
- ◆ Civil Services benefits
- ◆ Railroad Retirement benefits
- ◆ Black Lung benefits
- ◆ Trust funds and investments
- ◆ Savings and securities

Each type of unearned income is briefly described in the following section. The descriptions are followed by policies and procedures to recover the child's unearned income.

Types of Unearned Income**Supplemental Security Income (SSI)**

SSI is a need-related benefit available to children with disabilities whose income and financial resources are within specific limits. SSI is a federally administered program. Persons who are eligible for SSI are usually eligible for Medicaid.

A child who is a recipient of SSI before entering foster care, either in the parents' home or in a medical institution, will already have an active Medicaid case on the Automated Benefit Calculation (ABC) system. DHS receives information concerning SSI eligibility through the State Data Exchange (SDX) system. See Employees' Manual 14-E, *SSI STATE DATA EXCHANGE*.

For more information on SSI eligibility factors, see Employees' Manual 8-C, **NONFINANCIAL SSI-RELATED ELIGIBILITY**; 8-D, **GENERAL SSI-RELATED RESOURCE POLICIES**; and 8-E, **INCOME POLICIES FOR SSI-RELATED COVERAGE GROUPS**.

Because of SSI regulations governing the application of parents' income, a child with disabilities will often be eligible for SSI benefits while in out-of-home placement, even though not eligible when living with the parents. For this reason, make a referral to the SSI Advocacy Project for any child who has a significant physical or mental health problem. See **Application for Benefits**.

Social Security Benefits

Children under age 18 may be eligible for Social Security benefits if they have a deceased, disabled, or retired parent who worked long enough to be eligible for benefits. In such cases, the benefits are paid from the parent's account. The child's claim number is based on the parent's social security number. (See Employees' Manual VI-A, **SOCIAL SECURITY PROGRAMS**, for more information.)

Benefits to non-disabled dependent children will terminate at age 18 unless the child can show continued school attendance.

Children may also become eligible for disability benefits in their own right if they have worked long enough to be covered. A child receiving benefits for disability may become eligible for Medicare.

Social Security is a federally administered program. Application for benefits is made at the district office of the Social Security Administration. A list of Social Security Administration district offices is found in the Appendix to the Medicaid Provider Manuals. (See Employees' Manual 8-Appendix.)

DHS receives information concerning Social Security benefits for recipients for Title IV-E, FIP, and Medicaid through the Beneficiary Exchange System (BENDEX). See Employees' Manual 14-G for more information on BENDEX.

Veterans Benefits

Children may qualify for veterans pensions or compensation if they have a deceased parent who was a veteran, or if a parent has a service connected disability.

Children may also be eligible for medical benefits under CHAMPUS (Civilian Health and Medical Program of the Uniformed Services) or CHAMPVA (Civilian Health and Medical Program of the Veterans Administration). Residence in some types of foster care facilities for children with disabilities may qualify a child for ongoing medical benefits under one of these programs.

Local offices of Veteran's Affairs may be able to assist in investigating these benefits. There is also a Veteran's Affairs regional office at the Federal Building, 210 Walnut Street, Des Moines, Iowa 50309.

Civil Service Benefits

Children whose deceased parent was a federal employee may be eligible for an annuity through the Civil Service Retirement Act. Inquiries may be directed to the Office of Personnel Management, Bureau of Retirement and Insurance, 1900 E Street, NW, Washington, D.C. 20415.

Railroad Retirement Benefits

Children of parents who worked for railroads or certain companies connected with the railroad industry may be eligible for annuities under conditions similar to those governing Social Security benefits for dependents. Contact the Railroad Retirement Board in Des Moines at 515-284-4344 to verify eligibility.

Black Lung Benefits

Children of coal miners who are deceased or disabled due to work related respiratory diseases may be entitled to monthly benefits. This program is administered by the Social Security Administration. Application may be made at SSA district offices.

Trust Funds and Investments

A trust is a legal way of handling property (real or personal) held by one person (the trustee) for the benefit of another (the beneficiary). A trust may be set up for various reasons, such as to protect the financial interests of a spendthrift, to pay the medical expenses resulting from an accident, or to set aside money for the education of children, etc.

A trust is considered a financial resource when the terms of the trust make the principle of the trust available to the beneficiary. See 8-D, **TRUSTS**, for more information about trusts.

Savings and Securities

Cash, savings and checking accounts, stocks, bonds, mortgages and contracts are financial resources that may be available for children in foster care.

Verification of the Child's Unearned Income

Legal reference: 441 IAC 156.2 and 156.16

Ascertain whether there are any benefits or financial resources potentially available for the child.

Encourage the child's parents to apply for benefits and cooperate in obtaining financial resources available for the child. Proceed to apply on behalf of the child if the parents fail to do so in a timely manner.

Note: Prompt action is necessary to prevent loss of benefits for which the child may be eligible. In many cases the date of the application determines the beginning of the payment, even if the child is eligible before that time.

For trust funds, obtain the legal document establishing the trust. Since there may be considerable variation in the terms of trusts, help from central office or a legal resource may be necessary to understanding the terms of the document.

When a bona fide trust exists, approach the trustee, seeking to have DHS made payee for the income of the trust. If sufficient funds are not available from the trust to meet the total cost of care, request the trustee to petition the district court to release funds to cover the cost of foster care maintenance (or as much of the cost of maintenance as possible).

If the trustee is unwilling to present the petition, request that the child, the child's parent, or representative present a petition (through an attorney). If the child, parent or responsible person refuses to cooperate, refer the case to the Foster Care Recovery Unit for the establishment of a child support obligation.

Note: DHS does not have the authority to stop foster care payment when the court has ordered that the child be placed in foster care.

Application for Benefits

Legal reference: 441 IAC 156.2(2)

Benefit Team Services (BTS) is the contractor for the SSI Advocacy Project. DHS has contracted with BTS to process referrals for SSI applications for children in foster care. If a child entering care is already receiving SSI or Social Security benefits, BTS will assist with change of payee applications.

The mailing address for BTS is:

Benefit Team Services
4949 West Town Parkway
Suite 165-200
West Des Moines, IA 50266

Phone: 1-800-707-9705
or: 515-327-1200
FAX: 515-327-0566

When you are looking at a new case, refer to BTS any child who has significant physical or mental health problems using form 470-3361, *Benefit Team Services Referral*.

If the child is receiving Social Security or SSI benefits at the time of entry into foster care and the child is expected to be out of the home for **more** than 90 days, send a request to BTS that DHS be named payee. Use form 470-3361, *Benefit Team Services Referral*.

Note: If BTS finds that this case is acceptable for processing as a disability claim, one of their representatives will make an on-site visit to review the client's file.

You will then receive notification of one of the two possible actions: (1) action taken or (2) action closed out.

While the referral is being processed, and after positive decision, you must notify BTS of any changes that take place. Use form 470-3359, *Placement Changes*.

You will receive a notification of decision. **Note:** Retain all information in the child's service file.

If the child is receiving Social Security or SSI benefits at the time of entry into foster care but is expected to be out of the home **less** than 90 days, the payee should turn the benefits over to the Department while the child remains in foster care. Instruct the parent or guardian in writing to forward the benefits to DHS Bureau of Purchasing, Payments and Receipts, Attn: Foster Care Accounting Unit, 1305 E. Walnut Street, Des Moines, Iowa, 50319-0114.

If a child receives unearned income which exceeds the cost of foster care, provide the Foster Care Accounting Unit with the child's social security number. This notice may be provided by memorandum showing the child's name, social security number and the reason for needing an escrow account. Provide a copy of this notice to the FCRU.

Note: For voluntary foster care placement of children aged 18 or older, the child is the payee for unearned income, because most agencies require a child who is legally an adult and capable of handling money to receive benefits directly.

The child is responsible for forwarding the benefits, up to the actual costs of foster care, to DHS. If the child fails to forward benefits to DHS, terminate payment for the voluntary placement and cancel the voluntary placement agreement.

HANDLING OF THE CHILD'S EARNED INCOME

Legal reference: 441 IAC 156.15(234)

The use of earned income of a child who is a full-time student, or engaged in an educational or training program, and is not in an independent living arrangement, is to be part of the child's plan for service. None of this income is to be used towards the cost of care, unless the earned income exceeds the cost of care. The earned income in excess of the cost of care is to be applied toward the cost of care.

When the child is required to contribute toward the cost of care, prepare a *Notice of Decision* (SS-1104-0) to document this decision. Send copies to the child and Bureau of Payments and Receipts, Foster Care Accounting Unit.

Note: Keep in mind that the child's unearned income is exhausted before the use of earned income. In no case should DHS collect from a child's earned income more than is needed to offset the cost of the child's care.

When a youth is in independent living, deduct the youth's countable earned income from the maintenance payment. Countable earned income is the earned income actually received by the youth less the maximum monthly maintenance payment.

For voluntary payments, note the amount of the child's liability on the voluntary placement, and give the child a copy of the placement agreement. Send a copy to the Bureau of Payments and Receipts, Foster Care Accounting Unit.

ADMINISTRATION OF ESCROW FUNDS

Legal reference: 441 IAC 156.2(4) through 156.2(7)

Unearned income of a child and the parents' child support is applied towards the cost of foster care. Funds exceeding the cost of care are placed in an escrow account. Deposits into a child's escrow account are made through, and records kept by, the Foster Care Accounting Unit.

When the child has funds in escrow, they may be used to meet the current needs of the child which are not covered by foster care payments and are not prohibited by the source of the funds.

Send a memo, signed by the service area manager, to the Foster Care Accounting Unit in the Bureau of Purchasing, Payments, and Receipts, authorizing them to make this payment.

When the child leaves foster care, the escrow funds are paid either:

- ◆ To the custodial parent or guardian of a minor child, or
- ◆ To the child when the child has attained the age of majority, unless a guardian has been appointed.

Send a memo signed by the service area manager to the Foster Care Accounting Unit authorizing them to make this payment.

When a child who has unearned income returns home after the first day of a month, the remaining portion of the unearned income (based upon the number of days in the particular month) shall be made available to the child and the child's parents, guardian or custodian. Send a memo with this information to the Foster Care Accounting Unit.

HANDLING OF HEALTH CARE RESOURCES

Legal reference: 45 CFR 306.30 and 31

Private health insurance benefits are used for the cost of medical care for children in foster care before the use of Medicaid benefits. Some private health insurance policies pay both maintenance and services costs of care in some types of group care facilities, such as substance abuse facilities. When this happens, the insurance payment is applied to the cost of foster care.



TERRY E. BRANSTAD, GOVERNOR

DEPARTMENT OF HUMAN SERVICES

CHARLES M. PALMER, DIRECTOR

January 28, 1997

GENERAL LETTER NO. 18-G-1

ISSUED BY: Bureau of Alternative Living Services,
Division of Adult, Children and Family Services

SUBJECT: Employees' Manual, Title 18, Chapter G, *Foster Care Recovery*, Title page, new; Table of Contents (page 1), new; and pages 1 through 20, new.

Summary

This general letter transmits a new chapter that contains information on the recovery of foster care costs from financial resources that are available to a child who is placed in any type of foster care including:

- ◆ Family foster care
- ◆ Group care
- ◆ Independent living
- ◆ Shelter care

It contains information on how to implement recovery of costs from the child's income and provides references on the determination and collection of parental liability by the Foster Care Recovery Unit (FCRU).

Effective Date

This material is effective immediately.

Additional Information

Direct questions concerning this material to the regional office.



STATE OF IOWA

THOMAS J. VILSACK, GOVERNOR
SALLY J. PEDERSON, LT. GOVERNOR

DEPARTMENT OF HUMAN SERVICES
KEVIN W. CONCANNON, DIRECTOR

July 23, 2003

GENERAL LETTER NO. 18-G-2

ISSUED BY: Bureau of Collections, Division of Child Support, Case Management, and Refugee Services

SUBJECT: Employees' Manual, Title 18, Chapter G, *FOSTER CARE RECOVERY*, Contents (page 1), revised; and pages 1 through 4, 8 through 18, and 20, revised.

Summary

This general letter transmits revisions to foster care recovery policy that:

- ◆ Change terminology from "parental liability" to "child support."
- ◆ Describe 30% reduction in parent's income when determining child support amount and criteria to receive this deduction.
- ◆ Replace references to Employees' Manual X-C(3) with Title 10, Chapters H and I.
- ◆ Update name of Comm. 136 from "What You Need To Know About Parental Liability" to "What You Need to Know About Paying Child Support While Your Child Is in Foster Care."
- ◆ Update forms and form numbers.
- ◆ Update legal citations.

Effective Date

Immediately

Material Superseded

Remove the following pages from Employees' Manual, Title 18, Chapter G, and destroy them:

<u>Page</u>	<u>Date</u>
Contents (page 1)	January 28, 1997
1-4, 8-18, 20	January 28, 1997

Additional Information

Refer questions about this general letter to your service area manager.