

**Memorandum**

Date JAN 19 2001

From Michael Mangano
Acting Inspector General

A handwritten signature in black ink, appearing to read "George Arbores", written over the typed name "Michael Mangano".

Subject Review of Maine's Licensing of Foster Care Homes (A-01-00-02500)

To Olivia A. Golden
Assistant Secretary
for Children and Families

This is to alert you to the issuance of our final report on Tuesday, January 23, 2001. A copy is attached. The objective of our review was to determine if Maine's Title IV-E agency timely renews licenses for foster care homes. Specifically, we assessed whether Maine's licensing process resulted in a timely review to ensure the safety of children placed in foster homes.

Maine's IV-E State Plan refers to its licensing rules to demonstrate that it has developed and implemented standards for ensuring the safety and well being of children residing in its foster care homes. These licensing rules, which limited the term to 1 year, include the following:

1. No license to operate a foster family home can be issued until it passes a satisfactory inspection for fire safety and protection. Fire inspections are done annually for homes with 3 or more children, and every 3 years for homes with 1 or 2 children.
2. Water from sources other than municipal water systems will be tested every year.
3. In no instance shall a child be subjected to verbal abuse, psychological abuse, or physical, severe, cruel, humiliating or unnecessary punishment.
4. Foster homes should be monitored for continued compliance with applicable laws and rules on at least an annual basis.

However, as of November 3, 1999, there were 744 licenses for foster homes with pending applications of 13 or more months. Our review focused on 60 foster homes with pending license renewals (some of which included temporary or provisional licenses) of 3 years or more, or an average of 4.3 years. We reviewed the licensing folders for all 60 homes and noted that 31 of them did not meet one or more safety requirements, and there is no guarantee that the remaining 29 homes had no safety violations since the average time lapsed for renewals was 4.1 years. Specifically, the 31 homes included: (1) 14 with fire code violations; (2) 4 with bacteria in the water; and/or (3) 13 with allegations of abuse or neglect during our review period.

Further, it took an average of 5.5 years from the date requested in order for a fire inspection to be conducted for 14 homes without fire code violations. Requests are made as part of the license renewal process or a change of circumstance in the home.

We believe that a lengthy interval between on-site inspections diminishes Maine's ability to detect safety issues at an early stage and take action to ensure they are corrected. Without the required annual monitoring, unsafe conditions may persist for long periods of time. Further, Maine claimed \$1.6 million in Federal financial participation (FFP) for these 60 homes, including those that did not meet safety standards or monitoring requirements.

The primary reasons for the untimely renewals and inconsistent monitoring of foster homes are insufficient resources and less than effective procedures, including the failure to use its computer to automatically flag homes when they need safety inspections and/or license renewals. While the number of Maine's foster homes increased by 76 percent from 1996 to 2000, the number of licensing positions remained constant. Repeated requests for more licensing positions have been denied, even though the Federal Government would cover 66.4 percent of the related costs for Fiscal Year 1999.

In response to our review, Maine initiated the relicensing of 744 foster homes. Maine has concurred with our results and believes the facts presented are valid and the recommendations reasonable (See Exhibit C). Further, it is working towards improving its relicensing process, training staff, and hiring more fire inspectors. In this regard, Maine indicated that it continues to make additional improvements. However, Maine believes that the \$1.6 million in FFP should not be questioned because of a provision in its Administrative Procedure's Act (the Act). The Act states that an existing license shall not expire as long as the application for renewal is timely, yet it does not include time limits for processing renewal applications. We do not believe that the Act relieves Maine of its obligation to ensure that children are placed in foster homes that meet State standards since the Social Security Act defines a foster family home as one that: (1) is licensed by the State; or (2) meets the standards established for such licensing (section 472(c)). The Social Security Act also requires each State plan ensure that standards "shall be applied" to foster family homes (section 471(a)(10)).

RECOMMENDATIONS

We recommend that the Administration for Children and Families:

1. Work with Maine to implement a corrective action plan to resolve the relicensing of its foster homes in accordance with Maine's licensing standards, and
2. Determine if Maine's lack of monitoring of foster care homes is a State plan noncompliance issue or an eligibility deficiency and take whatever appropriate measures are necessary.

Page 3 - Olivia A. Golden

Any questions or comments on any aspect of this report are welcome. Please call me or have your staff contact Donald L. Dille, Assistant Inspector General for Administrations of Children, Family, and Aging Audits at (202) 619-1175.

Attachment

Department of Health and Human Services

**OFFICE OF
INSPECTOR GENERAL**

**REVIEW OF MAINE'S LICENSING OF
FOSTER CARE HOMES**



Inspector General

**JANUARY 2001
A-01-00-02500**



DEPARTMENT OF HEALTH & HUMAN SERVICES

OFFICE OF INSPECTOR GENERAL

Office of Audit Services
Region I
John F. Kennedy Federal Building
Boston, MA 02203
(617) 565-2684

CIN: A-01-00-02500

Mr. Kevin W. Concannon
Commissioner
Department of Human Services
11 State House Station
Augusta, Me 04333

Dear Mr. Concannon:

Enclosed are two copies of the U.S. Department of Health and Human Services, Office of Inspector General (OIG), Office of Audit Services report entitled "Maine's Licensing of Foster care Homes."

Final determination as to the actions taken on all matters reported will be made by the HHS action official named below. We request that you respond to the HHS action official within 30 days from the date of this letter. Your response should present any comments or additional information that you believe may have a bearing on the final determination.

In accordance with the principles of the Freedom of Information Act (Public Law 90-23), OIG reports issued to the Department's grantees and contractors are made available to members of the press and general public to the extent information contained therein is not subject to exemptions in the Act which the Department chooses to exercise. (See 45 CFR Part 5.)

To facilitate identification, please refer to Common Identification Number A-01-00-02500 in all correspondence relating to this report.

Sincerely yours,

A handwritten signature in cursive script that reads "Michael J. Armstrong".

Michael J. Armstrong
Regional Inspector General
for Audit Services

Enclosures as stated

Page 2 - Mr. Kevin W. Concannon

Direct Reply to HHS Action Official:

Hugh Galligan
Regional Administrator
Administration for Children and Families
U.S. Department of Health and Human Services
Region I

EXECUTIVE SUMMARY

BACKGROUND

The Foster Care program was authorized in 1980 under title IV-E of the Social Security Act, Section 470. Its purpose is to help States provide proper care for children who need placement outside their homes, in a foster family home or an institution. The program provides funds to States to assist them with the costs of providing services to eligible children and administering the program. At the Federal level, the Administration for Children and Families (ACF) works with State and local agencies to develop and improve foster care operations. Maine's Department of Human Services (DHS) is responsible for administering its IV-E programs. This includes licensing foster homes and monitoring them for safety standards.

OBJECTIVE

The objective of our review was to determine if Maine's Title IV-E agency timely renews licenses for foster care homes. Specifically, we assessed whether Maine's licensing process resulted in a timely review to ensure the safety of children placed in foster homes.

SUMMARY OF FINDINGS

Maine's IV-E State Plan refers to its licensing rules to demonstrate that it has developed and implemented standards for ensuring the safety and well being of children residing in its foster care homes. These licensing rules, which limited the term to 1 year, include the following:

1. No license to operate a foster family home can be issued until it passes a satisfactory inspection for fire safety and protection. Fire safety and protection inspections are done annually for homes with 3 or more children, and every 3 years for homes with 1 or 2 children.
2. Water from sources other than municipal water systems will be tested every year.
3. In no instance shall a child be subjected to verbal abuse, psychological abuse, or physical, severe, cruel, humiliating or unnecessary punishment.
4. Foster homes should be monitored for continued compliance with applicable laws and rules on at least an annual basis.

However, as of November 3, 1999, there were 744 licenses for foster homes with pending applications of 13 or more months. Our review focused on 60 foster homes with pending license renewals (some of which included temporary or provisional licenses) of 3 years or more, or an average of 4.3 years. We reviewed the licensing folders for all 60 homes and noted that 31 of them did not meet one or more safety requirements, and there is no guarantee that the remaining 29 homes had no safety violations since the average time lapsed for renewals was 4.1 years. Specifically, the 31 homes included: (1) 14 with fire code violations; (2) 4 with bacteria in the water; and/or (3) 13 with allegations of abuse or neglect during our review period.

Further, it took an average of 5.5 years from the date requested in order for a fire inspection to be conducted for 14 homes without fire code violations. Requests are made as part of the license renewal process or a change of circumstance in the home.

We believe that a lengthy interval between on-site inspections diminishes Maine's ability to detect safety issues at an early stage and take action to ensure they are corrected. Without the required annual monitoring, unsafe conditions may persist for long periods of time. Further, Maine claimed \$1.6 million in FFP for these 60 homes, including those that did not meet safety standards or monitoring requirements.

The primary reasons for the untimely renewals and inconsistent monitoring of foster homes are insufficient resources and less than effective procedures, including the failure to use its computer to automatically flag homes when they need safety inspections and/or license renewals. While the number of Maine's foster homes increased by 76 percent from 1996 to 2000, the number of licensing positions remained constant. Repeated requests for more licensing positions have been denied, even though the Federal Government would cover 66.4 percent of the related costs for Fiscal Year 1999.

In response to our review, DHS took the initiative to relicense the 744 foster homes. However, Maine believes that the \$1.6 million in FFP should not be questioned because of a provision in its Administrative Procedure's Act (the Act). The Act states that an existing license shall not expire as long as the application for renewal is timely, yet it does not include time limits for processing renewal applications. We do not believe that the Act relieves Maine of its obligation to ensure that children are placed in foster homes that meet State standards since the Social Security Act defines a foster family home as one that: (1) is licensed by the State; or (2) meets the standards established for such licensing (section 472(c)). The Social Security Act also requires each State plan ensure that standards "shall be applied" to foster family homes (section 471(a)(10)).

RECOMMENDATIONS

We recommend that DHS: (1) implement a corrective action plan to resolve the relicensing of its foster homes in accordance with Maine's licensing standards; and (2) improve procedures to ensure that licensing standards are consistently met, including adequate monitoring to ensure early identification and prevention of safety issues. Because of the implications of Maine's Act and lengthy intervals between on-site inspections, we are referring this matter to ACF to determine whether there are any monetary implications.

STATE AGENCY COMMENTS

Maine concurred with our results and believes the facts presented are valid and the recommendations reasonable (See Exhibit C). Further, it is working towards improving its relicensing process, training staff, and hiring more fire inspectors.

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INTRODUCTION

BACKGROUND

The Foster Care program was authorized in 1980 under title IV-E of the Social Security Act, Section 470 (42 U.S.C. 670). Its purpose is to help States provide proper care for children who need placement outside their homes, in a foster family home or an institution. The program provides funds to States to assist them with the costs of foster care maintenance for eligible children, administrative costs to manage the program, and training for staff, foster parents, and staff of child care institutions providing foster care Services. The Children's Bureau, under the Administration for Children and Families (ACF), works with State and local agencies to develop and improve the Foster Care program. The Department of Human Services (DHS) is responsible for administering Maine's IV-E programs. This includes licensing foster homes and submitting claims for Federal reimbursement, among other things.

The mission of DHS is to promote the safety and well being of children and families through the provision of social, regulatory and purchased services on a continuum from prevention to protection with professional integrity and respect. The DHS is legally mandated to protect children from abuse, neglect, exploitation which occurs within the family, to petition the court for a protection order when children are in circumstances of jeopardy, to give family rehabilitation and reunification priority, and to promote early establishment of permanent plans for care and custody of children who cannot return to their families within a time frame which meets the child's needs. This includes providing safe care and services to children who have been removed from their own home in order to promote their personal growth, development, and preparation for healthy adulthood.

The licensing of family foster homes for children provides minimum standards of care and protection for the child who must be cared for away from his/her own family. Under the Social Security Act, each IV-E State Plan must provide for establishing standards for family foster homes (including standards for safety, sanitation and protection of civil rights), and ensuring that those standards are actually applied by the State to homes receiving funds under the program. In addition, the Act requires each foster home to be licensed, or to meet the State's standards for licensure. Maine has in place its required standards. Their laws governing licensure of foster family homes provides that the DHS must monitor for continued compliance with these standards "on at least an annual basis."

OBJECTIVE, SCOPE, AND METHODOLOGY

Objective

The objective of our review was to determine if Maine's Title IV-E agency timely renews licenses for foster care homes. Specifically, we assessed whether Maine's licensing process results in a timely review to ensure the safety of children placed in foster homes.

Scope

Our review was conducted in accordance with generally accepted government auditing standards. We performed a limited assessment of the internal controls for renewing licenses for foster care homes. Specifically, we (1) relied on the financial information obtained from DHS's foster care computer systems to calculate amounts claimed; and (2) did not verify any measures the State had taken to correct all safety issues. Further, we used Maine's licensing files to determine the amount of time between the date the license renewal process began and the date licensing workers identified a safety violation.

We conducted our fieldwork at the DHS central office in Augusta, Maine between November 1999 and January 2000. We discussed the results of our review of DHS's license renewal process with the Department's Division of Child and Family Services on February 18, 2000 and July 14, 2000. The draft report was issued to the State on November 8, 2000. We received written comments on December 15, 2000 (See Exhibit C).

Methodology

To accomplish our objective, we:

- reviewed related Federal and State laws;
- interviewed ACF regional officials responsible for overseeing Maine's IV-E program;
- reviewed DHS's reporting requirements, policies, and procedures for Foster Care licensing;
- interviewed officials and staff from DHS central and regional offices;
- reviewed and aged output reports of pending license renewals as of November 3, 1999, from DHS's computer systems; and
- reviewed 103 selected foster homes with pending license applications of 3 or more years from 744 licensing applications that were pending for at least 13 months. These include both new applications and those pending renewal.

We excluded 43 foster homes from the 103 pending applications since:

- 18 homes had never been licensed, nor had any children been placed in the home;
- 9 homes had received a new license during our audit period;
- 7 homes were not included in costs claimed for Federal reimbursement; and
- 9 homes have not been actively used for at least 2 years.

For the remaining 60 foster homes (103 – 43), we:

- reviewed placement history data to identify the number of children placed in foster homes with pending renewal applications;
- reviewed licensing folders to identify the date of the last license issued and confirmed these dates with the appropriate regional supervisors;
- reviewed licensing folders to identify any safety issues; and
- identified IV-E costs claimed by DHS from the period November 4, 1995 through November 3, 1999 for children residing in homes with pending license renewals.

We did not review the 641 homes (744-103) with pending applications of 13 to 35 months.

FINDINGS AND RECOMMENDATIONS

The process of licensing foster homes in conjunction with ongoing monitoring provides a mechanism to ensure that safety violations are identified timely so that corrective action can be initiated to protect foster children. Maine's IV-E State Plan refers to its licensing rules to demonstrate that it has developed and implemented standards for ensuring the safety and well being of children residing in its foster care homes. These licensing rules (which provide for a maximum licensure term of 1 year) include the following:

1. Foster homes should be monitored for continued compliance with applicable laws and rules on at least an annual basis.
2. No license to operate a foster family home can be issued until it passes a satisfactory inspection for fire safety and protection. Fire safety and protection inspections are done annually for homes with 3 or more children, and every 3 years for homes with 1 or 2 children.
3. Water from sources other than municipal water systems will be tested every year.
4. In no instance shall a child be subjected to verbal abuse, psychological abuse, or physical, severe, cruel, humiliating or unnecessary punishment.

We evaluated Maine's licensing process as of November 3, 1999, and noted that there were 744 licenses with pending applications of 13 or more months. Our review focused on 60 foster homes with pending license renewals of 3 years or more, or an average of 4.3 years. We noted that when they were eventually inspected, 31 of them did not meet one or more safety requirements including fire codes, safe drinking water and/or allegations of abuse or neglect during our review period, and there is no assurance that the remaining 29 homes had no safety violations since the average time lapsed for renewals was 4.1 years. Further, it took an average of 5.5 years from the date requested to conduct a fire inspection for 14 homes without fire code violations. Requests are made as part of the license renewal process or a change of circumstance in the home. Finally,

Maine claimed \$1.6 million in FFP for these 60 homes, including those that did not meet safety standards or monitoring requirements.

We believe that a lengthy interval between on-site inspections diminishes Maine’s ability to detect safety issues at an early stage and take action to ensure they are corrected. Without the required annual monitoring, unsafe conditions may persist for long periods of time. We believe that the primary reasons for the untimely renewals and inconsistent monitoring of foster homes are insufficient resources and less than effective procedures, including the failure to use its computer to automatically flag homes when they need safety inspections and/or license renewals.

LAPSED TIME FOR LICENSE RENEWALS

Figure 1 shows Maine’s average renewal period for the 60 homes with and without safety issues during the time of our review (See Exhibit A & B for detailed information). We broke these homes down by: (1) ones with and without safety issues; and (2) type of license granted to demonstrate the length of time the license renewals had been pending. The latter point is significant since a full license is awarded to a home that meets all requirements and a temporary license is given on a conditional basis. For example, the average time these renewal applications were pending for a temporary license was 3.8 years for those with no safety issues, and 4 years for those with safety issues.

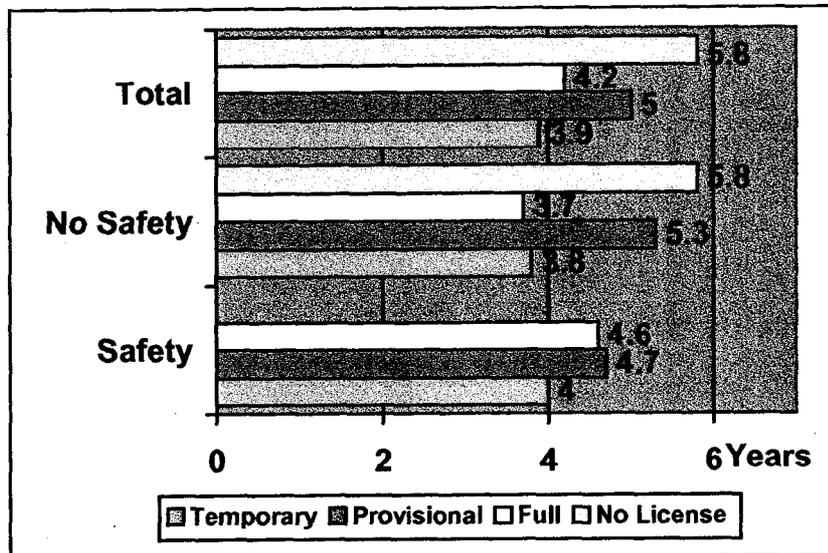


Figure 1 – Average Lapsed Time For Homes with and without Safety Issues (as of 11/3/99)

Maine’s law, Title 22, Chapter 1663, Section 2, sets licensing terms for full, provisional and temporary licenses. The law states that:

- All full licenses and approvals pursuant to this chapter are for 1 year.
- A provisional license or approval shall be issued for a minimum period of 3 months, but not to exceed 12 consecutive months.
- The term of a temporary family foster home license shall be for a specific period not to exceed 120 days.
- Regardless of the term and the type of license, DHS shall monitor for continued compliance with applicable laws and rules on at least an annual basis.

According to DHS officials, requests for additional resources to keep up with the demands of licensing and relicensing foster homes have been denied for the past 5 FYs. The DHS's requests have been generated as the result of a steady increase in the number of foster homes. From 1996 to 2000, the number of licensed foster homes had risen from 1,190 to 2,094 (a 76 percent change) while the number of licensing workers has remained constant. Other contributing factors include limited oversight or monitoring of pending license renewals. For example, DHS's computer system does not automatically flag claims for foster homes with outstanding license renewals; and technical difficulties have prevented the computer system from printing a report of all homes whose license applications were pending for more than 1 year.

The DHS has relied on the State's Administrative Procedures Act (the Act) to justify the practice of primarily focusing the licensing resources it does have to license new foster homes. The Administrative Procedure Act states "...when a license has made timely and sufficient application for renewal of a license, the existing license shall not expire until the application has been finally determined by the agency." To confirm whether Maine would actually allow the relicensing of foster homes to go on indefinitely, we requested an opinion from Maine's Attorney General. According to the opinion, the Act allows the licenses for foster homes to remain in effect until the application has been renewed. Therefore, the foster homes cited in this review were technically licensed. The law, according to the opinion, has no bearing on timeliness and negates specific time limits established for foster homes (e.g. 1 year licensing term for full licenses). Consequently, foster homes can operate indefinitely as long as the license renewal application is submitted timely.

While the Maine Attorney General's office commented that an added safeguard exists because Maine's law also places a duty on the department to monitor foster homes annually regardless of the term of the license, we found that Maine is not in compliance with its monitoring requirements. For example, we looked at 46 homes that did not have a fire code violation to determine whether annual inspections have been made as required. We found that 14 of the 46 (30 percent) homes went for an average of 5.5 years before a Fire Marshall made an inspection and fulfilled the licensing worker's request for one (license workers will request a fire inspection as part of the license renewal process or because of a change of circumstance in the home). Further, monitoring requirements for water inspections were not consistently made. For example, the license for one foster home had been pending since January 1987 (pending almost 13 years). The home was not monitored for water safety until December 1993 (almost 6 years later), when unsafe levels of bacteria were discovered in the drinking water. It could not be determined for how long this condition existed.

In this regard, we do not believe that the provisions of the Act relieves Maine of its obligation to ensure that children are placed in foster homes that meet State standards, since:

- The Social Security Act defines a foster family home as one that (1) is licensed by the State; or (2) meets the standards established for such licensing (section 472(c)). The Social Security Act also requires each State plan ensure that standards "shall be applied" to foster family homes (section 471(a)(10)).
- State laws specifically tailored for the Foster Care program limit full and provisional licenses to 1 year, and temporary licenses to 120 days.

- The Maine licensing statute provides that regardless of the term of any license, the State "...shall monitor for continued compliance...on at least an annual basis."

Despite its reliance on the Administrative Procedures Act, DHS has recognized the importance of renewing licenses for foster homes on a timely basis by submitting annual requests for more licensing positions since 1996. The most recent request for new licensing positions was made in December 1999. However, the request was rejected even though:

- the Office of Inspector General and the ACF held a meeting with the Commissioner of DHS to inform him of the seriousness of our findings; and
- the ACF submitted a letter to DHS's Commissioner indicating the need for more positions and the possible financial consequences that may be imposed on the State because of the current licensing renewal practices.

Without an effective process for ensuring annual monitoring of foster homes, the State of Maine has lost an important safeguard for assuring that foster homes are providing safe, sanitary environments for foster children. We have presented our results as they pertain to the 31 homes that did not meet one or more safety requirements, and there is no assurance that the remaining 29 homes had no safety violations since the average time lapsed for renewals was 4.1 years.

HOMES WITH IDENTIFIED SAFETY ISSUES

Our review of DHS files disclosed that 31 of the 60 foster homes had safety violations concerning the well being of the children who resided in these homes (See Figure 2). We noted that 14 foster homes had fire safety violations, 4 homes had bacteria in the water, and 13 homes had at least one allegation of abuse. Homes with identified safety issues accounted for \$817,779 in claimed foster care costs.

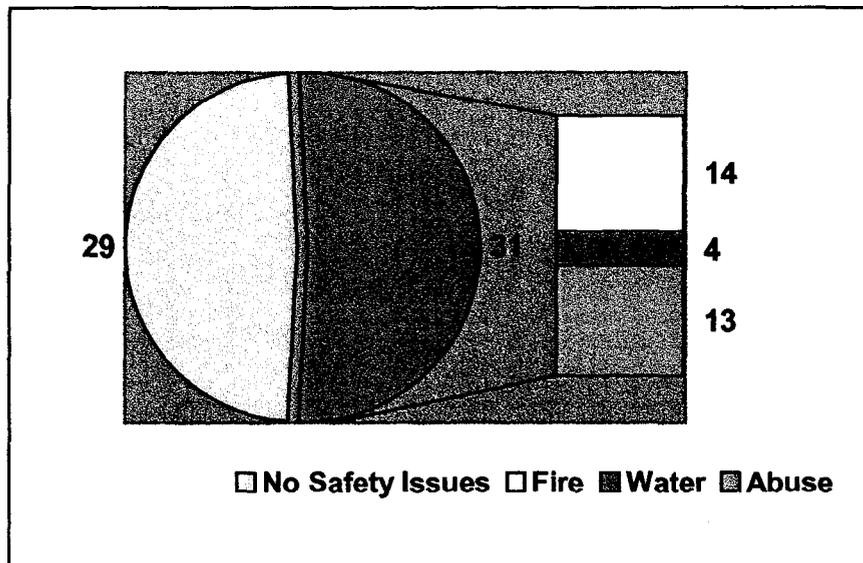


Figure 2 – 60 Homes Selected for Review

Figure 3 shows that the average time lapsed for the 31 foster homes with safety issues was 4.4 years. The range was between 3.1 years and 12.8 years (See Exhibit A for detailed information). We believe that this is significant since Maine issues and renews licenses for no more than 1 year. Further, the license renewal process includes annual inspections to ensure the safety of children who reside in foster homes. As stated above, we believe that lengthy intervals between on-site inspections diminish the State's ability to detect safety violations at an early stage, and take action to ensure they are corrected. Without such monitoring, unsafe conditions may persist for long periods of time.

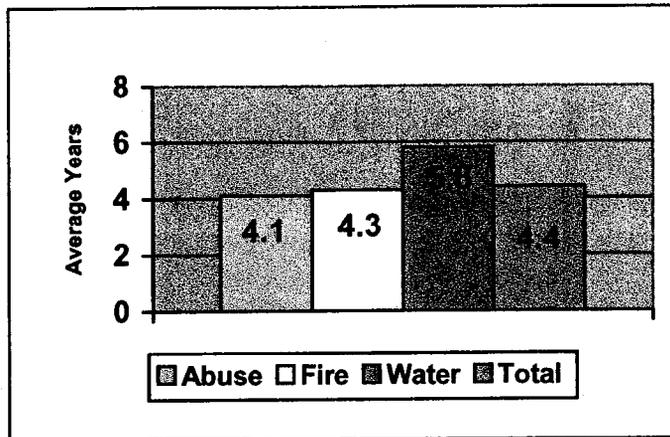


Figure 3 – Average Lapsed Time For Homes with Safety Issues (as of 11/3/99)

Allegations of Abuse or Neglect

Thirteen of the 31 foster homes with safety issues had at least one allegation of abuse or neglect. Four of the 13 had at least two allegations. Nine of the 13 homes with allegations of abuse or neglect were investigated by the State and sanctioned with a licensing violation. Once a license violation is identified, the State notifies the foster parent of the violation and requires them to discontinue the act or series of acts that lead to the violation. The foster parent must agree to follow the appropriate provision(s) or the licensing worker will recommend to Children Services that the child be removed from the home. This agreement is generally in the form of a letter identifying the non-compliance with an attached corrective action plan that the foster parent agrees to implement. Further, the State usually requires the parent to take a child management course such as *Effective Child Management*. Figure 3 shows that the license renewals for the 13 foster homes had been pending renewal applications for an average of 4.1 years. The range is from 3.1 years to 6.4 years. The types of abuse we noted were either sexual or as illustrated below, physical methods of discipline:

During May 1996, DHS investigated an allegation of abuse for one of its foster homes. The licensee for this home had a pending renewal application in February 1995. Apparently, the foster parent placed the child in a dark and locked bedroom as a method of discipline, despite the child's fear of the dark. Maine's licensing procedures for *Child Management* states that "Separation when used as discipline shall be brief...in a...lighted, well ventilated, unlocked room." Maine's licensing law also requires a licensing worker to review disciplinary and other childcare requirements as part of the annual inspection. We believe that had the license been renewed as required, the disciplinary actions used by the foster parent could have been prevented or identified sooner since the reported incident occurred 13 months after the license renewal process began, and 25 months since the home was last licensed.

Fire Code Violations

Fourteen of the 31 foster homes with safety issues had fire code violations. Figure 3 shows that the licenses for these homes had been pending for an average of 4.3 years. The range in renewal time for these 14 homes was between 3.2 years and 7.5 years. Nine of the 14 homes housed at least 3 children. However, 4 of the 9 homes had not been licensed for 3 or more children. Under Maine's law, no license to operate a foster family home at any location can be issued until the home passes a satisfactory inspection for fire safety and fire protection. Maine's law requires annual fire safety and protection inspections for homes with 3 or more children, and every 3 years for homes with 1 or 2 children. Below is an example of a foster home with fire code violations:

On March 6, 1996, the Fire Marshall uncovered 13 fire safety violations for a foster home where 3 foster children simultaneously resided. The licensee had a pending renewal application on February 28, 1993. Some of the violated fire codes included: a lack of an adequate means of escape for sleeping rooms; an outlet with a broken cover plate; and unprotected wood stoves in both the kitchen and living room. Maine's licensing procedures for *Safety and Sanitation* states that "...wood stoves...within the reach of children shall be screened or otherwise protected as deemed necessary for children being cared for in the home." Maine's law also states "No license to operate a foster home at any location can be issued until such home passes a satisfactory inspection for fire safety and fire protection." Not only did the home receive an unsatisfactory rating when inspected 3 years after the license renewal process began (four years after the license was issued), but it did not meet the required annual fire inspections.

Bacteria in the Water

Four of the 31 foster homes with safety issues had bacteria in the water. Figure 3 shows that the license renewals for these homes had been pending for an average of 5.8 years. The range is from 3.1 years to 12.8 years. Below is an example of a foster home with bacteria in the water:

A water test performed during December 1993 uncovered contaminated water for a foster home where seven children resided at varying intervals. The license for the home had been pending since January 1987. The water test showed unsafe levels of bacteria in the water. Maine's law for Licensing Procedures states that "Water from sources other than municipal water systems shall be tested every year and meet the standards of the Division of Health Engineering." Yet, this and the other three homes used well water that had unsafe levels of bacteria in the water for potentially as long as an average of 5.8 years.

HOMES WITHOUT SAFETY ISSUES

Figure 4 shows that Maine's average renewal period was 4.1 years for the 29 cases without safety issues noted in DHS's files. The range in lapsed time is 3.1 years to 8.8 years. These homes accounted for \$749,480 in claimed foster care costs (See Exhibit B for detailed information). We broke these homes down to the type of license granted to demonstrate the length of time the renewal applications had been pending. The latter point is significant since a full license is awarded to a home that meets all requirements and a temporary license is given on a conditional basis.

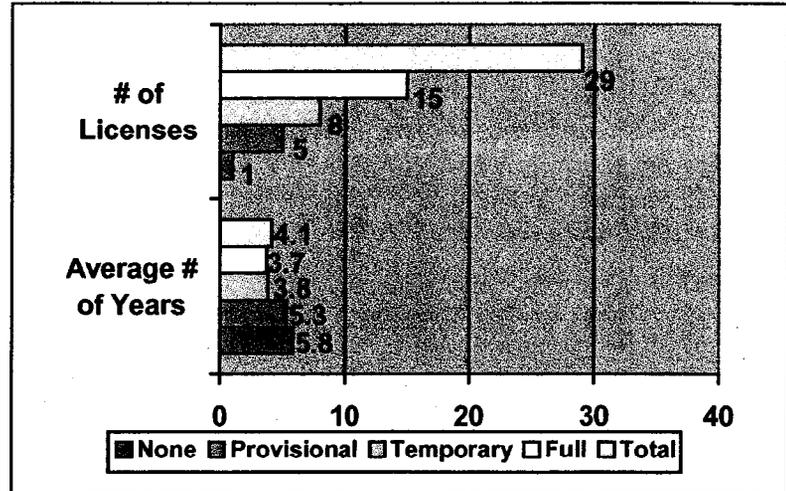


Figure – 4 Average Lapsed Time for Homes without Safety Issues (as of 11/3/99)

Even though we classified these homes as not having safety issues, there is no certainty that they continue to meet or eventually met all safety requirements since they have not been inspected for an average of 4.1 years based on the date the license renewal process began (See Figure 3). This average could increase to 5.1 years based on the date the home was last licensed. Complicating matters is the fact that 14 of the 29 homes (45 percent) included:

- 8 homes with temporary licenses. A temporary license is issued when there are no obvious health violations, yet it only meets the minimum standards of health, safety and well being of a resided child(ren). No formal fire safety inspection is performed for a temporary license;
- 5 homes with provisional licenses. A provisional license is granted when a foster home is being licensed for the first time and ... "Complies with all applicable laws and rules, except those which can be complied with once clients are served by the applicant;" and
- 1 home that was never licensed by the State.

CONCLUSION

In response to our review, Maine took the initiative to relicense the 744 foster homes. These steps include designating a central office function to oversee and monitor foster care licensing, imposing deadlines for licensing and renewing foster homes, and organizing a concentrated effort of Fire Marshalls' to inspect foster homes and other establishments (preschools, adult homes, etc.). In terms of a long range strategy, Maine plans to hire three fire inspectors to improve the timeliness of inspecting homes. To reduce the caseload of licensing workers, DHS is looking to

outsource its foster care studies. Finally, Maine has increased its licensing term for foster care homes from 1 to 2 years.

Further, Maine believes that the \$1.6 million in FFP identified as having been paid to homes where the license application had been pending for more than 3 years (homes with and without safety issues) should not be questioned because its Administrative Procedures Act states that an existing license shall not expire as long as the application for renewal is timely.

We do not believe that the Act relieves Maine of its obligation to ensure that children are placed in foster homes that meet State standards since the Social Security Act defines a foster family home as one that (1) is licensed by the State; or (2) meets the standards established for such licensing (section 472(c)). The Social Security Act also requires each State plan ensure that standards “shall be applied” to foster family homes (section 471(a)(10)).

STATE AGENCY COMMENTS

Maine concurred with our results and believes the facts presented are valid and the recommendations reasonable (See Exhibit C). Further, it is working towards improving its relicensing process, training staff, and hiring more fire inspectors. We appreciate the steps Maine has taken and emphasize the importance of keeping children safe.

RECOMMENDATIONS

We recommend that DHS:

- implement a corrective action plan to resolve the relicensing of its foster homes in accordance with Maine’s licensing standards; and
- improve procedures to ensure that licensing standards are consistently met, including adequate monitoring to ensure early identification and prevention of safety issues.

Because of the implications of Maine’s Act and lengthy intervals between on-site inspections, we are referring this matter to ACF to determine whether there are any monetary implications.

EXHIBITS

DETAILED INFORMATION for HOMES with SAFETY ISSUES

Homes with Allegations of Abuse

	Claimed FFP	License Type	License Expiration	* Months Outstanding	Years Outstanding
1	\$39,707	Temporary	10/6/1996	37	3.1
2	\$31,228	Temporary	8/18/1996	39	3.2
3	\$7,979	Temporary	7/14/1996	40	3.3
4	\$28,939	Provisional	5/30/1996	41	3.4
5	\$0	Provisional	3/17/1995	56	4.6
6	\$32,852	Provisional	11/8/1994	60	5.0
7	\$5,718	Provisional	5/28/1993	77	6.4
8	\$25,840	Full	8/18/1996	39	3.2
9	\$25,198	Full	12/2/1995	47	3.9
10	\$125,242	Full	8/4/1995	51	4.3
11	\$18,765	Full	7/25/1995	51	4.3
12	\$28,697	Full	7/18/1995	52	4.3
13	\$23,040	Full	4/21/1995	54	4.5
	\$393,205			49	4.1

Homes with Contaminated Water

1	\$10,282	Temporary	5/29/1996	41	3.4
2	\$9,212	Full	10/13/1996	37	3.1
3	\$1,310	Full	11/17/1995	48	4.0
4	\$41,784	Full	1/25/1987	153	12.8
	\$62,588			70	5.8

Homes with Fire Code Violations

1	\$40,607	Temporary	8/11/1996	39	3.2
2	\$11,186	Temporary	6/21/1996	40	3.4
3	\$45,694	Temporary	12/9/1995	47	3.9
4	\$49,023	Temporary	11/7/1995	48	4.0
5	\$24,761	Temporary	10/2/1994	61	5.1
6	\$43,384	Temporary	4/22/1992	90	7.5
7	\$2,397	Provisional	11/22/1995	47	4.0
8	\$77,921	Full	8/18/1996	39	3.2
9	\$937	Full	6/7/1996	41	3.4
10	\$32,592	Full	5/30/1996	41	3.4
11	\$2,982	Full	5/30/1996	41	3.4
12	\$14,858	Full	1/24/1996	45	3.8
13	\$2,229	Full	4/14/1994	67	5.6
14	\$13,414	Full	2/28/1993	80	6.7
	\$361,986			52	4.3
	\$817,779	Total Safety Issues		53	4.4

* Cut-Off Date 11/3/1999

9 child abuse cases were substantiated (highlighted in yellow)

EXHIBIT B

DETAILED INFORMATION for HOMES without SAFETY ISSUES

Temporary License

	Claimed FFP	License Type	License Expiration	* Months Outstanding	Years Outstanding
1	\$29,559	Temporary	9/8/1996	38	3.2
2	\$82,478	Temporary	7/1/1996	40	3.3
3	\$60,304	Temporary	6/9/1996	41	3.4
4	\$7,619	Temporary	6/6/1996	41	3.4
5	\$334	Temporary	5/29/1996	41	3.4
6	\$74,644	Temporary	1/18/1996	46	3.8
7	\$1,080	Temporary	5/3/1995	54	4.5
8	\$24,307	Temporary	6/10/1994	65	5.4
	\$280,325			46	3.8

Provisional License

1	\$27,199	Provisional	3/7/1996	44	3.7
2	\$32,177	Provisional	3/17/1995	56	4.6
3	\$10,409	Provisional	3/17/1995	56	4.6
4	\$30,965	Provisional	2/14/1995	57	4.7
5	\$15	Provisional	1/24/1991	105	8.8
	\$100,765			63	5.3

No License

1	\$11,486	None	12/30/1993	70	5.8
	\$11,486			70	5.8

Full License

1	\$23,985	Full	10/13/1996	37	3.1
2	\$17,340	Full	10/13/1996	37	3.1
3	\$45,579	Full	8/31/1996	38	3.2
4	\$73,007	Full	7/13/1996	40	3.3
5	\$178	Full	7/12/1996	40	3.3
6	\$59,307	Full	6/27/1996	40	3.4
7	\$29,415	Full	3/27/1996	43	3.6
8	\$6,490	Full	2/15/1996	45	3.7
9	\$10,970	Full	12/20/1995	46	3.9
10	\$32,454	Full	12/15/1995	47	3.9
11	\$33,571	Full	11/17/1995	48	4.0
12	\$7,251	Full	10/28/1995	48	4.0
13	\$14,634	Full	7/25/1995	51	4.3
14	\$1,877	Full	7/25/1995	51	4.3
15	\$846	Full	2/1/1995	57	4.8
	\$356,903			45	3.7

\$749,480 Total None Safety Issues 49 4.1

* Cut-Off Date 11/3/1999



ANGUS S. KING, JR.
GOVERNOR

STATE OF MAINE
DEPARTMENT OF HUMAN SERVICES
11 STATE HOUSE STATION
AUGUSTA, MAINE
04333-0011

RECEIVED

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KEVIN W. CONCANNON
HHS/OIG/BAS
COMMISSIONER
REGION I

December 4, 2000

CIN: A-01-00-02500

Lori Pilcher, Audit Manager
Office of Audit Services
Region 1
John F. Kennedy Federal Building
Boston, MA 02203

Dear Ms. Pilcher:

I am in receipt of the draft report from DHHs-Office of Inspector General titled "Maine's Licensing of Foster Care Homes", identified as A-01-00-02500. We have reviewed the report and believe the facts as presented are valid and the recommendations are reasonable. Our overall goal, like yours, is the safety of children and your review and subsequent report have assisted us in refocusing our attention on those safety concerns that need to be addressed.

I appreciate the Office of the Inspector General's acknowledgement of the actions we have taken to date and their belief that these actions will continue in the future. I can assure you that we are working very hard to correct those areas in need of improvement.

The report acknowledges that the following steps have already been initiated:

1. Assignment of a Central Office Program Specialist to oversee the licensing program
2. Working collaboratively with the Fire Marshall's Office to coordinate concentrated fire inspections on a geographical basis
3. Receiving authorization for the Fire Marshall's Office to hire three new fire inspectors



Lori Pilcher
December 4, 2000
Page Two

4. *Outsourcing foster home studies to allow licensing staff to dedicate more time to the re-licensing of foster homes, and*
5. *Increasing the term of a foster home license from one to two years.*

In addition to these steps, we have implemented or are in the process of implementing, the following:

1. *Outlining compliance issues to be addressed by staff, such as home visits and the fire inspection, including time frames for identifying and addressing issues*
2. *Providing additional training for licensing staff to enable them to complete necessary tasks more efficiently. (Training in interviewing skills has already occurred.)*
3. *Developing a tracking tool through our SACWIS system to enable staff to track, organize and complete licensing tasks in a timely fashion. (Work on this tool is already occurring.)*
4. *Developing additional expectations for licensing staff to address safety issues for children in foster homes through training in safety assessment. (Staff at the Child Welfare Training Institute are currently designing the curriculum for this training.), and*
5. *Reviewing and redesigning, as necessary, the current system for renewing foster homes.*

Again, I appreciate the recommendations made by the Office of the Inspector General and we look forward to working with ACF to ensure the safety of our children in foster homes.

Sincerely,


Kevin W. Concannon
Commissioner
Maine Department of Human Services