



Department of Legislative Services  
Office of Legislative Audits

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## Department of Human Services (DHS) - Social Services Administration (SSA)

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Presentation to Joint Audit and Evaluation Committee

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## Audit Overview

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- SSA supervises, directs, and monitors social services programs, including foster care, adoption and guardianship, and child protective services conducted by the State's 24 local departments of social services (LDSS).
- Our report contains 8 findings; 7 of which are repeats from the prior audit report. Although the current report has 7 repeats, 8 of 14 findings were actually repeated from our prior audit report dated November 20, 2017, but 2 of the 8 were merged into one current finding.
- We determined that SSA's accountability and compliance level was unsatisfactory, in accordance with the rating system that we established in conformity with State law. In our opinion, the primary factors contributing to this rating were the significance of the audit findings, the number of repeat findings, and SSA's insufficient monitoring of the 24 LDSSs for compliance with numerous policies and regulations.



## Audit Overview

According to the Children's Electronic Social Services Information Exchange (CHESSIE), which was the primary computerized child welfare information system used by SSA and the LDSSs, expenditures related to social services program activity during fiscal year 2019 totaled approximately \$274 million.

Fiscal Year 2019 Expenditures Processed via CHESSIE			
Expenditure Category	Number of Children During Year	Number of Providers / Parents	Expenditures (in millions)
Treatment Foster Care	2,150	30	\$63.6
Group Foster Care	1,460	67	70.2
Adoption Assistance	6,605	4,496	58.6
Guardianship Assistance	3,397	2,419	28.4
Family Foster Care	2,801	1,521	13.1
Teen Mother Foster Care	132	8	4.3
Other Foster Care	697	469	1.9
Subtotal (Maintenance)	17,242	9,010	\$240.1
Ancillary Funds			34.3
Total Expenditures			\$274.4



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## Key Findings

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- SSA did not have comprehensive quality assurance processes to monitor the administration of child welfare program services by the State's LDSSs.
  - SSA had not established effective monitoring to ensure that children were placed in the least restrictive environment and received required services.
  - SSA's monitoring process was not effective for ensuring the timeliness of child abuse and neglect investigations and safety assessments.
- SSA did not have adequate controls to ensure the LDSSs were notified of children born to individuals who had their parental rights terminated.
- SSA did not have an effective process for ensuring the propriety and timeliness of federal funds eligibility determinations.
- SSA did not pursue collecting overpayments of \$4.8 million from providers.
- SSA did not ensure that adoption payments were suspended when required.
- SSA did not ensure payments made to a State university were supported.



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## Quality Assurance Program (Finding 1) **Repeat Finding**

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SSA had not implemented comprehensive quality assurance procedures to ensure that child welfare programs were being effectively administered by the State's LDSSs.

Those program services and functions included, for example

- approving and monitoring foster care providers, and placing children with appropriate providers;
- ensuring that children in care receive specified services, such as medical and dental care, within required timeframes;
- timely assessment and investigation of child abuse allegations; and
- conducting assessments of substance-exposed newborns and children born to individuals with previously terminated parental rights.



## Quality Assurance Program (Finding 1) - continued

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In response to our prior report SSA had developed certain written procedures for monitoring the services and functions; however, these procedures were not always sufficient, and in certain cases suffered from inaccurate or incomplete monitoring reports.

In addition, SSA had implemented on-site reviews of each LDSS, of various time periods, to monitor LDSS performance and compliance. However, we found that the scope of these reviews was not as comprehensive as we deemed necessary, as it did not address certain critical LDSS functions.

The detailed findings in our audit report support the above conclusions and highlight the need for more rigorous oversight of the LDSSs.



## Monitoring Foster Care Compliance (Finding 2) **Repeat Finding**

SSA did not effectively monitor the LDSSs to ensure that there was documentation supporting the performance of certain critical requirements relating to the placement and care of foster children. Our test of 48 children in foster care with fiscal year 2019 expenditures totaling \$2.3 million disclosed the following issues related to six selected foster care requirements.

Results of our Test of Foster Care Requirements			
Foster Care Requirement		Number of Requirements for Children Tested	Performance of Requirement Not Documented
Caseworker Interaction	Monthly Face-to-Face Meeting with Child	48	0
Placement Requirements Tested	Legal Basis for Child Entering Foster Care	48	4
	Effort to Place with Relatives	48	3
Service Requirements Tested	Medical Exam within One Year	48	29
	Dental Exam within Six Months	47	37
	Attended School During Fiscal Year 2020	23	10
Total		262	83



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## Child Protective Services (Finding 3) **Repeat Finding**

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SSA's monitoring process was ineffective for ensuring the timeliness of LDSS child abuse and neglect investigations, and required assessments of substance-exposed newborns.

- Our review of 20 allegations of child abuse or neglect received during the period from May 2019 through December 2019 disclosed 6 allegations for which the LDSS did not initiate and/or complete investigations timely. For example, for 3 allegations of abuse, the investigations began from 7 to 21 days after the allegations were received. State law requires these investigations of abuse to be initiated within 24 hours of receipt.
  - SSA did not always timely complete the safety and family risk assessments for substance-exposed newborns. For example, our test of 10 such newborns disclosed that for one child, the safety assessment was performed 55 days after the LDSSs were notified, and the family risk assessments for four other children were performed between 36 and 70 days after the respective LDSSs were notified. State regulations require the LDSSs to perform safety and family risk assessments on substance-exposed newborns within 48 hours and 30 days, respectively, of notification.
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## Child Protective Services (Finding 4) **Repeat Finding**

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SSA lacked adequate controls to ensure the LDSSs were timely notified when children were born to individuals who previously had their parental rights terminated for abuse or neglect. State law requires SSA to immediately notify the applicable LDSS so that it may provide an assessment of the family and offer services, if needed.

- According to SSA records, during calendar year 2019 there were 252 children born to individuals whose parental rights had been terminated. As of August 2020, the required assessments had not been performed for 144 of these children, due primarily to SSA not notifying the LDSSs of the children's births or not notifying the LDSSs timely.
- Of the 144 aforementioned children, SSA did not notify the LDSSs that assessments were needed for 50 children even though SSA was informed of the births from the Maryland Department of Health (MDH) between 8 and 19 months earlier. In addition, for the other 94 children, SSA notified the LDSSs between 7 to 19 months after receiving notice from MDH.



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## Federal Funds (Finding 5) Repeat Finding

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SSA did not have an effective process for ensuring the propriety and timeliness of federal Title IV-E eligibility determinations and redeterminations, and had not conducted quality assurance reviews, as required by its policies, resulting in a potential loss of federal funds. According to SSA records, SSA received federal Title IV-E reimbursements totaling \$86.5 million in fiscal year 2019.

- SSA had not conducted quality assurance reviews of the eligibility determinations and redeterminations made during our audit period, resulting in certain errors going undetected. Our test of 55 children in foster care or the adoption and guardianship assistance programs disclosed that SSA incorrectly concluded that 8 foster children were not eligible, resulting in the loss of \$72,500 in federal funds.
- SSA had not reviewed the propriety of Title IV-E ineligibility determinations for 3,626 children who entered SSA care prior to July 2016 and were currently receiving services. If the determinations were inaccurate, SSA could have the potential for federal reimbursement.



## Provider Payments (Finding 6)

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SSA did not ensure that overpayments made to certain providers of group homes and child placement services were recovered. The DHS' Office of the Inspector General (OIG), on behalf of SSA, reviews the reports and notifies SSA of the results, including any overpayments identified. SSA is responsible for recovering these overpayments from the providers. According to State records, fiscal year 2019 payments to these providers totaled approximately \$130 million.

- The OIG identified overpayments totaling \$4.8 million made to 59 providers during fiscal years 2017 and 2018. As of October 2020, SSA had not pursued recovery of these overpayments, which had been reported to SSA by the OIG between 2 months to 2.5 years prior.
- SSA could not explain why it had not pursued recovery of these overpayments. A delay in the pursuit of provider overpayments may decrease the likelihood of recovering the funds.



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## Provider Payments (Finding 7) Repeat Finding

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- SSA had not established procedures to ensure that monthly adoption assistance payments to an adoptive parent were suspended when an adopted child was removed from the adoptive home. Consequently, there was a risk for duplicative payments being made (for both adoption assistance and foster care payments). These payments were entirely from State funds.
- Our test of fiscal year 2019 adoption assistance payments made for 5 children who had entered foster care disclosed that SSA did not suspend payments totaling \$42,737 for any of these children even though they had entered foster care between August 2013 and March 2019. Improper (duplicative) payments for one of these children were noted in our prior audit, but had not been addressed by SSA and we found it continued during our current audit.
- According to SSA's records, during fiscal year 2019, adoption assistance payments totaling \$141,000 were paid for 28 children in foster care.



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## Interagency Agreements (Finding 8) Repeat Finding

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SSA did not ensure that certain payments made to a State university for three interagency agreements were adequately supported and were made in accordance with the terms of the agreements. According to State records, payments under these agreements as of July 2020 totaled \$11.2 million.

- SSA did not verify certain billed costs, including direct labor charges invoiced and subcontractor costs. For example, in fiscal year 2019, SSA paid labor charges totaling \$2 million for two of the agreements, which exceeded the two agreements by \$187,000. In addition, SSA paid \$584,000 for 25 individuals who were not included in the agreements.
- Certain of these conditions have been commented upon in audit reports dating back to October 2008. SSA management advised that it believes the interagency agreements are performance-based contracts structured to pay for the receipt of deliverables. However, the agreements' payment method was not based on deliverables, but rather the time spent and the salary costs of the applicable university personnel.



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## Conclusions

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SSA should:

- establish comprehensive quality assurance processes to ensure child welfare programs are effectively administered by the LDSSs;
- monitor the LDSSs to ensure compliance with foster care requirements, such as, those related to medical and dental services;
- establish effective procedures to ensure that the LDSSs conduct and complete investigations of allegations of abuse and neglect and assessments of controlled substance-exposed newborns in a timely manner;
- establish controls to ensure that LDSSs are promptly notified of children born to individuals who previously had their parental rights terminated;
- ensure federal reimbursement is obtained for all eligible children;
- pursue for collection provider overpayments;
- ensure that adoption payments are suspended when required; and
- ensure payments made to a State university are supported.