4.2.5 Financial Management Requirements

The Financial Management Requirements address the following areas:

- Cost Accounting (by program and child);
- Client Service Payments/Accounts Payable;
- Trust Accounts and Contributions/Accounts Receivable;
- Medicaid and CHIP Billing/Accounts Receivable;
- IV-E and Medicaid Eligibility and Redetermination;
- Local Account and General Ledger Reconciliation;
- Grants Management; and
- Random Moment Sampling (RMS) Time study.

RFP Cross Reference: Appendix E – Financial Management Requirements

Financial Management – RFP 41-1 to 48-4

Deloitte's proposed Delaware FACTS II provides Automated Monthly payment generation for Foster Care and Subsidy payments to meet current business requirements. FACTS II automated payment process includes under and over payment calculations to accommodate changes to date or service entries used to calculate payment. FACTS II captures funds received on behalf of a client (Trust funds, SSI, Child Support funds).

The financial management component of a system must address a number of fiscal criteria:

- Accurate payment of providers for delivered services

- Timely payment of providers

- Maximization of external funding sources such as Title IV-E, Title IV-D (child support) and SSI

In achieving each of these goals, the system must also provide sufficient audit controls and trails in order to demonstrate that the child welfare agency is managing public funds in an effective and prudent manner. The Delaware FACTS II meets all of these requirements. In fact, the Deloitte solutions are frequently cited as offering the most advanced financial management functionality in the nation. Some of our "firsts" in the financial area are:

- The first to offer automated Title IV-E foster care eligibility determination

distinguishing FACTS

- Sound Financial Management processes provide auditing controls for payments
- On Demand access to Financial and Payment Information
- Provides access to Financial information as a means for Program decision making

- The first and only to offer automated Title IV-E adoption eligibility determination

- The first to offer automated recognition of accounts receivables

- The first to offer automated recognition of underpayment situations

- The first and only to offer automated cost allocation

- The first and only to offer automated cost allocation adjustments when overpayment or underpayment situations arise

One of the most intriguing is our work in automated Title IV-E determination, coupled with automated cost allocation. The presence of a fully automated mechanism for performing the determination in a fast and consistent manner can increase the throughput of determinations performed and the accuracy of those determinations. From a funding perspective this can have a profound beneficial impact upon your agency, as evidenced by the changes in penetration rate in two of the states currently benefiting from this technology (penetration rate is a rough measure of the proportion of eligible children within a jurisdiction):

- Within the District of Columbia, the penetration rate increased within one year by three percent.

- Within the Commonwealth of Massachusetts, the penetration rate is project to increase by 10-15 percent within two years.

Residential services generally represent the highest expenditure for child welfare agencies. Increases of this magnitude can serve to bring millions of additional federal dollars into DSCYF. In fact, Title IV-E is retroactively claimable for up to two years and Delaware FACTS II Title IV-E eligibility functionality increases claiming.

Design Principles features in our transfer solution relevant to FACTS II

FACTS II Features – Financial Management	
SACWIS System Similar to FACTS II	**Deloitte Brings Direct Relevant Experience to FACTS II**
DC FACES.NET	• Ergonomically designed IVE determination • MPUR – Monthly Provider Utilization Report to verify Invoices • Automated Accounts Receivables and Payables
Alabama FACTS	• Automatic Payment Stamping (Federal vs State) based on Provider Licensing Status • Supports Disbursement of Service at both county and State office • Enhanced Eligibility to support Title XX and ACFC Medicaid determinations
Allegheny KIDS	• An integrated Fiscal Management system that supports IV-E, Eligibility, TANF and all Allegheny County DHS Fiscal administration activities • Maintaining the information required for payments in a single location allows documentation, review, and correction of

| FACTS II Features – Financial Management	
SACWIS System Similar to FACTS II	**Deloitte Brings Direct Relevant Experience to FACTS II**
	service information before an invoice is ever created.
	• Providers will have the ability to generate aggregate report of all services documented for the clients served at any time
	• A seamless adjustment process that also provides Provider payment history in KIDS detailing the adjustments in the next payment cycle

Table 4.2.1-1 Deloitte's Relevant Experience to FACTS II

In this section we describe how the Delaware FACTS II financial management functionality operates. The figure below illustrates the components of Delaware FACTS II Fiscal module.
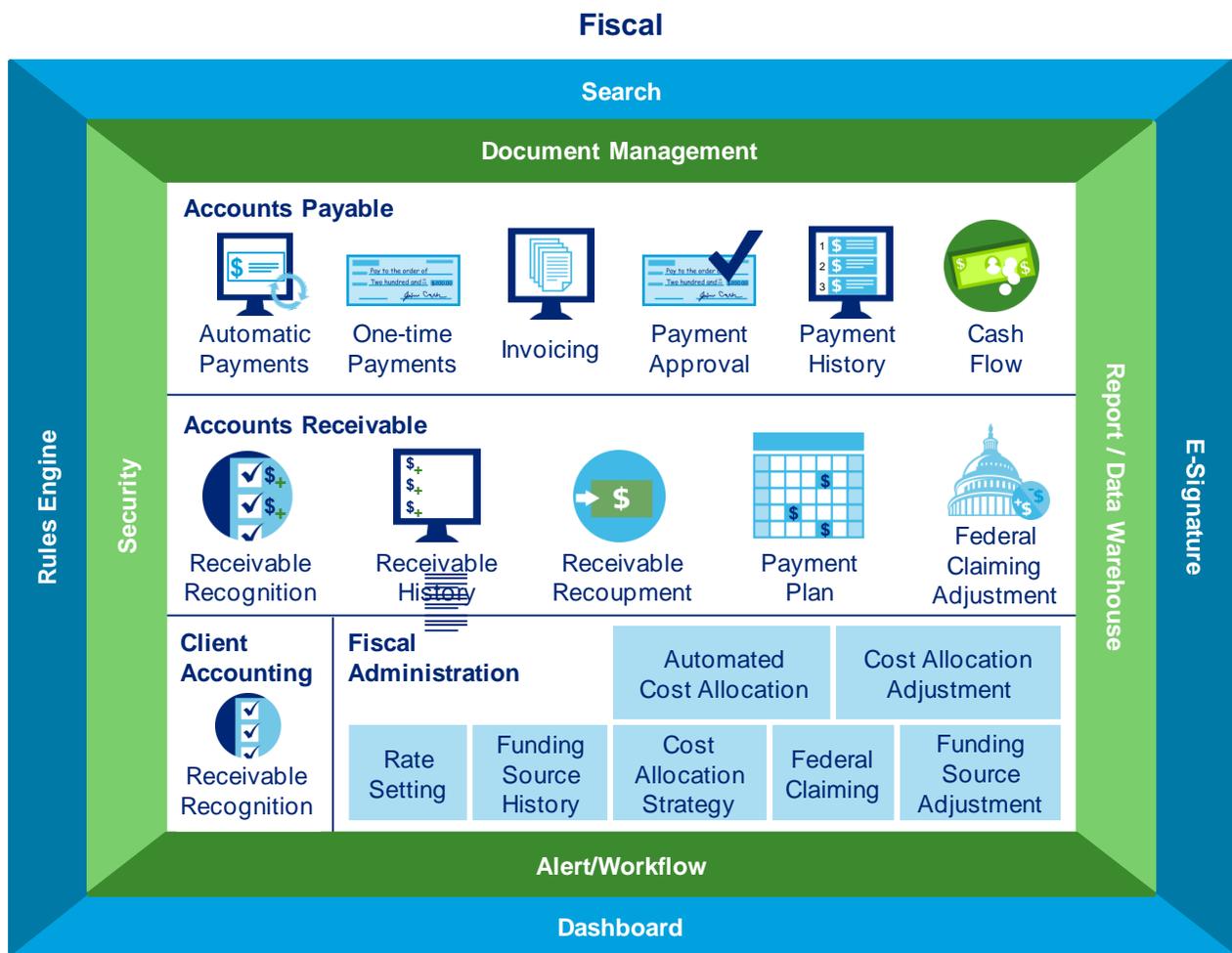
DE_SACWIS-091

Figure 4.2.5-1. Delaware FACTS II Financial Management.

The table below highlights the Key benefits and features of Delaware FACTS II Fiscal module.

Delaware FACTS II Fiscal Features	Delaware FACTS II Fiscal Benefits
Accounts Payable	The Accounts Payable functionality that Deloitte delivers now in the Delaware FACTS II is unprecedented in its ability to help DSCYF manage, control and analyze the payment data passing through the child welfare agency.
Accounts Receivable	Using our Accounts Receivable functionality, DSCYF sees service expenditures decline as all receivable positions are recognized and recovery rates increase as recoupment is performed automatically. The overall impact of these two business outcomes is an increase in funds available to DSCYF for use in other areas.
Fiscal Administration/Eligibility Determination	Fiscal Administration functionality is where DSCYF financial operations personnel define how the Delaware FACTS II financial functionality operates and where they reap the benefits of those operations through tighter fiscal control, improved federal claiming and expanded options for analysis of expenditures.
	DC FACES.NET has a robust Title IV-E eligibility determination module that automates the full eligibility process. Transactions are logged on an audit trail. Eligibility by criteria category provides users with a quick snapshot of the pass/fail criteria

Table 4.2.5-1. Delaware FACTS II Fiscal module Features and Benefits.

To assist your evaluation, we have broken our discussion into the following sections as corresponding to the financial requirements stated in the RFP:

• Cost Accounting (by program and child)

• Client Service Payments/Accounts Payable

• Trust Accounts and Contributions/Accounts Receivable

• Medicaid and CHIP Billing/Accounts Receivable

• IV-E and Medicaid Eligibility and Redetermination

• Local Account and General Ledger Reconciliation

• Grants Management

• Random Moment Sampling (RMS) Time study

Cost Accounting (by program and child)

Delaware FACTS II allows child welfare to maintain one or more client accounts on behalf of each of the children within its custody. In the solution, the Client Account functionality records funds deposited into the account, manages the processing of disbursement requests for funds from the account, and utilizes common transaction types such as credit, debit, and interest. The Client Account functionality also integrates with the Title IV-E eligibility functionality. This integration provides another fine example of how the solution

provides a single point of data entry – distributing that data to wherever it is needed elsewhere in the system.

In this section we recognize that there are funds owned by children within the agency's custody that need to be managed. Delaware FACTS II allows child welfare to maintain one or more client accounts on behalf of each of the children within its custody. For practical reasons, agencies typically hold these funds in a single, co-mingled bank account. However, it is essential that an accurate record of funds received and disbursed is maintained on a child by child basis. The Delaware FACTS II Client Account functionality records funds deposited into the account and manages the processing of disbursement requests for funds from the account. For each deposit, the source of funds is maintained, in order to support different disbursement rules for each source. The figure below illustrates the client account transaction screen.
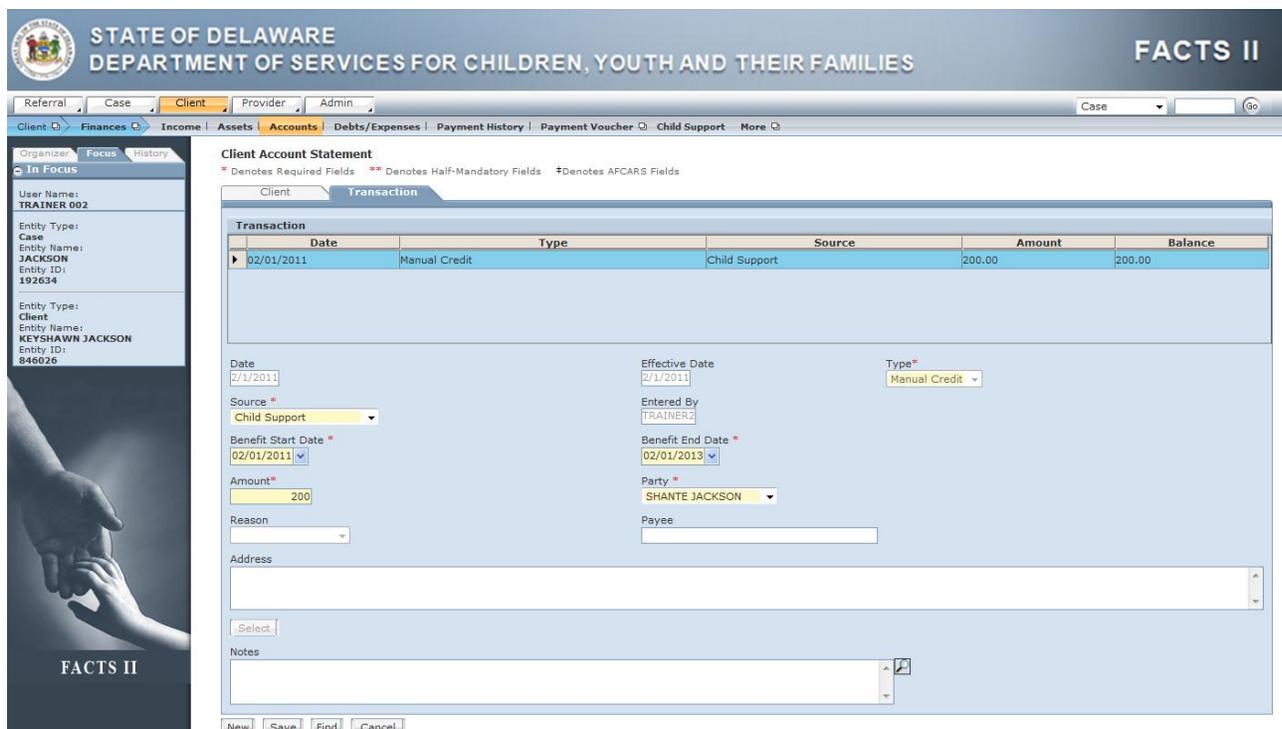
DE_SACWIS-600

Figure 4.2.5-2. Client Account Statement.

It closely resembles the bank statement functionality that is commonly found within the web pages on an online retail bank – transactions can be sorted and filtered by date, type (debit or credit) and funding source. The common transaction types are as follows:

• **Credit.** These are frequently monies received from Title IV-D (child support) or SSI. However, the Delaware FACTS II can also process credit interest received and refunds of amounts that were used to defray agency costs for service provision where those costs were later found to have been overpaid.

- **Debit.** These can be manual requests for disbursement in order to make approved purchases, such as sport equipment or educational related costs. They can also be automated debits, where the Delaware FACTS II cost allocation functionality uses client account funds to defray the agency's cost of providing care. Automated debits can be manually overridden by a worker with the correct security profile. Documentation of the override is taken in an audit trail fashion.

Credit transactions typically arise as a result of monies received through Title IV-D (child support) or SSI, although Delaware FACTS II places no restriction on the categorization of deposited funds. Examples of other deposit types that we have supported are:

- Inheritances

- Legal settlements

- Stock dividends

Another frequent credit transaction relates to interest. Many jurisdictions hold money in trust for their clients in a co-mingled, interest bearing bank account. The interest that accrues to this account is rightfully the property of the children whose money is being held there. Delaware FACTS II offers functionality to allocate interest received among all of the children who hold a positive balance when the interest is applied.

Debit transactions may be manually entered requests for funds or automatically generated debits designed to defray the agency's cost of providing care. Each jurisdiction has its own policies surrounding how to employ a child's funds to offset the cost of care provision. Examples are:

- The District of Columbia allows all of a child's SSI and Title IV-D receipts to be used to offset cost of care.

- Massachusetts allows up to 80 percent of a child's SSI and Title IV-D receipts to be used to offset cost of care.

Delaware FACTS II is configurable according to the policy in place in Delaware. In addition, some jurisdictions place additional restrictions on how funds from certain sources may be used. For example, because the process of applying for SSI is often a lengthy one, the first SSI payment that a child receives is often very large, since it includes a back dated component. The District of Columbia prevents this back dated amount from being used to offset the cost of providing care. For situations like these, Delaware FACTS II offers segregated client accounts from which funds can only be drawn as a result of an approved manual request for disbursement.

Before closing our discussion of Client Account functionality, it is important to describe how this functionality integrates with our Title IV-E eligibility functionality, to be discussed a subsequent section. Title IV-E eligibility determination rests, in part, upon an evaluation of the child's assets – including assets held by the child welfare agency in a client account. In Delaware FACTS II, client account balances are automatically fed from this module into the eligibility module. This integration provides another fine example of how our Delaware

FACTS II's integrated functionality provides a single point of data entry – distributing that data to wherever it is needed elsewhere in the system.

Deloitte extends Delaware FACTS II that can automatically calculate ongoing maintenance cost allocation formula. The Delaware FACTS II already contains a means to gather information on unduplicated children that current receive or received services from IV-B or IV-E funded programs. The solution also keeps track of the individual eligibility of a child. Fusing these two pieces of information together allows Delaware FACTS II to calculate the ongoing maintenance cost allocation.

Client Service Payments/Accounts Payable

The Accounts Payable sub-system manages the generation of payments for all service provision and stages them for interface to the State general ledger application. The solution offers a number of options for payment generation, including: Automated generation of payment documents, Manual generation of payment documents, Automated generation of make-up payments and Automated generation of invoices. Although the solution is capable of automatically generating payments under multiple scenarios, we recognize that DSCYF may not wish to cut checks on that time scale. Therefore, the solution offers the provision to hold (and release) payments before the payments are interfaced to the general ledger system for check creation.

However, before any payments can be generated, Delaware FACTS II needs to know the rates to be paid for each type of service. The Delaware FACTS II divides the rate setting task into two: rate setting for contracted providers and rate setting for non-contracted providers. Rate setting for contracted providers is performed within the Contracts sub-system discussed earlier. Rates for non-contracted providers, such as directly recruited foster and adoptive parents, are defined here. Rates are defined for each possible service and can be varied according to the age of the children receiving that service. In the District of Columbia for example, the standard rate for foster care increases when the child reaches the age of 12. Once the rates have been defined, payment can take place.

The Delaware FACTS II offers you a number of options for payment generation:

- Automated generation of payment documents: Under this mechanism, payment documents are automatically created according to a set schedule (often monthly) and staged for interfacing with the State general ledger for check creation. This approach is most commonly employed for non-contracted providers of residential services – foster parents, adoptive parents and guardians in receipt of subsidy – and is designed to see that the money owed to these types of providers reaches them as quickly as possible.

- Manual generation of payment documents: Under this mechanism, one time payments are manually generated. This approach is most often used when a payment to a provider is required, but that payment cannot be directly linked to service provision to a single child. A common example is for the construction of a wheelchair access ramp at a provider facility – it clearly benefits the agency by broadening the nature of children who may be served at that facility, but the cost cannot be directly attributable to a single child.

- Automated generation of make-up payments: Under this mechanism, when retroactive placement date information is entered, the Delaware FACTS II automatically determines whether a make-up payment is due. If it is, the Delaware FACTS II creates that make-up payment.

- Automated generation of invoices: Under this mechanism, draft invoice documents are created and presented to the provider for review – either online, or via a printed invoice that is mailed to them. This mechanism is often used for contracted providers who may be serving a large number of children.

The choice of payment mechanism for any group of service providers is configurable by you, but once payment has been made it is vital that your fiscal staff are able to research and understand which payments have been made, to whom and for what reason. The Delaware FACTS II offers functionality that delivers payment history information from two distinct perspectives: provider and child. These are shown side by side in the figures that follow:
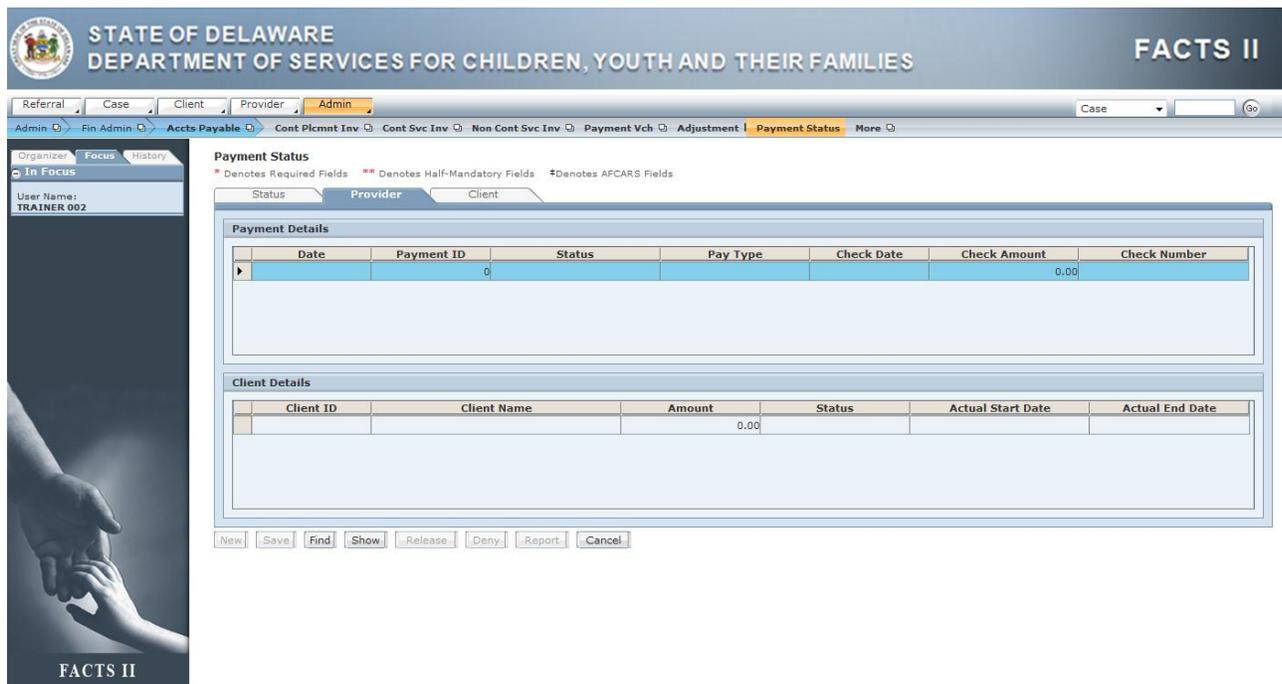
DE_SACWIS-601

Figure 4.2.5-3. Payment Status – Provider.

Figure 4.2.5-4. Payment Status – Client.

We believe that it is important to offer both views of the payment information:

- When a provider calls the fiscal office to check on the status of a check that they were expecting, your fiscal staff can review a list of payments authorized with checks issued and payments authorized where no check has yet been issued. When we construct a general ledger interface, we look to make that interface bi-directional, so that your fiscal staff can also see when a check was cut and the number of that check.

- When a revenue maximization worker is reviewing a Title IV-E case in preparation for a federal audit, they need to see the payment history with respect to a single child in order to satisfy themselves that all claimed payments meet the conditions for Title IV-E reimburseability.

The final piece of Accounts Payable functionality to introduce relates to cash flow. Although the Delaware FACTS II is capable of automatically generating payments under multiple scenarios, we recognize that you agency may not wish to cut checks on that time scale. Therefore, we offer the provision to hold (and release) any payment document before it is interfaced to the general ledger system for check creation. This functional is shown in the figure below.

DE_SACWIS-603

Figure 4.2.5-5. Cash Flow.

Deloitte will work with the Delaware FACTS II team to tailor a direct deposit functionality that caters to Delaware's needs. The current solution contains automated generation of payments and interfaces them to the proper entries. Most of these are ETF, electronic transfer of funds to providers including foster payments.

It is required by DSCYF that Delaware FACTS II provide a means to coordinate insurance benefits and their associated documentation, maintenance, billing, and verification processes. Deloitte will work with the Delaware FACTS II team to build an extension of the existing Accounts Payable module to capture insurance information that assists workers track all relevant details.

Delivering effective Accounts Payable functionality was one of the first financial goals of Deloitte operated systems. We achieved that goal with our Oklahoma SACWIS implementation in 1995 and have refined it ever since. The Accounts Payable functionality that we deliver now in the Delaware FACTS II is unprecedented in its ability to help you manage, control and analyze the payment data passing through a child welfare agency. In the next sections we introduce the naturally associated functionality – Accounts Receivable.

Trust Accounts and Contributions/Accounts Receivable

At the start of our discussion on Financial Management functionality, we stated a goal of accurate payments to providers. We stand by that goal, but recognize that the payments made to providers can only be as accurate as the information entered into the system that generated them. A sound Accounts Receivable sub-system is essential if you are to meet the goal of proving that your stewardship of public funds is as effective as it can be.

Part of the challenge of implementation is encouraging and empowering your personnel to use the system to input data in a timely and effective way. We have invested heavily in making the Delaware FACTS II as easy to use as it can be. One direct result of this investment is a lowering of the number of accounts receivable positions because we have better data on which to base payment – our ease of use focus improves your ability to manage cash flow.

Nevertheless, receivables do happen. In this section we describe the Accounts Receivable functionality in the Delaware FACTS II and how receivables are recognized and managed. It is not possible to manage or recoup receivables until they have been recognized. In many Web-based systems, it is the responsibility of case workers, supervisors and fiscal operations staff to recognize that a receivable position exists and record it within the system. The Delaware FACTS II offers this functionality, but it additionally offers the automatic recognition of receivable positions based upon changes in child placement information. The figure that follows shows the Accounts Receivable screen for an automatically generated receivable.

DE_SACWIS-604

Figure 4.2.5-6. Accounts Receivable.

Automatic accounts receivable recognition helps you to manage and recoup accounts receivables – improving the agency's financial position by seeing that service providers are only paid for the true cost of service provision. It is important to understand that this improved financial control is often coupled with an increase in the total number of receivable positions recorded. In fact, this increase is generally attributable to the automated receivable recognition system catching receivable positions that may have previously gone unnoticed, rather than any increase in the actual number of overpayments made.

Once a receivable has been created, the Delaware FACTS II offers a number of facilities for managing it:

- Interest may be incurred against the receivable

- The receivable may be referred to a collection agency

- The receivable may be partially or fully written off

However, the most important component of managing accounts receivables is recoupment – accomplished via the Delaware FACTS II payment plan functionality illustrated in the figure that follows:

DE_SACWIS-605

Figure 4.2.5-7. Payment Plan.

Whenever a receivable is recognized by the Delaware FACTS II, a payment plan is automatically created to recoup that receivable. If a payment plan is already in existence, then Delaware FACTS II amends the payment plan in order to continue recoupment according to your agency's recoupment policy. The structure of the payment plan is configurable to meet your recoupment policy. Examples of current payment plans that we have put into place in the District of Columbia are as follows:

- Recoupment from non-contracted foster and adoptive parents takes place over the course of one year

- Recoupment from contracted providers is made as quickly as possible

Naturally, we recognize that the automatically assigned payment plans may not be appropriate in all cases - many jurisdictions employ a "fair hearing" process in which providers may negotiate the amount of their payment plan. Delaware FACTS II allows its automatically generated payment plans to be manually overridden if you wish to record a different plan amount.

Once a payment plan has been recorded (automatically or manually), recoupment can occur. Recoupment is an automatic process that recovers monies from subsequently payments to the provider. If the provider has multiple open receivables, then the oldest is liquidated first.

It is not necessary for the subsequent payment to be made on behalf of the same child for whom the receivable arose –Delaware FACTS II records the true cost of care (or gross cost) associated with every check that is cut, even if the amount of the check (the net cost) has been reduced due to recoupment. The figure that follows illustrates a payment that has been reduced because of this recoupment procedure. This is an important screen, since the nature of recoupment is to produce a check that is for less than the provider is expecting. This screen allows fiscal operations personnel to effectively respond to enquiries from the provider. Once an account receivable has been fully recovered, the receivable is automatically closed and any associated plans closed or amended if other receivables remain unrecovered. Using our Accounts Receivable functionality, we have seen service expenditures decline as all receivable positions are recognized and recovery rates increase as recoupment is performed automatically. The overall impact of these two business outcomes is an increase in funds available to the agency for use in other areas.

Medicaid and CHIP Billing/Accounts Receivable

Medicaid and CHIP Billing will be added to the Accounts Receivable module as a sub module. Deloitte will work with the Delaware FACTS II team to determine the following requirements are implemented with accuracy:

- Ability to provide automated eligibility criteria for services, benefits, programs and facilities and the ability to record decisions

- Ability to indentify Child Health Insurance Program claims separately from Medicaid claims

- Ability to automate linkage between finding and redetermining medical/clinical necessity and the Medicaid/CHIP claim

- Ability to handle funding for "pooled children" based on various available State/federal funding streams, via a funding rules table

- Ability to indentify clients/services/providers/staff to automatically exclude from Medicaid billing when grant funded

- Ability to provide electronic billing of third party carriers and their insurance information as it relates to billing and otherwise

- Ability to create and submit Medicaid provider enrollment application

- Ability to create and calculate Medicaid Rates and a means for workers to use those rates

- Ability to electronically submit Medicaid Rates to the Division of Medicaid and Medical Assistance (DMMA)

- Ability to reconcile the revenue between DSCYF, OMB, and DSCYFS

- Ability to capture verification that backup documentation exists to substantiate Medicaid billing claims (assessments, units of service, treatment plan, progress notes, etc.)

With our vast knowledge of Medicaid functionality as it relates to eligibility and accounts receivable, Deloitte is confident that the new sub module will work as designed.

IV-E and Medicaid Eligibility and Redetermination

Our Delaware FACTS II provides Automated Eligibility determinations to meet current business requirements of both the State and Counties large, medium and small while also increasing process efficiency and flexibility. We reduce Eligibility determination errors by notifying the IV-E and Caseworker for missing information.

The Eligibility module of the Delaware FACTS II is concerned with managing and optimizing the ways in which funding can be brought into the child welfare agency in order to offset the costs of providing services to children and families. Given this goal, the functional breadth and effectiveness in this area of the system you select has a direct bearing upon the financial performance of DSCYF. The Delaware FACTS II is the leading solution in this field. Delaware FACTS II was the first to provide automated Title IV-E eligibility determination for foster care and adoption and remains the only one able to automate the cost allocation process in order to support federal claiming. However, Title IV-E is not the only eligibility functionality that the Delaware FACTS II offers – it delivers support Supplemental Security Income (SSI), Targeted Case Management (TCM) and Title IV-D eligibility as well.

In this section we describe each of the eligibility programs supported by Delaware FACTS II: SSI, TCM, Title IV-D and Title IV-E. We also discuss functionality provided by Delaware FACTS II that performs an automated cost allocation that supports your Federal claiming process.

SSI is a benefit administered by the Social Security Administration (SSA) that provides a flat rate monthly amount to individuals suffering from chronic or disabling medical conditions who have little or no other income. The determination of SSI eligibility is complex and not performed within the child welfare agency.

Nevertheless, it is an important source of funds for child welfare agencies and benefits for the Delaware FACTS II to support:

- Since the determination of SSI eligibility is complex and occurs within a partner agency, there is often a significant lag between submitting a child's application for SSI benefit and receiving a final decision. Delaware FACTS II offers tracking tools to record the application and remind revenue maximization workers to press for a decision if none has been received within a time frame that you define.

- Some children are already in receipt of SSI when they are brought into the custody of the child welfare agency. In this instance, the child welfare agency must inform SSA that the child is now in state custody so that they may redirect benefits appropriately. Delaware FACTS II supplies tracking facilities for this task also.

The associated figure illustrates the SSI screen, showing how a record of interactions with SSA is built up over time to support your revenue maximization staff in their job of gaining SSI eligibility for a child.
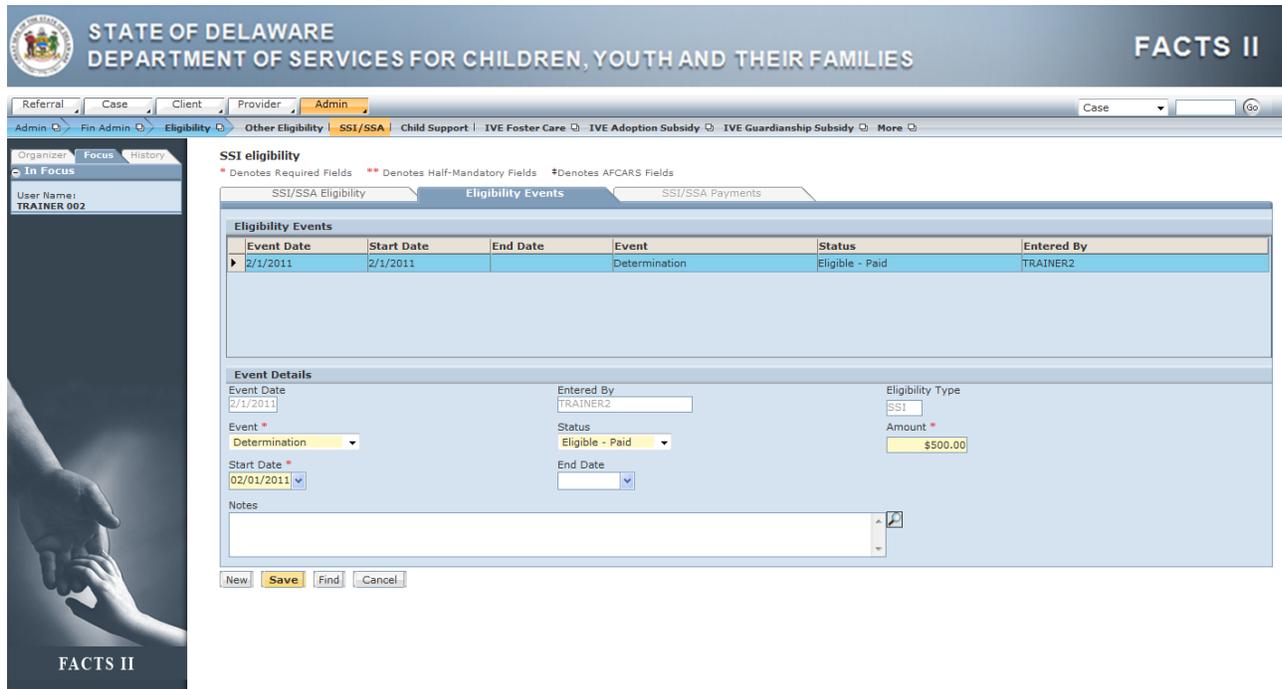
DE_SACWIS-606

Figure 4.2.5-8. SSI Eligibility.

TCM is a benefit delivered by Medicaid that offers a flat rate monthly amount whenever a case management activity is performed on behalf of a child identified as part of the defined target group. There are no screens in Delaware FACTS II associated with TCM, but Delaware FACTS II is capable of extracting lists of eligible TCM events in order to support the TCM claim.

For Title IV-D, the functionality that is offered by Delaware FACTS II rests partly upon the extent and nature of the interface with your child support agency. The Delaware FACTS II is capable of supporting all of the following Title IV-D functionality:

- Recognition of potentially Title IV-D eligible children

- Interface of potentially eligible children to the child support agency to see if an existing child support court order is in effect against an absent parent. If a relevant court order is found, then the payee under that order is switched to the child welfare agency.

- Interface of all removed children to the child support agency in order to initiate a child support court order against the parent from whom the child was removed

- Prevention of referral of a child to the child support agency if the social worker believes that such a referral could place the child at risk

- Interface of monthly costs of care for children in custody so that the amount of the child support court order can be set or adjusted appropriately

- Creation of child support account receivables once the child support agency informs Delaware FACTS II of an active court order

- Liquidation of those receivables as cash is received from the child support agency

The way we have designed our Title IV-D interface aims to support all of this functionality also. However, our ability to deliver this functionality is dependent upon a fully featured interface to a child support system that can transfer all of this information in a useable format.

The most important eligibility functionality within a system relates to Title IV-E. This is generally the largest source of funding for a child welfare agency – it is uncapped and provides a federal match of 50 percent of approved costs of providing care. The introduction of standardized and formalized Delaware FACTS II determination functionality can have a dramatic positive impact upon the revenue of the agency:

- Within the District of Columbia, the Title IV-E penetration rate increased within one year by 3 percent.

- Within the Commonwealth of Massachusetts, the Title IV-E penetration rate is project to increase by 10-15 percent within two years.

Given the size of the foster care program in each of these states, the total amount of increased recurring revenue runs into millions of dollars; accompanied by a one-time initial two year back dated claim that is commensurately even larger.

Delaware FACTS II provides functionality to automatically determine eligibility (under the Title IV-E foster care and adoptive programs), maintain audit trails to satisfy federal requirements and provide facilities for revenue maximization workers to review and update key eligibility related information.

The Figure below illustrates the Title IV-E foster care eligibility determination screen. The screen for Title IV-E adoption takes a similar layout. This is perhaps the most feature rich of all screens within Delaware FACTS II. Because of the sheer amount of data that is involved in making a determination for Title IV-E it was necessary to adopt a slightly different layout for this screen.
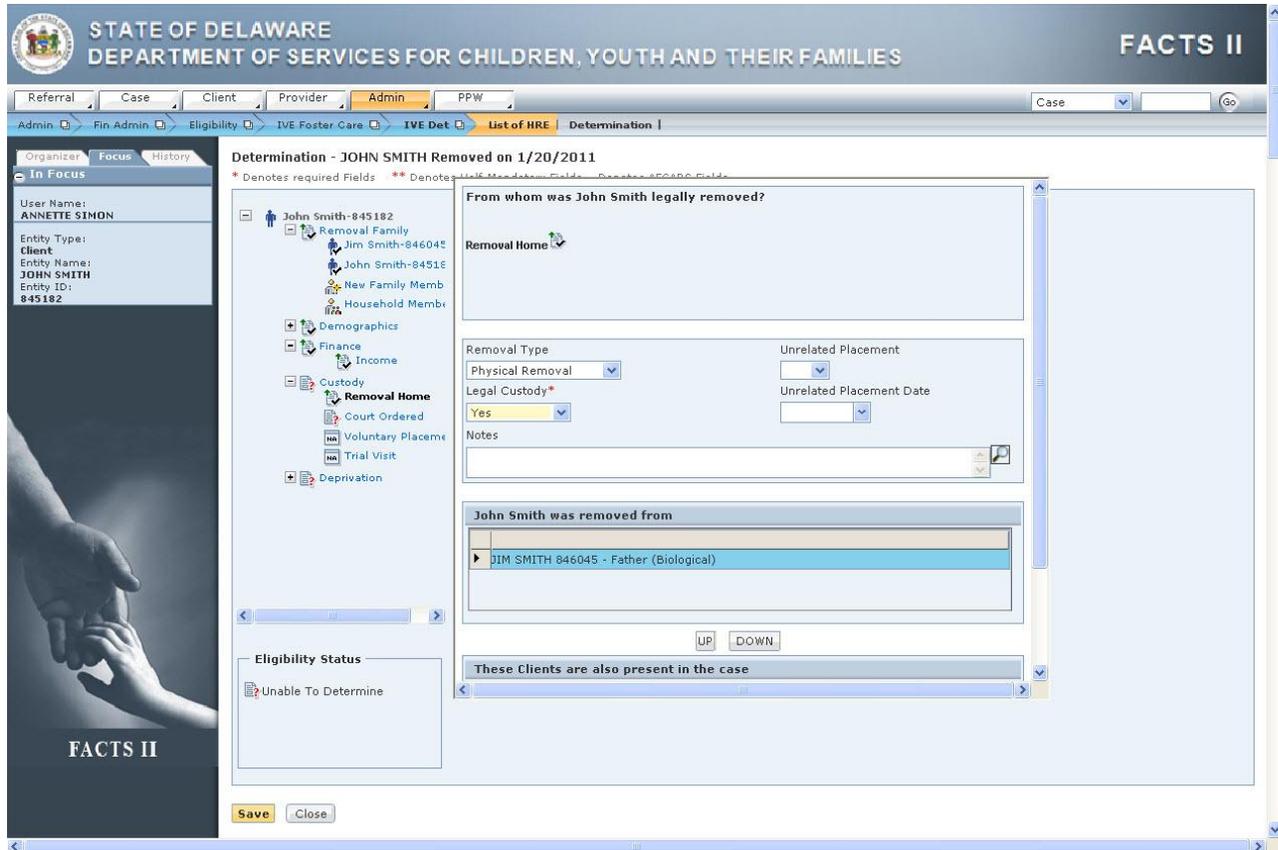
DE_SACWIS-607

Figure 4.2.5-9. IV-E Events/Determination

The leftmost portion of the Title IV-E determination screen contains a series of nodes that relate to the primary areas of consideration for the determination process (demographics, income, deprivation etc.). Alongside each node is an icon that represents whether the child meets all of the eligibility criteria related to that node. Each node can have one of the following three statuses:

- **Eligible Reimbursable.** The child meets all of the criteria within that node.

- **Eligible Non-Reimbursable.** The child meets all of the criteria within that node but, usually due to simultaneous eligibility for SSI, cannot be included in the federal claim.

- **Ineligible.** The child does not meet the criteria contained within that node.

- **Unable to Determine.** Insufficient information has been entered for the system to make a decision.

In the example Figure shown above, John Smith has a Title IV-E status of "Unable to Determine". She has met the eligibility criteria under "Removal Family", "Demographics" and "Deprivation," but insufficient data has been entered for Delaware FACTS II to make a determination under the "Finance" or "Custody" nodes. Therefore, the overall Title IV-E status, shown in the box under the nodes, for John Smith is "Unable to Determine."

By clicking on any one of the nodes, Delaware FACTS II displays more detailed information on the right side of the Title IV-E screen. Our example figure shows that Latya is recorded as being physically removed from Jim Smith. This information is drawn from data entered by the case workers – another example of how data entry is propagated throughout the system to where it is needed. However, the revenue maximization staff can amend or add to this data if they feel it appropriate.

Important factors to highlight on the Delaware FACTS II Title IV-E screen are as follows:

- Title IV-E relevant information keyed anywhere within the Delaware FACTS II is propagated to the Title IV-E determination screen.

- Determinations are performed in real time. Every time any piece of Title IV-E relevant data is added or changed, Delaware FACTS II instantly evaluates and update the eligibility status.

- The node display allows revenue maximization to instantly identify and focus upon those components of the determination process that are causing the child to be considered Ineligible.

- Any changes to data within the Title IV-E screen are placed within a detailed audit trail.

The Title IV-E audit trail screen is an important piece of functionality that records any changes made to Title IV-E information and the impact of those changes on the overall Title IV-E eligibility status of the child.
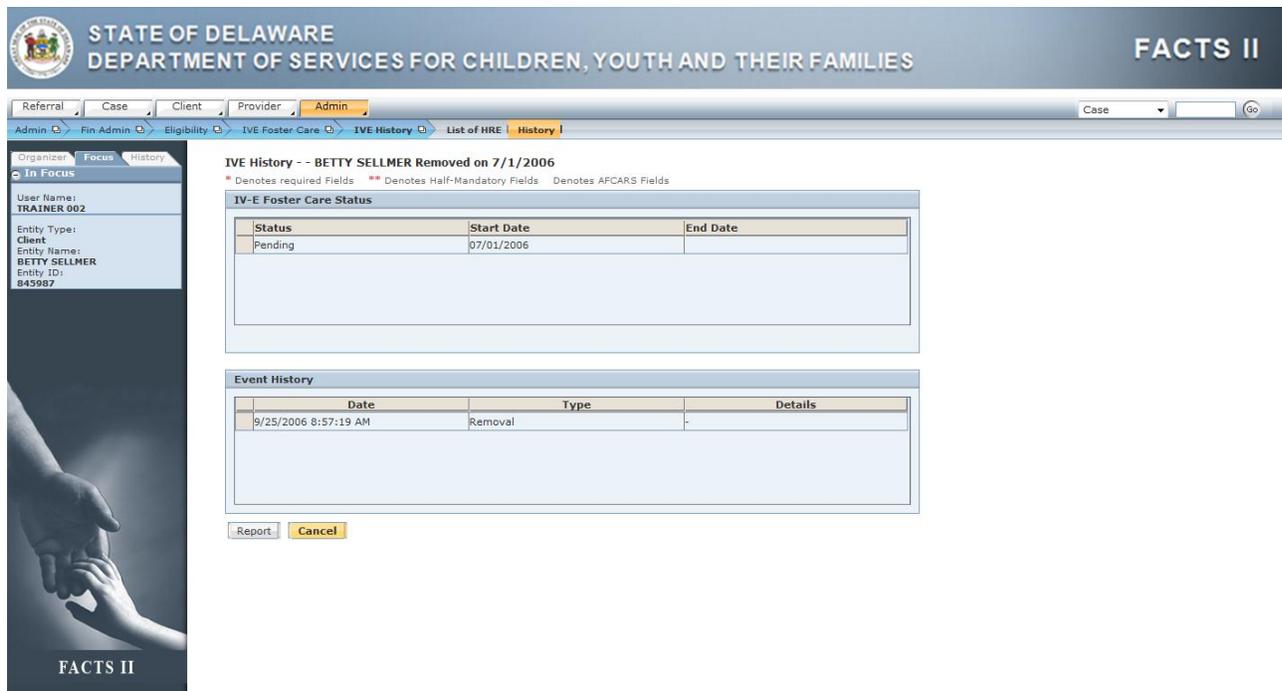
DE_SACWIS-608

Figure 4.2.5-10. IV-E History.

The screen in above works as audit trail functionality. It records all relevant changes:

• When the change was made

• Who made it

• A before and after snapshot of the changed information

It even records non-user initiated events that have an impact on Title IV-E status. For example, when a child reaches 19 years there is no circumstance under which that child can remain Title IV-E eligible. Therefore, Delaware FACTS II automatically ends their eligibility. This automated event is also recorded in the audit trail.

In addition to supporting federal SACWIS certification, this screen also possesses all of the functionality to support you through a federal Title IV-E audit. The Delaware FACTS II not only supports revenue enhancement through standardized determination, it helps you manage the audit process so that all of the enhanced revenue is sustained.

In addition to all of the functionality mentioned above housed in the Eligibility and Redetermination module, Deloitte will work with the Delaware FACTS II team to determine the following requirements are implemented with accuracy:

• Automated rate setting process and access to source documentation

• Ability to provide case plan review processes unique to IV-E Foster Care candidacy cases

• Ability to provide establishing eligibility for meal tracking for federal reimbursement reporting (Supplemental Nutrition Assistance Program – SNAP)

• Ability to capture the status of CHIP enrollment (e.g. non-payment of premium)

• Ability to provide the collection of information necessary to process Medicaid applications to electronically transmit to DSCYFS for determination

• Ability to provide the tracking, collection and filing of Medicaid applications for the Disabled Children's program

Local Account and General Ledger Reconciliation

Alabama FACTS our recent SACWIS implementation has the ability to interface with the general ledger. This interface allows the system to reconcile local account spending and general ledger spending.

In the AL FACTS project, although AL FACTS generates all of the payment records for services delivered to children and families by providers, it does not generate the check. This task is generally performed within the State general ledger system, in conjunction with the State treasurer's office in order to support a degree of cash flow management on a statewide level.

The Delaware FACTS II has the capability of interfacing with different general ledger packages in a bi-directional format as described below:

- Payment information is transmitted to the general ledger

- Error information is transmitted from the general ledger if the payment fails on any edits

- Check information is transmitted from the general ledger once the check has been cut

In an effort to stay compliant with Delaware's needs, Deloitte works with the Delaware FACTS II team to determine the following requirements are implemented with accuracy:

- Ability to provide a cost allocation process (federal program eligibility, cost allocation, and Federal Financial Participation)

- Ability to allow for reconciliation of service month and payment month needed to perform cost projections based on service authorization by service month as well as service authorization by payment month

Grants Management

Underpinning all of the financial functionality that we have discussed in the earlier sections is the Delaware FACTS II Fiscal Administration functionality. This functionality can act as an input to other areas of financial functionality (such as rate setting), or it can act as the final link in the chain of financial functionality (such as cost allocation). In either case, Fiscal Administration functionality is where your financial operations personnel define how the Delaware FACTS II financial functionality operates and where they reap the benefits of those operations through tighter fiscal control, improved federal claiming and expanded options for analysis of expenditures.

The population of services providers for a child welfare agency typically falls into two categories: those who deal with the agency through a formal contract vehicle and those who do not. This last group of providers generally comprises foster parents, adoptive parents and guardians - they receive a fixed monthly amount for the care and supervision of children in their home. The rates paid to these providers are set on a county or statewide basis; in contrast with contracted providers whose rate is set on a provider by provider basis as a result of contract negotiation.

We discuss the setting of rates for contracted providers within our dedicated Provider section. Here we describe rate setting for the non-contracted provider community. The associated figure shows the Delaware FACTS II rate screen.

DE_SACWIS-609

Figure 4.2.5-11. Service Rate.

Using this functionality, it is possible to set rates on a service by service basis in a highly flexible manner. For example:

- If you wish to define multiple categories of foster care depending upon the circumstances of the child, or the intensity of care required, the Delaware FACTS II can handle different rates for each of those intensity levels.

- If you wish to increase for a service one the child reaches a certain age, then this is possible within Delaware FACTS II. Furthermore, our Accounts Payable functionality automatically switches rates on a child's birthday.

The Delaware FACTS II maintains a history of all rates ever paid for a given service. This is important when calculating adjusting payments, so that the provider is paid the prevailing rate at the time of service delivery, not the rate as it stands today. If rate setting is a task performed at the front end of financial processing then our other Fiscal Administration functionality, cost allocation, is performed at the end. In order to gain the increased revenue made possible by our Eligibility functionality, your agency needs to make a claim. The Delaware FACTS II is the only system that incorporates automated cost allocation functionality. Our system automatically attributes funding source(s) to each and every payment generated by the system. Furthermore, the funding sources that can be used and the manner in which they are used are entirely configurable by your revenue maximization personnel. For example, in the District of Columbia, costs are generally allocated among the following funding sources:

- Local Funds

- Title IV-E Foster Care

- Title IV-E Adoption

- SSI

- Title IV-D

- Title IV-B

- Social Services Block Grant (SSBG)

- TCM

However, you are free to edit this list of funding sources as you wish and cap the usage of each of them as you wish. This functionality is shown in the figure below.
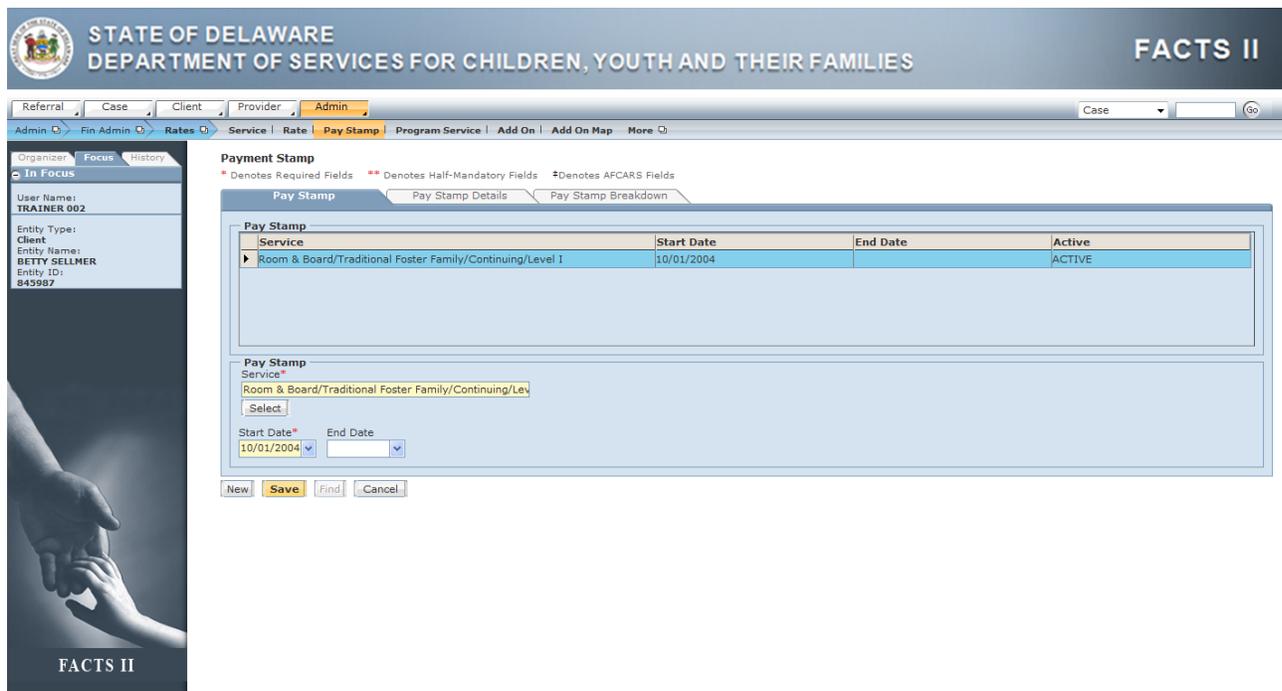
DE_SACWIS-610

Figure 4.2.5-12. Payment Stamp.

When the Delaware FACTS II cost allocation functionality considers an individual payment it takes account of the following information:

- The service for which payment was made

- The cost allocation rules that you have defined for that service

- For capped funding sources, the amount of money available to be allocated

- For eligibility based funding sources, the eligibility of the child

- Where appropriate, the license status of the provider

The results of cost allocation for a single payment can be seen in the figure below. In this example, the payment was funded entirely from the Social Service Block Grant.
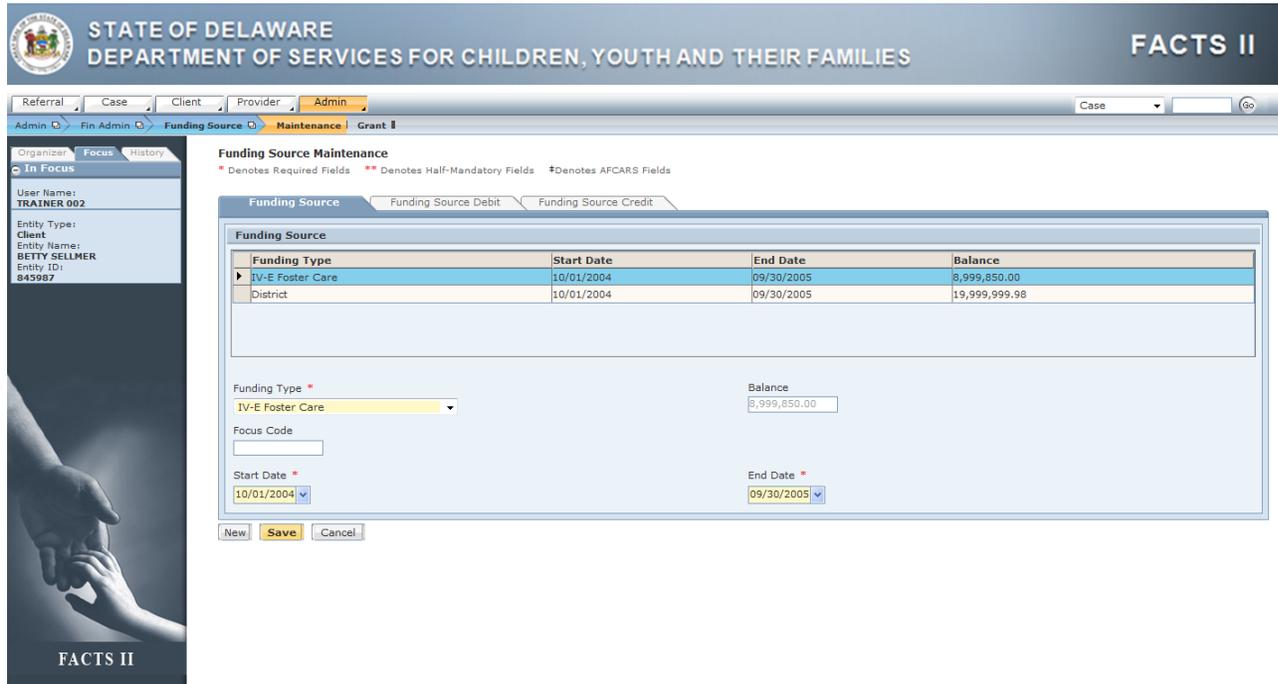
DE_SACWIS-611

Figure 4.2.5-13. Funding Source.

This screen shows how a single payment for foster care was funded through SSI, Title IV-E and local funds. In conjunction with our Accounts Payable functionality, you are now able to analyze the cost of providing services on a child by child basis and the funding options used to pay for those services on a child by child basis. This information is invaluable for budget and procurement staff as they look to procure the most effective and cost-effective portfolio of services for your agency.

It is important to note that it is possible to manually override the automatic cost allocation for any payment. Examples of when this might be required are as follows:

The entry of newly discovered information results in a re-evaluation of a child's Title IV-E status. The cost allocation can be amended to reflect a different set of funding sources based on that new eligibility information.

The entry of revised service delivery dates that result in an account receivable.
The Delaware FACTS II automatically recalculates the existing cost allocation so that it is based only on the revised cost of service delivery.

To conclude our discussion of Eligibility functionality within Delaware FACTS II, we wish to underline two areas in which Delaware FACTS II can make a real difference:

- **It can help you better manage the funds that you have.** The expense analyses that can be performed with our comprehensive integration of service payments, child eligibility and cost allocation are unmatched in the field.

- **It can help you gather more funds from Title IV-E.** Every percentage point improvement in the Title IV-E penetration rate is likely to equate to hundreds of thousands, if not millions of dollars of additional funds for child welfare.

Random Moment Sampling (RMS) Time Study

RMS as we understand it is a time study method that is approved by Medicaid to enable organizations to determine what percentage of time their employees spend on Medicaid reimbursable activities through a random questionnaire.

A new module is created to house the RMS process. This module is a means to generate, document, and record RMS applications. The RMS module allows workers to generate an application and use basic data entry skills to enter all relevant information.