



STATE OF MICHIGAN

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# Adoption Assistance Policy Manuals

## PROGRAM OVERVIEW

The State of Michigan administers three adoption subsidy programs:

- Adoption Support Subsidy - Eligibility details for this program are defined in federal law (42 USC 673), Michigan law (MCL 400.115f-m.), and Department of Human Services (DHS) policy AAM 200. Funding for this program is through title IV-E and state funds.
- Nonrecurring Adoption Expenses Reimbursement - Eligibility details for this program are defined in federal law (42 USC 673), Michigan law (MCL 400.115f-m.) and DHS policy AAM 300 and 310. Funding for this program is through title IV-E funds.
- Adoption Medical Subsidy - Eligibility details for this program are defined in Michigan law (MCL 400.115f -m.) and DHS policy AAM 400. Funding for this program is through state funds.

### Purpose

The purpose of subsidy programs is to provide financial support to families who adopt children from foster care through the public child welfare system. These are children who otherwise would grow up in state foster care systems if a suitable adoptive parent could not be found.

Based on each individual child's situation and needs, one or more of the adoption subsidy benefits may be available to support his/her adoption. Some children do not qualify for any adoption subsidy program based on their individual circumstances.

Eligibility for adoption subsidy programs is available without respect to the income of the adoptive parent(s).

### Adoption Support Subsidy

The **adoption support subsidy** provides a monthly financial assistance benefit to the parent(s) of an eligible adopted child and is intended to assist with the payment of expenses of caring for the child; it is not intended to meet all of the costs of raising the child. Eligibility must be determined and a negotiated adoption assistance

agreement must be signed prior to the final order of adoption. After adoptive placement, adoptive parents assume financial, decision-making responsibility, and authority for the child.

### **Non-recurring Adoption Expenses Reimbursement**

The adoption subsidy program may reimburse up to \$2,000 of **non-recurring expenses** related specifically to the adoption. Eligibility for reimbursement of allowable expenses is determined prior to the final order of adoption and an adoption assistance agreement must be signed prior to the final order of adoption.

### **Adoption Medical Subsidy**

The **adoption medical subsidy** is a reimbursement program that assists in paying for medical or treatment costs for children adopted from the public child welfare system who have an identified physical, mental or emotional condition which existed, or the cause of which existed, before the adoption petition was filed. Routine expenses for typical childhood illnesses and over-the-counter medical supplies are not covered. Eligibility may be determined before and/or after the adoption but must be made prior to the child's 18th birthday. This subsidy is payment of last resort after all other medical coverage options are exhausted.

### **Program Administration**

The DHS Adoption Subsidy Office in central office administers these programs. The department makes decisions regarding eligibility for all Michigan adoption subsidy programs and reimbursements.

### **Agency Responsibilities**

For children in the public child welfare system, the placement agency foster care provider (PAFC), the private contracted adoption agency, DHS or the Department of Community Health (DCH) unit that has responsibility for the care and supervision of the child is responsible for:

- Informing the prospective adoptive parent(s) about Michigan's adoption subsidy programs
- Providing the prospective adoptive parent(s) with the DHS Publication 538, Michigan's Adoption Subsidy Program.
- Discussing the application process with the prospective adoptive parent(s).
- Submitting the application for adoption support subsidy/non-recurring adoption expenses and medical subsidy on behalf of the child and prospective adoptive parent(s) who have signed the DHS-4081, Intent Statement, requesting a determination of eligibility.
- Informing the prospective adoptive parent(s) of the Adoption Subsidy Office's determination of the child's eligibility/ineligibility for the subsidy programs.
- Negotiating an appropriate adoption support subsidy rate if the child has been determined eligible for adoption support subsidy.
- Handling subsidy applications, agreements and claims within designated time frames.

### **Notification of Subsidy Benefits**

Once a child is certified eligible for adoption support subsidy, nonrecurring adoption expenses and/or medical subsidy, the adoption worker must inform prospective adoptive parents of the availability of subsidy benefits for the child. The adoption worker will negotiate the rate on the agreement with the adoptive parent(s), not to exceed the amount entered on the agreement by the Adoption Subsidy Office.

### **International Adoptions**

Adoption subsidy programs are intended to support permanency for children with special needs adopted from foster care through the public child welfare system. As a result, the statutory requirements for eligibility reflect the needs of children in public child welfare systems and are difficult to apply to children who are adopted from abroad. Therefore, although statute does not categorically exclude these children from participation in adoption subsidy programs, it is

highly improbable that children who are adopted abroad by U.S. citizens, or are brought into the U.S. from another country for the purpose of adoption, will meet the eligibility criteria in federal and state law.

### **Non-Michigan Wards**

If another state has responsibility for placement and care of a ward, that state is responsible for determining the child's eligibility, entering into an adoption assistance agreement and paying any assistance or qualifying nonrecurring adoption expenses reimbursement, even if the child is placed in an adoptive home in another state.

Title IV-E prohibits the payment of title IV-E adoption assistance on behalf of an applicable child who is not a citizen or resident of the United States (U.S.) and was either adopted outside the U.S. or brought to the U.S. for the purpose of being adopted.

### **DHS Publication- 538**

State law requires DHS to publish and distribute a pamphlet on adoption subsidy programs. The DHS Pub-538, Michigan Adoption Subsidy Programs - Information for Prospective Adoptive Parents brochure, is available through the Forms and Mail Management (FMM) Unit of DHS. Publication 538 is also available online in the Adoption category from the DHS public web site: [www.michigan.gov/dhs-publications](http://www.michigan.gov/dhs-publications).

State law requires this pamphlet be provided to prospective adoptive parents of children who are under the care and supervision of DHS prior to their adoptive placement. However, if Michigan does not have responsibility for placement and care, or is otherwise unaware of the adoption of a potential special needs child, it is incumbent upon the adoptive family to request adoption subsidy on behalf of the child. It is not the responsibility of the state to seek out and inform individuals who are unknown to the department about the possibility of adoption subsidy for special needs children who are not under the supervision of the department. This policy is consistent with the intent and purpose of the statute to promote the adoption of special needs children who are in the public foster care system.

**Appeals**

The state is required to inform prospective adoptive parents in writing at the time of the application and at the time of any action affecting their claim, of the right to request an administrative hearing. The method of obtaining a hearing and the right to represent themselves or be represented by another person such as an attorney, relative, friend, or other spokesperson must be provided in the information.

**FEDERAL LAWS  
AND REGULATIONS****Public Law 96-272**

The Adoption Assistance and Child Welfare Act of 1980 [42 USC 620 & 670 et seq.] amends the Social Security Act and provides the federal legal base for placement services to children. The intent of this law is to strengthen permanency planning for children within each of the states. The law also provides federal funding for a portion of the costs of adoption subsidy payments for eligible children in the child welfare system.

**Public Law 104-193**

The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 limits eligibility for federal foster care and adoption assistance payments to children in families that would have been eligible for Aid To Families with Dependent Children (AFDC) based on the program rules in effect on July 16, 1996.

**Public Law 105-89**

The Adoption and Safe Families Act of 1997 amends titles IV-B and IV-E of the Social Security Act [42 U SC 620-635 and 670-679 et seq.]. The law establishes that safety, permanency and well being are the goals for children in the child welfare system. The Act includes:

- Requirements that states provide health care coverage for children with medical or rehabilitative needs receiving an adoption support subsidy not funded by title IV-E.
- Authorization of continued eligibility for title IV-E adoption subsidy payments when the adoption disrupts or the parents die and the child is subsequently adopted.

**Public Law 103.432**

The Social Security amendments of 1994 amend Sections 470 - 473 of the Social Security Act [42 USC 670 et seq.] to link title IV-E financial eligibility to the AFDC program as it was in effect in the state on June 1, 1995.

**Public Law 109-171**

The Deficit Reduction Act of 2005 revised eligibility requirements for foster care maintenance payments and adoption assistance.

**Public Law 109-248**

The Adam Walsh Child Protection and Safety Act of 2006 requires national criminal background and child abuse registry checks before approval of any foster or adoptive placement.

**45 CFR 1355**

Part 1355 of the Code of Federal Regulations includes regulations for Foster Care Maintenance, Adoption Assistance and Child and Family Services. Title IV-E state plan requirements for adoption assistance, data collection and statewide automated child welfare information systems are addressed in the regulations.

**45 CFR 1356.40**

Part 1356.40 of the Code of Federal Regulations includes administrative requirements to implement section 473 of the Social Security Act for the adoption assistance program.

**45 CFR 1356.41**

Part 1356.41 of the Code of Federal Regulations includes regulations for the nonrecurring adoption expenses program.

**STATE LAWS****1939 PA 280, as  
amended [MCL  
400.115f et seq.]**

The Social Welfare Act, effective June 16, 1939, established the state Department of Social Services.

**1980 PA 292**

This amendment to the Social Welfare Act, effective November 18, 1980, established the adoption subsidy program, set eligibility requirements and payment requirements.



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**RECOUPMENT**

Recoupment for overpayments will be pursued retroactively to the date eligibility ceased to exist.

**Notice of Non-Support**

When the Adoption and Guardianship Assistance Office (AGAO) is made aware a child is no longer in the adoptive home and the adoptive parent is no longer providing any support for the child, the AGAO will send the DHS-1184, Initial Letter Regarding Support, to the adoptive parent.

The DHS-1184, Initial Letter Regarding Support, notifies the adoptive parent(s) the AGAO was informed the child is no longer in the care of or receiving support from the adoptive parent(s). The DHS-1184, , instructs the adoptive parent to notify the AGAO in writing as to how they have been providing support for the child and how they intend to provide support for the child in the future. The written response and supporting documentation are required within 14 calendar days from receipt of the DHS-1184, Initial Letter Regarding Support.

Failure by the adoptive parent(s) to provide the requested information will result in a DHS-4103, Adoption Assistance Case Closure/Overpayment Notice, being issued to the adoptive parent(s) and commencement of the recoupment process. Recoupment will be retroactive to the date reported on the DHS-1184, Initial Letter Regarding Support, that the child was no longer in the adoptive home and being supported by the adoptive parent(s).

The DHS-4103, Adoption Assistance Case Closure/Overpayment Notice, notifies the adoptive parent(s) of their right to an administrative hearing; see [AAM 700, Adoption Assistance Administrative Hearings](#), for more information.

**Note:** Recovery of adoption assistance overpayments is handled by the Michigan Department of Health and Human Services Reconciliation and Recoupment Section.

## Recoupment for ineligible/incorrect payment

If fraud is suspected, the AGAO must make a referral to the Office of Inspector General (OIG) for their investigation; see *Referral to Office of Inspector General* in this item. When fraud is not suspected, the AGAO will begin the recoupment process.

The recoupment process for an overpayment will be immediately initiated when the AGAO is made aware that eligibility no longer exists; see [AAM 620, Post Placement Adoption Subsidy Duration - All Programs](#).

The AGAO will initiate the recoupment process by issuing the DHS-4103, Adoption Assistance Case Closure/Overpayment Notice, and DHS-325-AA, Debtor Repayment Agreement, to the adoptive parent(s), and upload copies of both to the electronic case record. The DHS-4103, Adoption Assistance Case Closure/Overpayment Notice, must include:

- The date(s) the overpayment was issued.
- The total amount of overpayment.
- A brief description of the cause of over issuance.

The DHS-4103, Adoption Assistance Case Closure/Overpayment Notice, also notifies the adoptive parent(s) of their right to an administrative hearing; see [AAM 700, Adoption Assistance Administrative Hearings](#).

The DHS-325-AA, Debtor Repayment Agreement, informs the adoptive parent(s) of the options and requirements for repayment. The adoptive parent(s) must select a repayment option and follow the instructions on the form related to the selected repayment option.

**Note:** The MDHHS Collections and Reconciliation Section (CRS) processes repayment of adoption assistance overpayments.

## Reconciliation and Recoupment Overpayment

When the DHS-325-AA, Debtor Repayment Agreement, is received by the CRS, the recoupment information is entered into the recoupment database as a receivable.

If the adoptive parent(s) has questions regarding how the amount of overpayment was determined, the CRS will direct the adoptive parent(s) to the AGAO. The AGAO will review the information on the DHS-4103, Adoption Assistance Case Closure/Overpayment Notice, with the adoptive parent(s) and will address concerns and disputes.

After the AGAO addresses concerns or disputes with the adoptive parent(s), the AGAO may change the recoupment amount or overpayment time period. If a change is made, the AGAO will reflect this on a revised DHS-4103, Adoption Assistance Case Closure/Overpayment Notice, and send an updated DHS-325-AA, Debtor Repayment Agreement, to the adoptive parent(s). The AGAO may determine the initial recoupment amount and dates were correct and will notify the CRS to proceed with recoupment of funds.

If the DHS-4103, Adoption Assistance Case Closure/Overpayment Notice, is revised, a copy must be uploaded in the electronic case management system and copies must be sent to the CRS and the adoptive parent(s).

The CRS establishes the receivable into the adoption assistance overpayment database, monitors for compliance of repayments based on the signed DHS-325-AA, Debtor Repayment Agreement, and assesses for delinquency in payments. ***CRS receives notification of voluntary payments from the Cashiers Unit and adjusts adoptive parent(s) debtor accounts accordingly to maintain the proper debtor claim balance.***

**Note:** All phone calls or written correspondence received regarding payments will be addressed by the CRS unless it is a new concern or debate of the overpayment amount.

**Referral to  
Department of  
Attorney General**

In the event a debt due to an overpayment of adoption assistance becomes delinquent, the debt may be referred by CRS to the Department of Attorney General (DAG) for further collection efforts. The DAG will pursue collections on such claims through voluntary repayments, civil lawsuits, probation violations, and seizure/garnishment on civil and criminal restitution orders.

**Referral to Office  
of Inspector  
General's Referral  
(OIG)**

The AGAO must make a referral to A referral to the be made if fraud is suspected. The Adoption and Guardianship Assistance Office must make a referral to the Office of the Inspector General for investigation, using the DHS-834, Fraud Investigation Request if fraud is suspected.

**POLICY CONTACT**

Questions about this policy item may be directed to the [Child Welfare Policy Mailbox \(Child-Welfare-Policy@michigan.gov\)](mailto:Child-Welfare-Policy@michigan.gov).

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**UNDERPAYMENTS**

Retroactive payments are issued to correct underpayments caused by administrative error. An underpayment occurs when the family is paid less than the amount of adoption assistance they are eligible to receive. Examples of administrative errors are:

- Computer or machine errors.
- Misapplication of policy by MDHHS staff.
- Failure to process a change in a timely manner.

Underpayments are corrected retroactively for a period up to two years prior to the current month.

**POLICY CONTACT**

Questions about this policy item may be directed to the [Child Welfare Policy Mailbox \(Child-Welfare-Policy@michigan.gov\)](mailto:Child-Welfare-Policy@michigan.gov).

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**TAX IMPLICATIONS**

Families with specific tax questions, or requests for information about how adoption assistance affects their income tax, must be referred to the Internal Revenue Service or the Michigan Department of Treasury.

**POLICY CONTACT**

Questions about this policy item may be directed to the [Child Welfare Policy Mailbox \(Child-Welfare-Policy@michigan.gov\)](mailto:Child-Welfare-Policy@michigan.gov).

## OVERVIEW

The Michigan Department of Health and Human Services (MDHHS) provides title IV-E and state-funded adoption assistance for children who meet the special needs criteria. Title IV-E adoption assistance is based on federal title IV-E funding guidelines. State-funded adoption assistance is based on state guidelines and provides assistance for children who meet the special needs requirements who do not qualify for title IV-E funded adoption assistance. Eligibility for either of these programs results in issuance of a DHS-4113, Adoption Assistance Agreement.

For a child to be eligible for adoption assistance, eligibility must be determined by MDHHS, and the DHS-4113, Adoption Assistance Agreement, must be negotiated and signed by the prospective adoptive parent(s) **and** the MDHHS Adoption and Guardianship Assistance Office (AGAO) program manager or designee prior to the PCA-321, Order of Adoption.

## APPLICATION PROCESS

The AGAO makes all eligibility determinations. The child's assigned adoption case manager must submit the [DHS-1341, Adoption Assistance and/or Medical Subsidy Application](#), and required supporting documentation listed on the [DHS-1341](#), for a child when:

- An appropriate adoptive family has been identified.
- The prospective adoptive parent(s) are requesting an eligibility determination for adoption assistance.
- The child is legally free for adoption through termination of parental rights.

***Exception:*** American Indian/Alaska Native children may be adopted under tribal customary adoption code or equivalent tribal code without termination of parental rights. The tribe must provide documentation explaining why the child cannot or should not be returned to the home of the parents. Children adopted under tribal court jurisdiction may be eligible for adoption assistance.

**Note:** Supporting documentation must be current at the time a completed application is received by the AGAO to be accepted and not be subject to expiration during the review process. If a prospective adoptive family is working with an agency that does not

have care and supervision of the identified child, the child's, or the family's case manager may submit the application for assistance through a cooperative effort between the agencies.

## SPECIAL NEEDS CRITERIA FOR ADOPTION ASSISTANCE

A child's eligibility for title IV-E or state-funded adoption assistance is based in part on the state's determination that the child has met the special needs criteria.

### Federal Requirements

A determination of special needs is a three-part requirement established in section 473(c) of the Social Security Act ([42 USC 673\(c\)](#)). All three parts of the special needs provision must be met for the child to qualify for special needs. The determination of special needs must be made by MDHHS, and a negotiated adoption assistance agreement must be signed **prior** to the final order of adoption.

The three-parts of the federal special needs' determination are as follows:

1. The child cannot or should not be returned to the home of the parents.
2. A specific factor or condition exists which makes it reasonable to conclude the child cannot be adopted without providing title IV-E adoption assistance or title XIX medical assistance.
3. The state must make a reasonable, but unsuccessful, effort to place the child for adoption with appropriate adoptive parent(s) without providing adoption assistance, except in cases where it would be against the best interests of the child due to the existence of significant emotional ties with the prospective adoptive parent(s).

### Michigan Requirements

Michigan has specific requirements to meet both the federal requirements and the state's special needs eligibility criteria.



At the time of eligibility determination, the child must be a child with special needs. A child is considered a child with special needs if MDHHS has determined **all** the following:

1. The child is under age 18.
2. The parental rights to the child have been terminated under MCL 712A.19b due to abuse and/or neglect or as a release under MCL 710.29 while the child was involved in an abuse and/or neglect proceeding.

**Exception:** Termination of parental rights under one of the above statutes is not required when the child being adopted meets the special needs criteria and:

- Is eligible for Supplemental Security Income (SSI) based solely on medical or disability requirements. An application can be made for SSI eligible children being adopted privately outside of the public child welfare system, using the [MDHHS-5796, Adoption Assistance Application for Children Receiving SSI](#).
- Received title IV-E adoption assistance in a prior adoption and is being adopted under another private adoption statute of Michigan, another state, or tribal government. Complete the [MDHHS-5970, Adoption Assistance Application for Previously Adopted Children Who Were Eligible for Adoption Assistance](#), for children who fall under this category.
- Is being adopted under an applicable child abuse and/or neglect tribal code or law and is under the jurisdiction of a tribal court within Michigan. Complete the [MDHHS-5976, Tribal Adoption Assistance Application](#), for children that fall under this category.

**Note:** If an American Indian/Alaska Native child is/are adopted through tribal customary adoption code or equivalent tribal code without termination of parental rights, the tribe must provide documentation explaining why the child(ren) cannot or should not be returned to the home of the parents.

3. The child has **one** of the following **specific factors or conditions**:
  - Eligibility for SSI, based solely on the medical or disability requirements without regard to the SSI income requirements, as determined by the Social Security Administration.

- A MDHHS Determination of Care (DOC) level I or higher, including a medically fragile DOC or Serious Emotional Disturbance Waiver (SEDW) rate that meets the requirements in the applicable form below:
  - [DHS-470, Assessment for Determination of Care for Children in Foster Care \(DOC\) \(Age One Day Through Twelve Years\)](#).
  - [DHS-470A, Assessment for Determination of Care for Children in Foster Care \(DOC\) \(Age Thirteen Years and Over\)](#).
  - [DHS-1254, Serious Emotional Disturbance \(SED\) Waiver Payment Request and Approval](#).
  - [DHS-1945, Assessment for Determination of Care for Medically Fragile Children in Foster Care](#).
  - Supported by the current foster care case service plan.
  - Approved per MDHHS foster care policy; see [FOM 903-03, Payment for Foster Family/Relative Care](#).
  - AGAO may ask for additional documentation or a projected DOC rate for children receiving specialized rates in foster care.
- The child is a minimum of three years of age.
- The child is being adopted by a relative, as defined by [MCL 712A.13a](#). For adoption assistance eligibility, this would not include individuals who established a relationship with the child solely due to their placement in foster care and did not have an existing relationship prior to the child entering care or the child's parent's life if the child is an infant, unless previously determined to meet the relative definition by foster care at the time of the foster care placement.
- The child is being adopted by the parent(s) of their previously adopted sibling.
- The child is a member of a sibling group being adopted together.
- The child has an active guardianship assistance agreement through the MDHHS AGAO at the time the adoption assistance

application is submitted, using the [MDHHS-5587, Adoption Assistance Application for Juvenile Guardian](#).

**Note:** Placements made with an unrelated licensed foster parent cannot be changed to a relative placement while the child is in their home. A putative father is not considered a relative.

4. An effort to place the child without providing adoption assistance is demonstrated by the prospective adoptive parent(s) signatures in Section 1 of the [DHS-4081, Adoption Assistance Intent Statement](#).

## TITLE IV-E FUNDING ELIGIBILITY REQUIREMENTS

On Oct. 1, 2009, the Fostering Connections to Success and Increasing Adoptions Act of 2008 ([P.L. 110-351](#)) phased in revised title IV-E funding eligibility requirements for specific children with special needs over a nine-year period. A child with special needs to whom the revised eligibility requirements apply is referred to in the federal law as an **applicable child**.

On Feb. 9, 2018, the Family First Prevention Services Act (FFPSA) ([P.L. 115-123](#)) was enacted, and as a result, beginning Jan. 1, 2018, until June 30, 2024, the applicable child requirements apply **only** to children who will be age two or older by the end of the fiscal year (Sept. 30 of each year) their adoption agreement was entered; see *Appendix - Title IV-E Funding* in this item.

To qualify for adoption assistance funded by title IV-E, a child who meets the state's special needs requirements must also meet either the **applicable child** or **not applicable child** requirements.

The following citizenship, felony conviction, and agreement requirements apply to both applicable child and not applicable child title IV-E funded cases.

### Citizenship Status

The child must be a United States (U.S.) citizen or legal qualified alien; see [FOM 902, Funding Determination and Title IV-E Eligibility](#).

## Felony Convictions

Adult members of the adoptive household must not have a felony conviction for any of the crimes listed below. This must be documented for all adults living in the home by the CWL-1326, Licensing Record Clearance Request, [MDHHS 5612-A, Verification of Tribal Adoption Assistance Safety Requirements](#), for tribal families, or for out-of-state families, a copy of the home study that documents national fingerprinting was completed and the outcome.

- Child abuse/neglect.
- Spousal abuse.
- A crime against children, including child pornography.
- A crime involving violence, including rape, sexual assault, or homicide.
- Physical assault or battery in the last five years.
- A drug-related offense committed in the last 5 years.

## Title IV-E Applicable Child Requirements

In addition to meeting the citizenship and background check requirements, the child must meet one and two below:

1. An **applicable child** is a child with special needs who meets one or more of the following requirements immediately prior to finalization of the adoption:
  - Meets the applicable age requirements. The determination of applicable child is based on the child's age at the end of the fiscal year their adoption assistance agreement was entered; see *Appendix - Title IV-E Funding* in this item.
  - Has been in foster care during any 60 consecutive months prior to the finalization of the adoption.
  - Is a sibling to a child who meets one of the above applicable child requirements and will be adopted by the same adoptive family.

2. The **applicable child** must also meet **one** of the following title IV-E funding eligibility requirements:
  - The child, at the time of the initiation of the adoption proceedings, was in the care of a public or private licensed placement agency foster care (PAFC) provider or Indian tribal organization pursuant to one of the following:
    - An involuntary removal in accordance with and at the time of a judicial determination to the effect that it was contrary to the child(ren)'s welfare to remain in the home.
    - A voluntary placement agreement or voluntary relinquishment.
  - The child meets all medical or disability requirements of SSI.
  - The child was residing in a foster family home or child caring institution with their minor parent and the minor parent was removed from the home pursuant to either:
    - An involuntary removal in accordance with a judicial determination to the effect that it was contrary to the child's welfare to remain in the home.
    - A voluntary placement agreement or voluntary relinquishment.
  - The child was adopted and was/were determined eligible for title IV-E adoption assistance in a prior adoption and is available for adoption because the prior adoption has been dissolved or the child's adoptive parent(s) have died. The child must be re-determined to be a child with special needs by MDHHS to be eligible for adoption assistance in the subsequent adoption.

### Signed Agreement

A negotiated DHS-4113, Adoption Assistance Agreement, must be signed by the prospective adoptive parent(s) and the AGAO program manager or designee **prior** to the final order of adoption.

### International Adoptions

Title IV-E prohibits the payment of title IV-E adoption assistance on behalf of an **applicable child** who is not a citizen or resident of the

U.S. and was either adopted outside the U.S. or brought to the U.S. for the purposes of being adopted.

### Title IV-E Not Applicable Child Requirements

A child with special needs who is referred to as a **not applicable child** is one to whom the revised title IV-E funding requirements do not apply and to whom the eligibility requirements in place prior to Oct. 1, 2009, do apply.

In addition to meeting the citizenship and background check requirements the special needs child must meet one of the following four pathways to receive title IV-E funding ([42 USC 673](#)):

1. The special needs child must meet both of the following criteria to receive title IV-E funding (42 USC 673):
  - The child was eligible for the former Aid to Families with Dependent Children (AFDC) program at the time of removal from the specified relative home, based on the state's approved AFDC plan in effect July 16, 1996.
  - The child was removed from the home due to a judicial determination that found it was contrary to the child's welfare to remain in the home.
2. The child meets all the medical or disability requirements for SSI benefits.
3. The child is a child of a minor parent covered by title IV-E foster care payments. The minor parent is in foster care and receives a title IV-E foster care maintenance payment that covers both the minor parent and the child of the minor parent, and the child of the minor parent meets the special needs requirements. There is no requirement that the child must have been removed from home due to a voluntary placement agreement or because of a judicial determination.
4. The child was eligible for title IV-E adoption assistance in a previous adoption and the state has determined the child continues to meet the special needs criteria. The manner of removal from the adoptive home is not relevant for a subsequent adoption. Title IV-E eligibility does not need to be re-established in a subsequent adoption.

**State-Funded  
Adoption  
Assistance**

If the Michigan requirements for a child with special needs are met but the child does not meet the title IV-E funding eligibility requirements above, state-funded adoption assistance agreement is offered.

**Signed Agreement**

A negotiated DHS-4113, Adoption Assistance Agreement, must be signed by the prospective adoptive parent(s) and the AGAO program manager or designee **prior** to the final order of adoption.

**Not Requesting  
Adoption  
Assistance**

Prospective adoptive parent(s) may choose not to apply for adoption assistance. Prospective adoptive parent(s) must document their decision by completing section two of the [DHS-4081, Adoption Assistance Intent Statement](#).

The adoption case manager must submit a copy of the [DHS-4801](#) to the AGAO by uploading the document to the subsidy shell in the electronic case record. Once the document is uploaded, the case manager must notify the AGAO via the [MDHHS AGAO Apps and Openings mailbox](#) ([MDHHS-AGAO-Apps-and-Openings@michigan.gov](mailto:MDHHS-AGAO-Apps-and-Openings@michigan.gov)).

**Adoption  
Following a  
Juvenile  
Guardianship**

If a guardian has an active guardianship assistance agreement and wishes to pursue adoption of a child, and the child meets the state's special needs criteria for the adoption assistance program, the funding determination for adoption assistance will not consider the guardianship placement or the guardianship assistance payments that were made for the child.

If the child would have met the funding determination for title IV-E adoption assistance prior to the juvenile guardianship, the title IV-E funding determination will be carried forward to an adoption following a juvenile guardianship.

**Adoption  
Following a  
Dissolved  
International  
Adoption**

A child who is not a citizen or resident of the U.S. and was adopted outside of the U.S. or brought into the U.S. for the purpose of being adopted may be eligible for adoption assistance if the initial adoption of the child is dissolved and the child is then placed into foster care through the public child welfare system. The child's circumstances must meet the state's special needs eligibility requirements.

**Background  
Checks and  
Clearances**

Federal law ([P.L. 109-248](#)) requires background checks and central registry clearances for all adults in the adoptive household regardless of whether title IV-E or state-funded adoption assistance payments are to be made on behalf of the child; see [ADM 0520, Background Checks, Clearances, Criminal History Checks and Fingerprinting](#).

**Adoption by Birth  
or Legal Parents**

A child's biological or legal parents whose rights were previously terminated are not eligible for adoption assistance.

**AGREEMENT**

The DHS 4113, Adoption Assistance Agreement, is the negotiated written agreement between the prospective adoptive parent(s) and MDHHS and must contain:

- The negotiated amount of adoption assistance to be paid.
- Whether the child has been determined eligible for title IV-E or state-funded adoption assistance, nonrecurring adoption expenses reimbursement, and Medicaid.
- The signatures of the prospective adoptive parent(s) and AGAO program manager or designee, signed prior to the PCA 321, Order of Adoption.



Detailed information about the agreement is in [AAM 500, Adoption Assistance Agreements - All Programs](#).

### Effective Date

If the DHS-4113, Adoption Assistance Agreement, is signed **before** the adoptive placement date, the adoption assistance payment is effective the date of the PCA 320, Order Placing Child After Consent, is signed by the court.

If the DHS-4113, Adoption Assistance Agreement, is signed **after** the adoptive placement date, but prior to or on the date of the adoption finalization, the adoption assistance payment is effective the date the AGAO program manager or designee signs the agreement.

Although policy allows for determination of adoption assistance eligibility after the petition for adoption is filed, MDHHS and private contracted agency case managers are expected to have adoption assistance agreements signed by all parties before the court signs the PCA 320, Order Placing Child After Consent. This practice allows adoption assistance payments to begin at the earliest allowable date.

### State of Residency of Adoptive Parents

Michigan adoption assistance agreements remain in effect regardless of the state of residence of the adoptive parent(s).

### CHANGES IN FAMILY OR CHILD'S CIRCUMSTANCES

After an adoption assistance application has been submitted and approved or denied, the adoption case manager **must** submit a new [DHS-1341, Adoption Assistance and/or Medical Subsidy Application](#), if there is a change in the child's adoption plan or circumstances before adoption finalization. The child's eligibility for adoption assistance and nonrecurring adoption expenses programs must be redetermined.

When a change is made in the child's adoption plan or placement, the adoption case manager must notify the AGAO within 30-calendar days of the change. Adoption assistance eligibility is not transferable from one family to another.

The [DHS-4817, Adoption Assistance Program Change Request](#), is used to report all changes prior to adoption finalization.

### Changes Before Adoptive Placement

The adoption case manager **must** report changes in the adoption plan or foster care rate to the AGAO. A new determination of eligibility and maximum rate is required. If the child is found eligible, a new DHS-4113, Adoption Assistance Agreement, is issued and must be negotiated and signed by the prospective adoptive parent(s) and the AGAO program manager or designee prior to the final order of adoption. Examples of changes are:

- Divorce of the prospective adoptive parents.
- Marriage of the prospective adoptive parents.
- Death of a prospective adoptive parent.
- Change in plan for adoption by the prospective adoptive family.
- Increase or decrease in the foster care maintenance payment the child is receiving or would receive if placed in a licensed foster home.

#### ***Adoption Plan Changes***

Each change in the adoption plan requires a new complete [DHS-1341, Adoption Assistance and/or Medical Subsidy Application](#), with required documentation, and [DHS-4081, Adoption Assistance Intent Statement](#).

#### ***Rate Changes***

Each change in rate requires a [DHS-4817, Adoption Assistance Program Change Request](#), current DOC assessment, and supporting documentation if applicable.

### Changes After Adoptive Placement

If the placement of a child in an adoptive home ends prior to finalization of the adoption, the adoption case manager must notify the AGAO immediately by submitting the court order and a [DHS-4817, Adoption Assistance Program Change Request](#), explaining the reason for disruption.

If the child is subsequently matched with another adoptive family, the case manager must complete and upload a new [DHS-1341, Adoption Assistance and/or Medical Subsidy Application](#) including supporting documentation to a new subsidy shell in the electronic case record and email [MDHHS-AGAO-Apps-and-Openings@michigan.gov](mailto:MDHHS-AGAO-Apps-and-Openings@michigan.gov) and the assigned adoption assistance eligibility analyst; see *Application Process* in this item for additional information. If eligible, a new DHS-4113, Adoption Assistance Agreement, must be signed by the prospective adoptive parent(s) and AGAO program manager or designee prior to the final order of adoption.

### Changes After Adoption Finalization

#### ***Dissolved Adoption***

If the adoption of a child is ended through termination of parental rights, the adoption assistance ends. If the child is subsequently matched with another adoptive family, the case manager must complete and upload a new application including supporting documentation to a new subsidy shell in the electronic case record and email [MDHHS-AGAO-Apps-and-Openings@michigan.gov](mailto:MDHHS-AGAO-Apps-and-Openings@michigan.gov). The AGAO will make a new determination of special needs eligibility, and if eligible, a DHS-4113, Adoption Assistance Agreement, must be signed by the prospective adoptive parent(s) and AGAO program manager or designee prior to the final order of adoption. If the child continues to be a child with special needs, as determined by the state and was eligible for title IV-E funded assistance in the previous adoption, the title IV-E funding eligibility is carried forward to the subsequent adoption.

#### ***Death of Adoptive Parent(s)***

If a legal guardian is appointed after the death of the adoptive parent(s), continuation of adoption assistance with state funds may be available under [MCL 400.115j\(8\)](#); see [AAM 620, Post Placement Adoption Subsidy Duration - All Placements](#).

### SPECIFIC ERROR DETERMINATION REVIEW

The AGAO does not have the authority to approve requests for adoption assistance after the finalization of the adoption. These

requests may be approved as a result of the administrative hearing process; see [AAM 700, Adoption Assistance Administrative Hearings](#).

If the adoptive parent(s) believe an error occurred, a written request for a case review and supporting documentation must be submitted to the AGAO at the address below:

Michigan Department of Health and Human Services  
Adoption and Guardianship Assistance Office  
Hearings Coordinator  
Suite 612  
PO Box 30037  
Lansing, MI 48909

The AGAO will review the request and determine if more information is needed to determine the circumstances of the adoption.

The AGAO will review the child's circumstances and determine adoption assistance eligibility based on the Adoption Assistance Manual (AAM) eligibility policy in effect at the time the child's adoption was finalized.

After review of all documents, the AGAO will send a written response of the findings to the adoptive family. The response will include information about the right to request an administrative hearing; see [AAM 700, Adoption Assistance Administrative Hearings](#).

## LEGAL Federal

### ***Adam Walsh Child Protection and Safety Act of 2006 (P.L. 109-248)***

Requirement to complete background checks before approval of any foster or adoptive placement and to check national crime information databases and state child abuse registries.

### ***Family First Prevention Services Act of 2018 (P.L. 115-123)***

Beginning Jan. 1, 2018, until June 30, 2024, the applicable child requirements apply only to children who will be age two or older by the end of the fiscal year during which their adoption agreement was entered.

***Fostering Connections to Success and Increasing Adoptions  
Act of 2008 (P.L. 110-351)***

Revised title IV-E funding eligibility requirements for specific children with special needs over a nine-year period.

***Social Security Act, 42 USC 673***

Adoption and guardianship assistance program.

**State*****The Probate Code, 1939 PA 288, MCL 712A.13a(1)(j)***

"Relative" means an individual who is at least 18 years of age and related to the child within the fifth degree by blood, marriage, or adoption, including the spouse of an individual related to the child within the fifth degree, even after the marriage has ended by death or divorce, the parent who shares custody of a half-sibling, and the parent of a man whom the court has found probable cause to believe is the putative father if there is no man with legally established rights to the child.

A relative may also be an individual who is at least 18 years of age and not related to a child within the fifth degree by blood, marriage, or adoption but who has a strong positive emotional tie or role in the child's life or the child's parent's life if the child is an infant, as determined by the department, or if the child is an Indian child, as determined solely by the Indian child's tribe.

***The Social Welfare Act, 1939 PA 280, MCL 400.115g***

Support subsidy; payment; requirements; determination of amount; maximum amount; form to be signed by adoptive parent; presentment of first offer by adoptive parent; acceptance or counteroffer by department; completion of certification process.

***The Social Welfare Act, 1939 PA 280, MCL 400.115h***

Medical subsidy; payment; requirements; prohibited payment; determination of amount; third party payments; waiver of subsection (3); time of request; payment for treatment of mental or emotional condition.

***The Social Welfare Act, 1939 PA 280, MCL 400.115i***

Adoption assistance agreement; redetermined adoption assistance agreement; medical subsidy agreement; copy; modification or

discontinuance; legal status, rights, and responsibilities not affected; report.

***The Social Welfare Act, 1939 PA 280, MCL 400.115j***

Adoption assistance, medical subsidy, or redetermined adoption assistance; extension; continuation.

***The Social Welfare Act, 1939 PA 280, MCL 400.115k***

Appeal of determination; notice of rights of appeal.

***The Social Welfare Act, 1939 PA 280, MCL 400.115l***

Child with special needs; agreement for payment of nonrecurring adoption expenses; limitation; signature; filing claims; notice to potential claimants.

***The Social Welfare Act, 1939 PA 280, MCL 400.115m(1)***

The department shall prepare and distribute to adoption facilitators and other interested persons information describing the adoption process and the adoption assistance and medical subsidy programs established under sections 115f to 115s. The state department shall provide the information to each prospective adoptive parent before placing a child with that parent.

***The Social Welfare Act, 1939 PA 280, MCL 400.115r***

Interstate compact on adoption and medical assistance.

***The Social Welfare Act, 1939 PA 280, MCL 400.115s***

Interstate compacts; authorization; force and effect; contents.

## POLICY CONTACT

Direct questions about this policy item to the [Child Welfare Policy Mailbox](mailto:Child-Welfare-Policy@michigan.gov) ([Child-Welfare-Policy@michigan.gov](mailto:Child-Welfare-Policy@michigan.gov)).

**APPENDIX - TITLE IV-E FUNDING****TITLE IV-E FUNDING APPLICABLE CHILD ELIGIBILITY CHART**

473 of the Social Security Act (4225 c673)

**FEDERAL FISCAL YEAR: OCTOBER 1 - SEPTEMBER 30**

Highest Age Attained By the Child During the Fiscal Year		2010	2011	2012	2013	2014	2015	2016	2017 - 2023	2024*	2025
	18+										
	17										
	16										
	15										
	14										
	13										
	12										
	11										
	10										
	9										
	8										
	7										
	6										
	5										
	4										
	3										
	2										
	1										
	0										

Shaded area = Applicable Child Revised Eligibility Criteria Apply (473(a)(2)(A)(ii))

Unshaded Area = Not an Applicable Child-Preexisting Eligibility Criteria Apply (473(a)(2)(A)(i))

\*The applicable child requirements apply to a child of any age for whom an adoption assistance agreement is entered into under this section on or after July 1, 2024.

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## OVERVIEW

After a child is determined eligible by the Adoption and Guardianship Assistance Office (AGAO) for adoption assistance as a special needs child, an adoption assistance payment rate is determined; see [AAM 200, Adoption Assistance Eligibility and Funding Source Determination](#).

**Note:** Prospective adoptive parent(s) may waive their right to have an eligibility determination for adoption assistance completed by the AGAO by signing section two of the [DHS-4081, Adoption Assistance Intent Statement](#); see [AAM 100, Program Overview](#).

The adoption assistance payment is intended to assist with expenses of caring for the child, it is not intended to meet all the costs of raising the child. The adoption assistance rate is not based on the adoptive parent(s) income.

The negotiated adoption assistance rate takes into consideration the needs of the child and the circumstances of the prospective adoptive family. The following steps are used to establish the ongoing daily adoption assistance payment rate:

1. The adoption case manager will assist the prospective adoptive parent(s) with completing the [DHS-959, Adoption Assistance Rate Determination Worksheet](#). The prospective adoptive parent(s) will request a daily adoption assistance rate on the [DHS-959](#) based on the information provided on the form. **The requested rate cannot exceed the maximum foster care rate the child is receiving or would receive if placed in a licensed foster family home.**
2. In the electronic case management system, the adoption case manager will submit the [DHS-959](#) and supporting documentation along with the application packet to the AGAO.
3. The AGAO reviews the information contained in the completed [DHS-959](#), including the rate requested by the prospective adoptive parent(s), and may accept the requested rate or determine and offer a new rate based on the information provided. This maximum rate cannot be renegotiated after the adoption is finalized.
4. The AGAO will prepare and send to the adoption case manager a proposed DHS-4113, Adoption Assistance Agreement, which includes the offered adoption assistance rate and the maximum adoption assistance rate.



5. The adoption case manager must meet with the prospective adoptive parent(s) to discuss the offered rate and review the agreement.

**Note:** This discussion must occur within seven-calendar days of receipt of the DHS-4113.

6. The prospective adoptive parent(s) will either accept the offered daily rate and sign the DHS-4113 or reject the offered rate and submit a written request to the AGAO for a rate review. The prospective adoptive parent(s) must either sign the DHS-4113 or request a rate review within 14-calendar days of receiving the DHS-4113.

**Note:** Refusal to accept the offered adoption assistance rate will not result in adverse action by the department.

7. If a rate review is requested, the review will be conducted by the AGAO program manager or Michigan Department of Health and Human Services (MDHHS) designee. Within seven-calendar days of the review, the AGAO will either:
  - Send a new DHS-4113 with a change to the offered rate to the adoption case manager for the required signatures; or
  - Offer a rate review conference with the adoption case manager, prospective adoptive parent(s), and the AGAO program manager or MDHHS designee regarding the rate. The rate review conference will be held within 14-calendar days of the offer. A rate determination following a rate review conference will be made by the AGAO office within seven-calendar days following the conference.

**Note:** If the prospective adoptive parent(s) does not want a rate review and/or objects to the outcome of the conference, they may request an administrative hearing in writing; see [AAM 700, Adoption Assistance Administrative Hearings](#).

The DHS-4113 **must** be signed by the prospective adoptive parent(s) and the AGAO program manager or MDHHS designee **prior** to the final order of adoption.

## MAXIMUM RATE DETERMINATION

The AGAO determines a maximum daily rate for the child's adoption assistance. The rate is determined by one of the following:

- The foster care rate the child received in foster care at the time of rate determination.
- In cases where a child is eligible for but not receiving a foster care payment, the foster care payment the child would receive if placed in a licensed foster family home at the time of rate determination.

Both of the above determinations include the current or projected Determination of Care (DOC) assessment and/or approved rate for the child.

If there is a current or projected DOC rate, the adoption case manager must submit the supporting documentation, if applicable, to the AGAO with the [DHS-1341, Adoption Assistance and/or Medical Subsidy Application](#), for determination of the maximum adoption assistance daily rate. The documentation must support the maximum adoption assistance rate, as required by foster care policy; see [FOM 903-03, Payment for Foster Family/Relative Care](#).

**Note:** The maximum rate approved on the adoption assistance agreement cannot be renegotiated after adoption finalization unless there is a legislative mandate. If the prospective adoptive parent(s) agreed to a lesser amount than the maximum rate offered there is a process to renegotiate the offered rate after the adoption is finalized; see *Renegotiation*.

### Children Not Receiving Family Foster Care Payments

Children whose care is funded through the Family Independence Program (FIP), Supplemental Security Income (SSI), residential facility payments, or other financial support (for example, private agency funds, or Retirement, Survivors, Disability Insurance (RSDI)) must have a maximum adoption assistance rate set by determining the MDHHS foster care rate the child **would** receive if placed in a licensed family foster home.

The daily standard foster care rate is used as a base rate for the adoption assistance maximum daily rate. In order to request an adoption assistance rate higher than the daily standard foster care rate, the adoption case manager must submit an approved DOC assessment, including supporting documentation; see [FOM 903-03, Payment for Foster Family/Relative Care](#). MDHHS local office

approval of the DOC rate is required for an adoption assistance maximum rate above the standard foster care rate.

### Required Documentation of Child's Needs

Any applicable documentation must be attached to the application in order to establish the maximum adoption assistance daily rate for each child. All documentation must be current at the time the **complete** application is received in the AGAO in order for it to be accepted and not be subject to expiration during the review process. The AGAO may ask for additional documentation or a projected DOC rate for children receiving specialized rates in foster care.

#### ***No DOC Rate***

A copy of either one of the most recent, within the last 6 months, DOC assessments must be submitted:

- [DHS-470, Assessment for Determination of Care for Children in Foster Care \(DOC\) \(Age One Day Through Twelve Years\).](#)
- [DHS-470-A, Assessment for Determination of Care for Children in Foster Care \(Age Thirteen and Over\).](#)
- [DHS-1945, Assessment for Determination of Care for Medically Fragile Children in Foster Care.](#)

#### ***DOC I, II, III Rate***

Any foster care rate that exceeds the MDHHS current standard maintenance foster care payment is considered a DOC rate; see [FOM 903-03, Payment for Foster Family/Relative Care.](#) If a child has needs above a standard foster care maintenance rate, copies of the following foster care documents must be attached.

A DOC Level I, II, or III requires:

- A current copy of the following **MDHHS approved** DOC assessment, dated within six months:
  - [DHS-470, Assessment for Determination of Care for Children in Foster Care \(Age One Day- Twelve Years\).](#)

- [DHS-470-A, Assessment for Determination of Care for Children in Foster Care \(Age Thirteen Years and Over\)](#).
- [DHS-1945, Assessment for Determination of Care for Medically Fragile Children in Foster Care](#).
- A copy of the current Updated Service Plan (USP) or Permanent Ward Service Plan (PWSP), dated within three months of the received date of application.
- A copy of the Parent Agency Treatment Plan (PATP) & Service Agreement (for children receiving foster care payments), dated within three months of received date of application.

***DOC Level IV Rate***

A DOC Level IV requires all the above, plus:

- A copy of the supporting documents that were submitted to the designated MDHHS manager to justify the rate.
- A copy of the professional documentation that supports the DOC rate, if applicable.
- Specific information showing how the exceptional rate was calculated.

***Serious Emotional Disturbance Waiver***

The [DHS-1254, Serious Emotional Disturbance \(SED\) Waiver Payment Request and Approval](#) and supporting documentation is required.

**Agreed Upon  
Ongoing Rate**

The agreed upon ongoing adoption assistance rate is determined by an agreement between the prospective adoptive parent(s) and the department, taking into consideration the circumstances of the prospective adoptive parent(s) and the needs of the child being adopted.

The adoption case manager assists the prospective adoptive family in determining the child's needs and the family circumstances by completing the [DHS-959, Adoption Assistance Rate Determination Worksheet](#). The negotiation process may take into account any additional benefits the child may receive such as RSDI and

Veterans Administration (VA) benefits through birth parent eligibility, insurance settlements, or income from trusts. Negotiation must also take into account any additional expenses the family may have after adoption.

The ongoing adoption assistance rate may be set at any rate up to the maximum daily adoption assistance rate determined by the AGAO. During negotiation, the prospective adoptive parent(s) may agree to less than the maximum adoption assistance daily rate, depending on the family's personal circumstances. The adoptive parent(s) may request a renegotiation when extraordinary circumstances occur that will impact the child's needs or family circumstances over an extended period of time, using the [DHS-959-R, Adoption Assistance Rate Determination Renegotiation Worksheet](#).

The agreement includes both the maximum adoption assistance rate determined by the AGAO and the offered ongoing daily adoption assistance rate based on information provided on the [DHS-959](#). The agreement must be signed by the prospective adoptive parent(s) and the AGAO program manager or MDHHS designee **prior** to the final order of adoption.

### **Changes to Child's Needs or Family's Circumstances Before Adoption Finalization**

When a child's needs increase or decrease or there are changes to the family's circumstances after an adoption assistance agreement has been issued but prior to the final order of adoption, the adoption case manager must notify the AGAO.

The adoption case manager must complete and submit the [DHS-4817, Adoption Assistance Program Change Request](#), a current [DHS-959, Adoption Assistance Rate Determination Worksheet](#), a current applicable DOC form, or a current serious emotional disturbance waiver (SEDW) form, if applicable, to the AGAO. The AGAO will review the DOC assessment, the [DHS-959](#), and all supporting documentation. The adoption assistance daily rate will be reviewed and a new DHS-4113 will be issued with the adoption assistance maximum daily rate and an offered daily adoption assistance rate.

If the DOC rate has decreased, the maximum adoption assistance rate will decrease, if the DOC has increased, the maximum adoption assistance rate will increase. After the DHS-4113 is issued, the adoption case manager must review and discuss the offered ongoing daily adoption assistance rate with the prospective adoptive family and follow bullets five through seven under *Overview* in this policy item. The agreement must be signed by the prospective adoptive parent(s) and the AGAO program manager or MDHHS designee prior to the final order of adoption.

### Standard Maintenance Rate Increases after Adoptive Placement

Adoption assistance standard maintenance rates automatically increase when the child reaches their 13th birthday, which would affect the standard maintenance adoption assistance rate or when the legislature authorizes an increase. DOC rates are set prior to the final order of adoption and are not subject to increases after the adoption finalization.

If the child's age changes prior to the order placing the child and the child receives a DOC rate, then a [DHS-4817, Adoption Assistance Change Request](#) should be submitted to request a new agreement.

**Note:** Adoption assistance rates are subject to change based on legislative mandates.

### Renegotiation

The ongoing daily adoption assistance rate may not exceed the maximum daily adoption assistance rate determined prior to the final order of adoption.

If the prospective adoptive parent(s) agree to an ongoing adoption assistance rate that is less than the maximum adoption assistance daily rate indicated on the DHS-4113, they may request a renegotiation of the adoption assistance rate when extraordinary circumstances occur that will impact the child's needs or family circumstances over an extended period of time, using the [DHS-959-R, Adoption Assistance Rate Determination Renegotiation Worksheet](#).

If the prospective adoptive family's circumstances change and the family decides that the ongoing daily adoption assistance rate may

be reduced, they may submit a written request for a reduction of the ongoing daily adoption assistance rate, at any time.

Requests for renegotiation must be made in writing and sent to:

Michigan Department of Health and Human Services  
Adoption and Guardianship Assistance Office  
235 S. Grand Ave., Suite 612  
P.O. Box 30037  
Lansing, MI 48909

The effective date of a renegotiated adoption assistance rate is based on the date of approval from the AGAO, but no more than 30-calendar days after the date the completed and signed [DHS-959-R](#) and supporting documentation were received by the AGAO. The child is not eligible for an increased payment prior to the effective date. The renegotiated rate is activated when both the AGAO program manager or MDHHS designee and the prospective adoptive parent(s) have signed the new agreement.

**Note:** An increase in payment will be retroactive to the effective date. A decrease will be effective the first day of the month following receipt of the written request.

## OTHER GOVERNMENT BENEFITS

The adoptive parent(s) should apply to become the representative payee at the time the PCA 321, Order of Adoption, is received for children who are eligible for SSI, RSDI, or VA benefits. Adoptive parents should contact their local Social Security Administration (SSA) office for SSI and RSDI. Adoptive parent(s) may apply to become the representative payee for VA benefits by contacting the Veteran's Administration. The adoption case manager must assist the family in applying for these benefits by providing the claim number under which benefits are received.

A child may be eligible for both adoption assistance payments and SSI. In the case of children who have been eligible for SSI prior to adoption, the adoptive parent(s) must notify the SSA office of the adoption out-of-home care at the time the order placing child is issued and the amount of the ongoing monthly adoption assistance payment. The SSA will determine the child's continued eligibility for SSI after out-of-home care and the amount of the SSI payment.

If the adoptive parent(s) choose to continue payment through SSI and do not request adoption assistance before the final order of adoption, they will not be eligible for adoption assistance payments in the future. SSI payments may be reduced or ended if the parent's income increases in the future or if the child's medical condition changes. The adoption case manager must discuss this information with the adoptive parent(s) prior to adoption out-of-home care so they can make an informed decision regarding an application for adoption assistance.

**Note:** If the adoption parent(s) wishes to receive the SSI payments in lieu of the adoption assistance payments, they can enter a negotiated rate of zero on the adoption assistance agreement prior to adoption finalization or request the payments be temporarily closed at any time.

## POLICY CONTACT

Questions about this policy item may be directed to the [Child Welfare Policy Mailbox \(Child-Welfare-Policy@michigan.gov\)](mailto:Child-Welfare-Policy@michigan.gov).



## MEDICAID ELIGIBILITY

The Adoption and Guardianship Assistance Office (AGAO) determines whether or not a child qualifies for Medicaid through the adoption assistance program; see [Bridges Eligibility Manual \(BEM\) BEM 117, Department Wards, Title IV-E and Adoption Assistance Recipients](#).

Children who are eligible to receive title IV-E funded or non-title IV-E funded adoption assistance are eligible for Medicaid through the adoption assistance program.

Children who qualify for a *Post Placement-Extension* may be eligible for Medicaid past age 18; [see AAM 630, Post Placement-Extension](#).

Children who qualify for the Young Adult Adoption Assistance Extension program may be eligible for Medicaid past age 18; see [AAM 631, Medicaid Eligibility](#).

### Not Eligible for Medicaid through Adoption Assistance

If an adopted child is not eligible for adoption assistance through the adoption assistance program, the adoptive parent(s) may apply for Medicaid programs through the local Michigan Department of Health and Human Services (MDHHS) office.

### Eligibility During Adoption Supervision

Medicaid for a child who is not eligible for adoption assistance will continue through the foster care program during the time between the order placing the child for adoption and the final order of adoption; see [BEM 117, Department Wards, Title IV-E and Adoption Assistance Recipients](#). The local MDHHS office will maintain the Medicaid case. The adoptive parent's assets and income are not eligibility factors during the period of adoption supervision.

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**POLICY CONTACT**

Questions about this policy item may be directed to the [Child Welfare Policy Mailbox \(Child-Welfare-Policy@michigan.gov\)](mailto:Child-Welfare-Policy@michigan.gov).

## OVERVIEW

Nonrecurring Adoption Expenses (NRE) program eligibility is based on specific eligibility requirements. Michigan law (MCL 400.115f(p)) and the state's federally approved title IV-E plan provide the basis for this policy. The eligibility requirements include:

- A determination by the state that the child meets the definition of special needs.
- A DHS-4113, Adoption Assistance Agreement, or [DHS-1341, Adoption Assistance and/or Medical Subsidy Application](#), signed by the adoptive parent(s) and the Adoption and Guardianship Assistance Office (AGAO) program manager or Michigan Department of Health and Human Services (MDHHS) designee **prior** to the final order of adoption.

After eligibility is determined and the agreement is signed by the adoptive parent(s) and the adoption and guardianship assistance program manager or MDHHS designee, AGAO will determine allowable expenses claimed by the adoptive parent(s) or a third party that incurred expenses on behalf of the adoptive parent(s); see [AAM 310, Nonrecurring Adoption Expenses Claim/Reimbursement](#).

Nonrecurring adoption expenses claims must be submitted to the AGAO within two years after the date of the final order of adoption; see [AAM 310, Nonrecurring Adoption Expenses Claim/Reimbursement](#).

## MICHIGAN SPECIAL NEEDS REQUIREMENTS

Michigan has specific requirements to meet both the federal definition and the state's special needs eligibility criteria.

At the time of eligibility determination, the child must be a child with special needs. A child is considered a child with special needs if MDHHS has determined all of the following:

- The child is **under age 18**.
- The parental rights to the child have been terminated.
  - If an American Indian child can be adopted in accordance with tribal law without a termination of parental rights and

the tribe has documented the valid reason why the child cannot or should not be returned to the home of the parents, termination is not required.

- The child has **one** of the following **specific factors or conditions**:
  - Eligibility for Supplemental Security Income (SSI), based solely on the medical and disability requirements without regard to the SSI income requirements, as determined by the Social Security Administration.
  - A MDHHS foster care level II or above Determination of Care (DOC) rate that meets one of the following:
    - Documented by the DHS-470, Assessment for Determination of Care for Children in Foster Care (Age One Day-12 Years), 470A, Assessment for Determination of Care for Children in Foster Care (Age 13 and Older), or 1945, Assessment for Determination of Care for Medically Fragile Children in Foster Care.
    - DHS-1254, SED Waiver Payment Request and Approval.
    - Supported by the current foster care updated service plan (USP/PWSP).
    - Approved in accordance with MDHHS foster care policy.
  - The child is at minimum three years of age.
  - The child is being adopted by a relative as defined by MCL 712A.13a; see [ADG Glossary](#).
  - The child is being adopted by the parents of their previously adopted sibling.
  - The child is a member of a sibling group being adopted together and at least one sibling group member has been determined eligible for nonrecurring adoption expenses and/or adoption assistance as an individual.
- An effort to place the child without providing financial assistance is demonstrated by the prospective adoptive

parent(s) signature(s) in Section 1 of the DHS-4081, Adoption Assistance and Nonrecurring Adoption Expenses Intent Statement.

**Note:** Placements made with an unrelated licensed foster parent cannot be changed to a relative placement while the child is in their home. A putative father is not considered a relative.

#### TITLE IV-E FUNDING REQUIREMENTS FOR NONRECURRING EXPENSES

In addition to the child's special needs eligibility requirement, title IV-E funding requires the following criteria be met for NRE program eligibility:

- The child must be a United States (U.S.) citizen or qualified non-citizen; see [FOM 902, Funding Determinations and Title IV-E Eligibility](#).
- Background checks for all adults in the adoptive household must be completed; see [ADM 0520, Background Checks, Clearances, Criminal History Checks, and Fingerprinting](#).
- Adult members of the adoptive household must not have any felony convictions for any of the following crimes:
  - Child abuse/neglect.
  - Spousal abuse.
  - A crime against children (including child pornography).
  - A crime of violence involving rape, sexual assault, or homicide but not including other physical assault or battery.
  - Within the last five years only: physical assault or battery, or a drug-related offense.

Nonrecurring adoption expenses reimbursement cannot be paid unless the above title IV-E funding requirements are met.

**ADOPTION BY  
BIRTH/LEGAL  
PARENT(S)**

Nonrecurring adoption expenses must not be approved for adoption by the child's biological parent(s) or legal parent(s) whose rights were previously terminated.

**NON-MICHIGAN  
WARD**

If another state has responsibility for the placement and care of a ward, that state is responsible for determining the child's eligibility, entering into an adoption assistance agreement, and paying any qualifying nonrecurring adoption expenses reimbursement, even if the child is placed in an adoptive home in another state.

If the other state does not have responsibility for placement and care of a child from that state, it is the prospective adoptive parents' state of residence where the application should be made. In that event, the public child welfare agency in the adoptive parents' state of residence is responsible for determining the child's eligibility, entering into the adoption assistance agreement, and paying the nonrecurring adoption expenses.

Title IV-E prohibits the payment of title IV-E adoption assistance on behalf of an applicable child who is not a citizen or resident of the U.S. and was either adopted outside the U.S. or brought to the U.S. for the purpose of being adopted.

**APPLICATION  
PROCESS**

Applications for nonrecurring adoption expenses eligibility must be submitted to the AGAO and an agreement must be signed by the adoptive parent(s) and the AGAO program manager or MDHHS designee **prior** to the final order the adoption.

***NRE Request Also Requesting Adoption Assistance***

The adoption worker completes the [DHS-1341, Adoption Assistance and/or Medical Subsidy Application](#), and submits it to the AGAO. The prospective adoptive parent(s) must sign section one of the [DHS-4081, Adoption Assistance and Nonrecurring Adoption Expenses Intent Statement](#), in order to request NRE. Specific information provided for adoption support assistance

eligibility and title IV-E funding eligibility will also be used to determine NRE eligibility.

### ***NRE Request not Requesting Adoption Assistance***

The adoption and the adoptive parent(s) complete and submit the NRE sections of the [DHS-1341, Adoption Assistance and/or Medical Subsidy Application](#).

## **AGREEMENT**

A written agreement between the prospective adoptive parent(s) and MDHHS setting forth the nature of the payment and the claim process must be signed by both the prospective adoptive parent(s) and the adoption and guardianship assistance program manager or MDHHS designee prior to the final order of adoption. The signed original agreement will be given to the adoptive parent; see [AAM 500, Adoption Assistance Agreements- All Programs](#).

- For children with approved adoption assistance, the agreement is the [DHS-4113, Adoption Assistance Agreement](#).
- For children without approved adoption assistance, the agreement is the [DHS-1341, Adoption Assistance and/or Medical Subsidy Application](#).

## **POLICY CONTACT**

Questions about this policy item may be directed to the [Child Welfare Policy Mailbox \(Child-Welfare-Policy@michigan.gov\)](#).

## OVERVIEW

Nonrecurring adoption expenses (NRE) are reasonable and necessary fees and expenses directly related to the adoption process of a child who meets the criteria for special needs adoption assistance; see [AAM 200, Adoption Assistance Eligibility and Funding Source Determination](#).

Nonrecurring adoption expenses do not include costs or expenses incurred in violation of state or federal laws, such as fines or criminal court fees, or that have been reimbursed from other sources or funds.

The adoptive parent(s) or a third party, with the adoption worker's assistance, must claim expenses within two years of the child's final order of adoption date. If the expenses are not claimed within two years of the final order of adoption date, eligibility for reimbursement ends.

**Note:** A third party is a party who has incurred NRE expenses directly related to the adoption process of a child who meets the criteria for special needs adoption assistance on behalf of the adoptive family, with the family retaining ultimate responsibility for payment.

## CLAIM FORMS

### *Parent Request*

Nonrecurring adoption expenses must be claimed on the DHS-4815, Parent Claim for Reimbursement of Nonrecurring Adoption Expenses. More than one DHS-4815 may be submitted for a child within the two-year period following the final order of adoption date, providing the expenses being claimed were not previously submitted.

### *Third Party Request*

Nonrecurring adoption expenses must be claimed on the DHS-4816, Third Party Claim for Reimbursement of Nonrecurring Adoption Expenses. More than one DHS-4816 may be submitted for a child within the two-year period following the final order of adoption date, providing the expenses being claimed were not previously submitted.



**ADOPTION  
DISRUPTION/  
DISSOLUTION**

If a child's adoption disrupts during the supervision period, the adoptive parent(s) or third party remain eligible for reimbursement of nonrecurring adoption expenses for two years after the date of the order placing child after consent.

If a child's adoption dissolves after the final order of adoption, the adoptive parent(s) or third party remain eligible for reimbursement of nonrecurring adoption expenses for two years after the final order of adoption.

**SIBLING GROUP  
CLAIMS**

Claims for sibling groups must include a form for each child for court fees and birth certificate expenses. Other expenses (for example travel and adoptive family physicals) applying to the entire sibling group may be submitted on one of the siblings claims forms, providing total expenses related to the adoption process do not exceed the maximum allowable reimbursement of \$2,000 per child.

If the expenses exceed \$2,000 for one child, the expenses must be divided and reported on more than one of the siblings claims forms. Receipts or other appropriate documents must be attached to each sibling claim form.

**CHILDREN NOT  
PLACED FOR  
ADOPTION**

The claim/reimbursement process is not available to a family if the child who was certified eligible for the NRE program was never placed into adoption with a signed PCA 320, Order Placing Child After Consent, by the court.

**ADOPTIVE PARENT  
CLAIM/  
REIMBURSEMENT**

Claim procedures for the family who has incurred or will incur expenses are as follows:

- The adoptive parents complete, with the adoption worker's assistance, the DHS-4815. Attach a receipt or appropriate

document for each expense incurred as outlined (see Required Reimbursement Documentation) and submit to the Adoption and Guardianship Assistance Office (AGAO) within two years after the final order of adoption date or sooner.

- The AGAO determines the appropriate reimbursement amounts, authorizes the reimbursement, and initiates payment to the family after the court order placing the child for adoption has been signed and an assistance case is opened by the AGAO.

### THIRD PARTY CLAIM/ REIMBURSEMENT

Claim procedures for a third party that has incurred NRE expenses on behalf of a family who retains ultimate responsibility for payment, which are directly related to the adoption process of a child who meets the criteria for special needs adoption assistance are as follows:

- The adoptive parent(s) and third party complete, with the adoption worker's assistance, the DHS-4816. Attach a receipt or appropriate document for each expense incurred (as outlined in Required Reimbursement Documentation) and submit to the AGAO within two years after the final order of adoption date or sooner.

If more than one third party has incurred expenses on behalf of a family, a DHS-4816 must be submitted for each third party and one for each child in a sibling group.

- The AGAO determines the appropriate reimbursement amounts, authorizes the reimbursement, and initiates payment to the third party after the court order placing the child for adoption has been signed and an adoption assistance case is opened by the AGAO.

### UNALLOWABLE EXPENSES

Expenses which are **not** reimbursable include but are not limited to:

- Fees relating to prospective adoptive parent's birth certificate, marriage certificate, or divorce decree.

- Medical, psychological, clothing or camp expenses for the child being adopted.
- Entertainment mileage during visitations.
- Physical remodeling, renovation, and alterations of the adoptive parents' home or property to accommodate needs for the child within the family environment.
- Family counseling.
- Adoptive parent lost wages due to time off work.

**REQUIRED  
REIMBURSEMENT  
DOCUMENTATION*****Birth Certificate (One Per Child)***

Copy of check, money order, or receipt for birth certificate. Expenses relating to a prospective adoptive parent's birth certificate are not reimbursable.

***Court***

Court receipt including child's or adoptive family's name or copy of adoptive parent's check to court or copy of money order.

***Travel***

Mileage needs to have a detailed travel log including dates traveled, addresses traveled to and from, and purpose of travel. Documentation that provides clear calculation of mileage such as MapQuest, Yahoo Maps, Google Maps, etc. Mileage must be approved by the worker for the purpose of visitation with the child or other reasonable mileage required by the adoption agency. Entertainment/excursion mileage, for visitations for example, is not reimbursable. The AGAO will determine the reimbursable amount based on the state mileage rate in effect at the time of travel.

When requesting reimbursement of airfare there must be a receipt showing passenger's name, flight dates, points of travel, and cost of ticket. Airfare may be reimbursable if determined necessary by the adoption worker for the purpose of visitation or court hearing. Airfare would typically apply to interstate travel of a prospective adoptive parent.

**Note:** Prior to travel, adoption workers should contact the MDHHS Interstate Office regarding available transportation for a child over age five, or a child aged five or under and a transporter (such as prospective adoptive parent) when a child is required to travel between Michigan and another state.

Gas expenses are not specifically reimbursable. Mileage reimbursement includes coverage for gas expenses.

A receipt showing fee paid for bridge/toll fee is required. These expenses may be reimbursable if associated with mileage as described above.

### ***Lodging***

A receipt for lodging if the adoptive parent(s) travel is more than 50 miles from the family residence for the purpose of visiting the child. The AGAO will determine the reimbursable amount based on the state rate plus taxes in effect at the time of travel.

### ***Meals***

When traveling meals may be reimbursed. A receipt for each meal for immediate family members and the child to be adopted plus the date of travel, the meal (breakfast, lunch, or dinner) and the number of people for whom a meal was purchased is required. The maximum daily meal reimbursement rates for regular travel are indicated in the state rate schedule. Individual meal reimbursement will be based on the following schedule:

- Breakfast - When travel begins before 6 a.m. and extends beyond 8:30 a.m.
- Lunch - When travel begins before 11:30 a.m. and extends beyond 2 p.m.
- Dinner - When travel begins before 6:30 p.m. and extends beyond 8 p.m.

### ***Medical***

Reimbursable medical expenses are for adoption physicals only. Prescription costs are not reimbursable. A physician's invoice or an insurance explanation of benefits identifying the patient's name, date of services, description of service, and amount the family must pay is required.

***Psychological Evaluation***

Reimbursable expenses related to a psychological evaluation for a prospective adoptive parent when required by the adoption worker. A psychologist's invoice or insurance explanation of benefits identifying the adoptive parent's name, date of service, description of service, and the amount the family is responsible for and written correspondence from the adoption worker documenting agency's requirement for the evaluation is required.

***Adoptive Family Assessment***

Adoptive family assessments are completed without charge for adoption of state wards and permanent court wards in the state of Michigan. For non-state wards, a detailed invoice from the adoption agency describing the expense that was incurred by the adoptive family for an adoptive family assessment, and written correspondence from the adoption worker detailing the circumstances surrounding the necessity of the expense is required.

***Attorney Fees***

An invoice from the attorney including dates of service, description of services, amount billed for services, attorney's signature, and parent's signature verifying services. Reimbursable attorney fees are those incurred due to services to complete an adoption and/or to obtain a new birth certificate for the adopted child, if required.

***Adoption Supervision***

Adoption supervision is completed without charge for state wards and permanent court wards placed in Michigan. For non-state wards or Michigan wards adopted outside the state of Michigan, a detailed invoice from the adoption agency where an expense was incurred by the adoptive family for adoption supervision must be submitted.

**POLICY CONTACT**

Direct questions about this policy to the [Child Welfare Policy Mailbox](mailto:Child-Welfare-Policy@michigan.gov) ([Child-Welfare-Policy@michigan.gov](mailto:Child-Welfare-Policy@michigan.gov)).

## MEDICAL SUBSIDY ELIGIBILITY

### Certification Criteria

A child may be eligible for adoption medical subsidy when all the following are met:

- The child was in foster care through the Michigan public child welfare system at the time the petition for adoption was filed, or the child was in foster care through an applicable tribal law and all program requirements are met.
- Certification was requested and approved.
- The medical subsidy agreement was issued and finalized prior to the child's 18th birthday.

**Note:** The child's adoption must be finalized before their 18th birthday to be eligible for medical subsidy.

- The expenses to be covered by medical subsidy are necessary because of an identified physical, mental health, or emotional condition of the child which existed, or the cause of which existed, before the adoption petition was filed.

**Note:** Children who are Supplemental Security Income (SSI) eligible and who were not in foster care and/or have an adoption assistance agreement in place are not eligible to apply for the medical subsidy program.

### Application

The application procedure for medical subsidy depends on whether the child's adoption is pending or whether the child has been legally placed in adoption. Procedures are as follows:

#### ***For Children Whose Adoption is Pending***

The **child's adoption case manager** must submit a [DHS-1341, Adoption Assistance and/or Medical Subsidy Application](#), to the Adoption and Guardianship Assistance Office (AGAO).

***For Children with an Order Placing Child After Consent (PCA 320) or Order of Adoption (PCA 321)***

After the PCA 320 or PCA 321 has been signed by the court, the **adoptive parent(s)/guardian(s)** must submit a [DHS-1341-A, Parent Application for Adoption Medical Subsidy for An Adopted Child](#), to the AGAO.

The adoption case manager will assist the adoptive parent(s)/guardian(s) by:

- Providing the DHS-1341-A form.
- Assisting the adoptive parent(s)/guardian(s) with completing the DHS-1341-A.
- Informing the adoptive parent(s)/guardian(s) the effective date of the agreement, will be the date the DHS-1341-A is received by the AGAO, when the required documentation is received within 90 calendar days of the application receipt date.

**Note:** The application will be denied if documentation is not received by the AGAO within 90 calendar days of the application receipt date. In the event of a denial, the adoptive parent(s)/guardian(s) may reapply for adoption medical subsidy.

**Note:** The child's legal guardian(s) are eligible to apply on behalf of the deceased adoptive parent(s).

**Documentation Requirements**

Documentation requirements for medical subsidy certification include:

- All documentation (with the exception of medical birth records of prenatal drug exposure) must be signed and dated within 12 months of the application date by the appropriate diagnosing professional:
  - Physical conditions must be documented by a licensed physician or a licensed physician assistant.

**Note:** Prematurity and common viruses or colds are not certifiable conditions through the medical subsidy program.

- Emotional conditions such as anxiety disorder, adjustment disorder, oppositional defiant disorder, post-traumatic stress disorder, autism, or attachment disorder must be documented by a licensed psychologist, licensed psychiatrist, licensed clinical social worker (LCSW), licensed master social worker (LMSW), licensed physician, or licensed physician assistant. In cases where the diagnosing professional is not in Michigan, an equivalent state license is required.
- Psychiatric conditions such as bipolar disorder or schizophrenia must be documented by a licensed psychiatrist, a licensed psychologist, LCSW, or LMSW or licensed physician.
- Education/learning conditions such as mental impairment, learning disability, developmental delay/disorder, emotional impairment, or autism must be documented by a current Individual Education Program (IEP) or Individual Family Service Plan (IFSP) document or a comprehensive evaluation by a licensed psychologist or licensed psychiatrist.
- Speech and language conditions must be documented by a licensed speech and language pathologist, licensed psychologist, or licensed psychiatrist.
- Developmental delays/disorders must be documented by a licensed physician, licensed physician assistant, licensed psychologist, or licensed psychiatrist.
- Attention deficit disorder (ADD)/attention deficit hyperactivity disorder (ADHD) must be documented by either a licensed physician, licensed physician assistant, a fully licensed psychologist, or licensed psychiatrist. When the diagnosis is by a fully licensed psychologist, a comprehensive evaluation is required.
- Fetal alcohol spectrum disorder must be documented by a medical geneticist, a licensed physician, licensed neurologist, or a licensed psychiatrist.
- Hearing loss must be documented by an audiologist, licensed physician, or licensed physician assistant.



- Vision problems must be documented by an optometrist, ophthalmologist, licensed physician, or licensed physician assistant.
- Motor impairments and sensory problems must be documented by an occupational therapist, licensed physician, or licensed physician assistant.
- Prenatal drug exposure must be documented with a lab report or hospital record specific to the child **or** the parent that gave birth.
- Dental conditions must be documented by a dentist.

**Note:** Medical subsidy does not certify dental cavities.

- Orthodontic problems must be documented by an orthodontist or dentist.

**Note:** When extractions are needed as part of an orthodontic treatment plan, then orthodontic needs may be certified and utilized to assist with costs; see [AAM 640, Post Placement- Use of the Adoption/Guardianship Medical Subsidy Program](#).

The documentation **must** identify the condition and explain how the condition, or its cause, existed prior to the adoption.

The AGAO will determine if the documentation submitted for any of the above conditions is sufficient to meet certification criteria for medical subsidy and may request additional documentation.

Not all services are covered; see AAM 640.

## POLICY CONTACT

Direct questions about this policy to the [Child Welfare Policy Mailbox](#) ([Child-Welfare-Policy@michigan.gov](mailto:Child-Welfare-Policy@michigan.gov)).

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## OVERVIEW

The Redetermined Adoption Assistance program was created by law that has not yet been funded by the state budget office. The Redetermined Adoption Assistance program is subject to state legislative appropriations of sufficient funds. The amount of payment or continuation of payment is subject to adjustment by the Michigan Department of Health and Human Services (MDHHS) due to changes in the legislative appropriations of funds.

It is intended to allow a one-time eligibility determination per adoptee with an active adoption assistance agreement prior to January 1, 2015. Adoptive parent(s)/legal guardian(s) (if adoptive parent(s) is/are deceased) of any child whose adoption through Michigan's child welfare system is finalized on or after January 1, 2015, and who did not have an open and active adoption assistance agreement on or after January 1, 2015, is eligible to apply one time for an eligibility determination up to their child's 18th birthday.

A redetermination of care rate is a supplemental payment that may be justified when extraordinary care and/or expenses are required. Documentation must verify that the extraordinary care and/or expenses are related to a condition that existed, or the cause of which existed, prior to the adoption and that the child's current adoption assistance rate does not include payment related to this condition. The condition must be verified by the appropriate licensed professional that practices in the adoptive parent(s)/legal guardian(s) (if adoptive parent(s) is/are deceased) state of residence.

**Note:** An application for this program may only be made one time per child. If an application is denied, subsequent applications will not be accepted.

### Program Administration

The MDHHS Adoption and Guardianship Assistance Office (AGAO) administers this program and makes all decisions regarding eligibility for Michigan's adoption assistance programs and reimbursements.

Adoptive parent(s)/legal guardian(s) (if adoptive parent(s) is/are deceased) with an open and active adoption assistance agreement in which **payment began on or after January 1, 2015**, may submit

a one-time application for the Redetermined Adoption Assistance Program, if the adoptee has a condition that existed, or the cause of which existed prior to the adoption which requires extraordinary care and/or expenses and if the adoptee's current adoption assistance rate does not include payments related to this condition.

Adoptive parent(s)/legal guardian(s) (if adoptive parent(s) is/are deceased) with an open and active adoption assistance agreement in which **payment began prior to January 1, 2015**, may only submit a one-time application for the Redetermined Adoption Assistance Program between January 1, 2015, and March 31, 2015.

Adoptive parent(s) who receive a denial for adoption assistance **on or after January 1, 2015**, may submit a one-time application up to the child's 18th birthday for the Redetermined Adoption Assistance Program. The child must have been adopted from Michigan's child welfare system and have a condition that existed, or the cause of which existed prior to the adoption, which requires extraordinary care and/or expenses. The denial must notify the adoptive parent(s) of this program.

## PROGRAM ELIGIBILITY AND REQUIREMENTS

In order to be eligible for the Redetermined Adoption Assistance Program, documentation must show that extraordinary care and/or expenses are required of the adoptive parent(s)/legal guardian(s) (if adoptive parent(s) is/are deceased) that are measurably greater than what was required at the time of adoption. The extraordinary care and/or expenses must be related to a condition(s) that existed, or the cause of which existed, prior to the adoption and must be documented by the appropriate licensed professional. One or more of the following eligibility criteria must be met:

- The child has a physical disability.
- The child has diagnosed psychological or psychiatric needs.
- The child has severe acting out or antisocial behavior.
- The child requires a special diet.

**Note:** The child's special diet must require a more expensive than normal diet and extra time and effort by the adoptive parent.

The AGAO will determine if the documentation submitted is sufficient to meet eligibility criteria and may request additional documentation. If additional information is requested by the AGAO, the applicant must provide the information within 90 calendar days of the request, or the application will be denied.

### Program Limitations

The AGAO must take into account the determination of care (DOC) rate that was in effect when the child exited foster care to adoption, when determining eligibility for this program. If the child's current eligible maximum adoption assistance rate on an existing agreement includes a DOC rate payment that is equal to the requested redetermined adoption assistance rate, the child is not eligible for a redetermined adoption assistance agreement.

When the rate on the child's adoption assistance agreement includes a DOC rate, that amount will be deducted from the eligible redetermined adoption assistance rate.

The AGAO will take into consideration if the child is currently eligible for medical subsidy services related to the condition(s) when determining eligibility for the redetermined adoption assistance program. The AGAO may require an application be made for medical subsidy if the service may be covered through the medical subsidy program if the child were determined eligible.

**Note:** A child who is not eligible for Medicaid through adoption assistance program may be eligible through their local county MDHHS.

### VERIFICATION OF ELIGIBILITY

The adoptive parent(s)/legal guardian(s) (if adoptive parent(s) is/are deceased) must provide the following to the AGAO to apply for the redetermined adoption assistance program:

- DHS-1260, Parent Application for Redetermined Adoption Assistance Program.
- DHS-1261, Medical Needs form.
- One of the following redeterminations of care forms must be completed by the adoptive parent that they believe best describes their child's current circumstances:

- For children ages 0-12, the DHS-1262, Redetermined Adoption Assistance Determination of Care for Children 0-12.
- For children aged 13 and older, the DHS-1263, Redetermined Adoption Assistance Determination of Care for Children 13+.
- For medically fragile children, the DHS-1264, Redetermined Adoption Assistance Determination of Care for Medically Fragile Children Receiving Adoption Assistance.
- Supporting professional documentation which identifies the condition(s), explains how the condition(s) existed, or the cause of which existed prior to the adoption, and how the condition(s) result in extraordinary ongoing care and/or expenses by the adoptive parent(s)/legal guardian(s) (if adoptive parent(s) is/are deceased).

All documentation must be signed by the appropriate diagnosing licensed professional from the state or jurisdiction where the adoptive parent(s)/legal guardian(s) (if adoptive parent(s) is/are deceased) resides. Documentation must be related to one or more of the following conditions:

- Medical/physical conditions must be documented by a licensed physician or licensed physician assistant and must provide details about the extraordinary care and/or expenses that are required of the adoptive parent.
- Emotional conditions must be documented by a licensed psychologist, psychiatrist, licensed master's social worker, physician, or licensed physician assistant. The condition must be verified by the appropriate licensed professional that practices in the adoptive parent(s) state of residence. The documentation must provide details about the extraordinary care and/or expenses that are required of the adoptive parent(s).

**Note:** If the licensed professional is not practicing in Michigan, they must possess an equivalent state or government issued license.

- Psychiatric conditions must be documented by a licensed psychiatrist, licensed psychologist, or a licensed physician and must provide details about the extraordinary care

and/or expenses that are required of the adoptive parent(s).

- Attention deficit disorder/attention deficit hyperactivity disorder must be documented by either a licensed physician, licensed physician assistant, or by a fully licensed psychologist or psychiatrist. When the diagnosis is by a fully licensed psychologist, a comprehensive evaluation is required. Documentation must include details about the extraordinary care and/or expenses that are required of the adoptive parent(s).
- Education/learning conditions such as mental impairment, learning disability, developmental disability, emotional impairment, autism, or speech and language impairment must be documented by a current Individual Education Program (IEP), Individual Family Service Plan (IFSP) document, a comprehensive evaluation by a psychologist or psychiatrist, or speech and language pathologist (for speech and language diagnosis only) and must provide details about the extraordinary care and/or expenses that are required of the adoptive parent(s) must be provided.
- Education/learning conditions such as speech disorders, language disorders, social communication disorders, cognitive communication disorders, and swallowing disorders must be documented by a current Individual Education Program (IEP) or Individual Family Service Plan (IFSP) document or a comprehensive evaluation by a speech and language pathologist.
- Fetal alcohol syndrome must be documented by a medical geneticist, a licensed physician, a licensed neurologist, or a licensed psychiatrist and must provide details about the extraordinary care and/or expenses that are required of the adoptive parent(s).
- Hearing impairments must be documented by a licensed audiologist, licensed physician, or licensed physician assistant and must provide details about the extraordinary care and/or expenses that are required of the adoptive parent(s).
- Vision impairments must be documented by a licensed optometrist, ophthalmologist, licensed physician, or licensed physician assistant and must provide details

about the extraordinary care and/or expenses that are required of the adoptive parent(s).

- Motor impairments and sensory problems must be documented by a licensed physician, licensed physician assistant, or occupational therapist and must provide details about the extraordinary care and/or expenses that are required of the adoptive parent(s).

The AGAO will determine if the documentation submitted is sufficient to meet eligibility criteria and may request additional documentation. If additional information is requested by the AGAO, the applicant must provide the information within 90 calendar days of the request, or the application will be denied.

**Note:** If an application is denied, subsequent applications will not be accepted.

## REDETERMINED ADOPTION ASSISTANCE RATES

The following daily rates have been established for this program and are not subject to increases due to age:

Age or Special Need	Use Form	Level I	Level II	Level III	Level IV
AGE 0-12	DHS-1262	\$5	\$10	\$15	\$17
AGE 13-18	DHS-1263	\$6	\$11	\$16	\$18
Medically Fragile	DHS-1264	\$8	\$13	\$18	\$20

The AGAO must take into account the DOC rate that was in effect when the child exited foster care to adoption, when determining eligibility for this program. If the child's current eligible maximum adoption assistance rate on an existing agreement includes a DOC rate payment that is equal to the requested redetermined adoption assistance rate, the child is not eligible for a redetermined adoption assistance agreement.

When the rate on the child's adoption assistance agreement includes a DOC rate, that amount will be deducted from the eligible redetermined adoption assistance rate.

**REDETERMINED  
ADOPTION  
ASSISTANCE  
AGREEMENT**

The redetermined adoption assistance agreement is a written agreement between MDHHS and the adoptive parent(s)/legal guardian(s) (if adoptive parent(s) is/are deceased) for an adoptive child. This agreement enables an adoptive parent(s)/legal guardian(s) (if adoptive parent(s) is/are deceased) to receive a supplemental adoption assistance payment related to a condition that requires extraordinary care and/or expenses that are not included in the current adoption assistance rate and/or covered by medical subsidy.

In order for a child to be certified for the redetermined adoption assistance program, eligibility must be determined by the AGAO and the DHS-4113-RA, Redetermined Adoption Assistance Agreement, must be signed by the adoptive parent(s)/legal guardian(s) (if adoptive parent(s) is/are deceased) and the adoption and guardianship assistance program manager or MDHHS designee. The original agreement is returned to the adoptive parent(s) and the AGAO maintains a copy of the agreement in the adoption assistance record.

**Payment**

The redetermined adoption assistance payment is effective the date the adoption and guardianship assistance program manager or MDHHS designee signs the DHS-4113-RA or the date when funds are available, whichever is later.

Redetermined adoption assistance may continue during a period in which the adoptee is removed, due to delinquency from their home as a temporary court ward, provided no grounds for discontinuance of payment exists and if funds are available.

**AGREEMENT  
DURATION**

An adoptive parent must meet all of the responsibilities of their redetermined adoption assistance agreement to continue to receive assistance. Redetermined adoption assistance eligibility must exist until one of the following events occurs:

- The child becomes age 18.



- The child has not yet reached age 18 but is emancipated by any of the following:
  - Court order.
  - Marriage.
  - Entering the military service.
- The child dies.
- The adoption is terminated.
- The adoptive parent(s)/legal guardian(s) (if adoptive parent(s) is/are deceased) have requested in writing that the redetermined adoption assistance payment permanently stop.
- A determination of ineligibility is made by MDHHS. One or more of the following are reasons for a determination of ineligibility:
  - The adoptive parent dies unless a full legal guardian is appointed by the court and requests continuation of the redetermined adoption assistance through the state-funded program.
  - The adoptive parent(s)/legal guardian(s) (if adoptive parent(s) is/are deceased) are no longer legally responsible for the support of the child.
  - The adoptive parent(s)/legal guardian(s) (if adoptive parent(s) is/are deceased) are not providing support for the child. This includes when the child is no longer residing in the adoptive or legal guardian's home.
- The child no longer requires extraordinary care and/or expenses.

### Annual Report Reviews

MDHHS will conduct annual reviews using the DHS-829, Redetermined Adoption Assistance Annual Review, form to determine whether the adoptive parent(s) remain legally and financially responsible for the child. The form will be mailed to all adoptive parents who only receive redetermined adoption assistance.

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**FUNDING SOURCE**

The redetermined adoption assistance program is a state-funded program. Should the legislature fail to appropriate sufficient funding for the continuation of this program, payment would be discontinued.

**DENIAL AND  
APPEALS**

If the redetermined adoption assistance application is denied, the AGAO will provide the DHS-1265, Redetermined Adoption Assistance Denial Notice, to the adoptive parent(s)/legal guardian(s) (if adoptive parent(s) is/are deceased) that includes the reason(s) for the denial and information regarding the right to request an administrative hearing; see [AAM 700, Adoption Assistance Administrative Hearings](#).

If the child's current eligible maximum adoption assistance rate already includes a DOC rate, that is equal to the requested redetermined adoption assistance rate, then a denial for redetermined adoption assistance will be issued.

An application for this program is limited to one time per child. If the adoptive parent(s)/legal guardian(s) (if adoptive parent(s) is/are deceased) previously applied for the Redetermined Adoption Assistance Program for the child, then any new applications will be denied.

**REDETERMINE  
ADOPTION  
ASSISTANCE  
EXTENSION  
BEYOND AGE 18**

As of February 1, 2015, the extension programs for redetermined adoption assistance have been rescinded.

**RECOUPMENT**

Recoupment for overpayments will be pursued from the payee retroactively to the date that eligibility ceased to exist; see [AAM 140, Recoupment](#).

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**POLICY CONTACT**

Direct questions about this policy item to the [Child Welfare Policy Mailbox](mailto:Child-Welfare-Policy@michigan.gov) ([Child-Welfare-Policy@michigan.gov](mailto:Child-Welfare-Policy@michigan.gov)).

## INTRODUCTION

State law requires the Michigan Department of Health and Human Services (MDHHS) enter into the following agreements; DHS-4113, Adoption Assistance Agreement, DHS-4814, Nonrecurring Adoption Expenses Agreement, and DHS-3013, Adoption Medical Subsidy Agreement with adopting parent(s) as a condition of eligibility for:

- Adoption assistance.
- Nonrecurring adoption expenses.
- Adoption assistance-related Medicaid.
- Adoption medical subsidy.

Adoption assistance agreements include the agreement provisions and are legally binding arrangements between the department and the adoptive parent(s).

For a child to be eligible for adoption assistance, eligibility must be determined by the court and MDHHS Adoption and Guardianship Assistance Office (AGAO). The DHS-4113, Adoption Assistance Agreement, then must be negotiated and signed by the adoptive parent(s) and the MDHHS adoption and guardianship assistance program manager or designee prior to the final order of adoption being signed by the court.

## AGREEMENT PROVISIONS

### Adoption Assistance/ Nonrecurring Adoption Expenses

The following provisions are included in the DHHS-4113, Adoption Assistance Agreement :

- Type of assistance to be paid.
- Maximum adoption assistance rate.
- Amount of negotiated ongoing daily adoption assistance rate agreed to by the adoptive parent(s) and MDHHS.
- Any services and other assistance to be provided under the agreement.

- Provisions for the protection of the interests of the child in cases where the adoptive parent(s) and child move to another state while the agreement is in effect.
- Nature and amount of nonrecurring adoption expenses to be paid.
- Medicaid eligibility.
- Conditions for continued payment of adoption assistance.
- Legislative increases and decreases that affect all cases.
- Duration of the ongoing adoption assistance payment.

If the final order of adoption is signed by the court prior to completion of all signatures on the adoption assistance agreement, the child will be ineligible for adoption assistance funds.

**Note:** If a service specified in the agreement is not available in the state of residence, the state making the original adoption assistance payment remains financially responsible for providing the specified service.

### Adoption Medical Subsidy

The following provisions are included in adoption medical subsidy agreement:

- Covered medical conditions.
- Conditions for continued payment.
- Continuation of eligibility regardless of a change in state residency.
- Duration of the agreement.
- Reimbursement requirements.

**OBTAINING  
AGREEMENTS****Adoption  
Assistance  
Agreement**

The DHS-4113, Adoption Assistance Agreement, is issued by the AGAO. The adoption worker applies for this agreement by submitting a [DHS-1341, Adoption Assistance and/or Medical Subsidy Application](#), with required documentation and the [DHS-959, Adoption Assistance Rate Determination](#), worksheet to the AGAO.

Ongoing daily adoption assistance is paid in the amount negotiated between the adoptive parent(s) and MDHHS, up to the maximum daily amount entered by the AGAO on the DHS-4113. For details of the rate determination process; see [AAM 210, Adoption Assistance and Rate Determination](#).

If the adoption agreement has not been signed by the prospective adoptive parent(s) and returned to the AGAO within 90 calendar days of the issuance of the agreement, the adoption worker must submit a [DHS-4817, Adoption Assistance Program Change Request](#), with an updated [DHS-959, Adoption Assistance Rate Determination Worksheet](#), and determination of care (DOC) form, to request a new agreement.

An adoption assistance agreement must be signed by both the adoptive parent(s) and the adoption and guardianship program manager or MDHHS designee prior to the final order of adoption. If the adoption assistance agreement is signed prior to the date of the adoptive placement, adoption assistance payment is effective on the date of adoptive placement or the date of the PCA 320, Order Placing Child After Consent, whichever is later.

If the adoption assistance agreement is signed after the date of the PCA 320, Order Placing Child After Consent, but before the final order of adoption, adoption assistance payment is effective on the date the agreement is signed by the AGAO program manager or MDHHS designee.

If the final order of adoption is signed by the court prior to completion of all signatures on the adoption assistance agreement, the child will be ineligible for adoption assistance funds.

**Nonrecurring  
Adoption  
Expenses (NRE)  
Agreement**

The adoptive parent(s) and MDHHS enter into an agreement for reimbursement of nonrecurring adoption expenses as a result of submission and approval of either the [DHS-1341, Adoption Assistance and/or Medical Subsidy Application](#). For details of the nonrecurring adoption expenses program; see [AAM 310, Nonrecurring Adoption Expenses Claim/Reimbursement](#).

All nonrecurring adoption expenses agreements must be signed by both the adoptive parent(s) and the AGAO program manager or MDHHS designee prior to the final order of adoption. If the final order of adoption is signed by the court prior to completion of all signatures on the agreement, reimbursement is **not** available.

**Adoption Medical  
Subsidy  
Agreement**

The DHS-3013, Adoption Medical Subsidy Agreement, is issued by the AGAO after approval of the [DHS-1341, Adoption Assistance and/or Medical Subsidy Application](#), or [DHS-1341A, Parent's Request for Medical Subsidy for An Adopted Child](#). Prior to adoptive placement, the adoption worker applies for medical subsidy by submitting the [DHS-1341, Adoption Assistance and/or Medical Subsidy Application](#) to the AGAO. After adoptive placement, the adoptive parent(s) apply for medical subsidy by submitting the [DHS-1341A, Parent's Request for Medical Subsidy for An Adopted Child](#) to the AGAO.

The adoption medical subsidy agreement must be signed by the adoptive parent(s) and the AGAO program manager or MDHHS designee after the child's eligibility has been determined by the AGAO. If the adoption medical subsidy agreement is signed by all parties on or before the court's signature on the PCA-320, Order Placing Child After Consent, the effective date of the agreement will be the date of adoptive placement.

If the adoption medical subsidy agreement is signed after the court's signature on the PCA-320, Order Placing Child After Consent, the effective date of the agreement will be the date of the

adoptive placement or the date entered on the agreement by the AGAO.

If the medical subsidy agreement has not been signed by the prospective adoptive parent(s) and returned to the AGAO within 90 calendar days of the issuance of the agreement, the adoption worker must submit a [DHS-4817, Adoption Subsidy Program Change Request](#), to request a new agreement. For medical subsidy agreements issued after adoptive placement, if the agreement has not been signed by the adoptive parent(s) and returned to the AGAO within 90 calendar days of the issuance of the agreement, the adoptive parent(s) will have to reapply for medical subsidy.

Medical bills will not be processed for payment until the adoptive parent(s) and the AGAO manager or MDHHS designee have signed the agreement and [the DHS-1344, Adoption Assistance Case Opening Request](#), has been processed by the AGAO.

## AGREEMENT PROCEDURES

### Adoption Assistance/Non- Recurring Expenses and Pre- Adoption Medical Subsidy

The AGAO must complete the following tasks:

- Prepares the appropriate agreement(s) for the child. The AGAO determines the maximum adoption assistance daily rate. The rate must not exceed the foster care rate which was paid, or would have been paid if the child had been in a foster family home. The AGAO reviews the information contained in the completed [DHS-959, Adoption Assistance Rate Determination](#), including the rate requested by the prospective adoptive parent(s) and may either accept the requested rate or determine and offer a new rate based on the information provided.
- Sends the adoption assistance agreement to the adoption worker with the DHS-3012, Adoption Assistance Agreement - Parent and Adoption Worker Instructions.



- Sends the adoption medical subsidy agreement to the adoption worker with the DHS-3012-2, Adoption Medical Subsidy Agreement Transmittal.

The adoption worker:

- The adoption worker must meet with the prospective adoptive parent(s) to discuss the offered rate and review the adoption assistance agreement within seven calendar days; see [AAM 210, Adoption Assistance Rate Determination](#).
- Assists the parent(s) in completing the agreement(s) according to the instructions on the DHS-3012, Adoption Assistance Agreement - Parent and Adoption Worker Instructions.
- Returns the signed agreement(s) to the AGAO with a copy of the DHS-3012 attached.
- If the agreement(s) have not been signed by the prospective adoptive parent(s) within 90 calendar days of the issuance of the agreement(s), and returned to AGAO, the adoption worker must submit a [DHS-4817, Adoption Subsidy Program Change Request](#), with a DOC assessment and the [DHS-959, Adoption Assistance Rate Determination](#), to the AGAO and if eligible, a new agreement will be issued, according to [AAM 210, Adoption Assistance Rate Determination](#).

The AGAO:

- Reviews the signed agreement(s) for completeness and accuracy:
- The AGAO program manager or MDHHS designee signs the agreement and returns the original signed agreement(s) to the adoption worker and maintains a copy in the adoption assistance record.

The adoption worker:

- Gives the adoptive parent(s) their original signed agreement(s).
- Proceeds with the adoption process.

**Non-Recurring  
Expenses without  
Adoption  
Assistance**

The application process consists of:

- The [DHS-1341, Adoption Assistance and/or Medical Subsidy Application](#), must be completed. The must be determined that the child meets Michigan's special needs criteria by the AGAO prior to finalization of the adoption.
- After eligibility is approved, the AGAO enters into the agreement by signing the [DHS-1341, Adoption Assistance and/or Medical Subsidy Application](#).
- The AGAO returns the original signed [DHS-1341, Adoption Assistance and/or Medical Subsidy Application](#), to the adoption worker and maintains a copy in the adoption assistance record.
- The adoption worker gives the adoptive parent(s) their original signed [DHS-1341, Adoption Assistance and/or Medical Subsidy Application](#).

**Post-Adoption  
Medical Subsidy**

The AGAO completes the following for Post-Adoption Medical Subsidy:

- Prepares the DHS-3013, Adoption Medical Subsidy Agreement.
- Sends the agreement to the adoptive parent(s) with the DHS-3012-3, Adoption Medical Subsidy Agreement Transmittal.

The adoptive parent(s):

- Reviews the agreement, signs, and has a witness sign the agreement, following the instructions on the DHS-3012-3, Adoption Medical Subsidy Agreement Transmittal.
- Returns the signed agreement to the AGAO with a copy of the DHS-3012-3, Adoption Medical Subsidy Agreement Transmittal.

The AGAO Office:

- Reviews the agreement for completeness and accuracy:
- Obtains the authorized MDHHS designee signature on the agreement.
- Returns the original signed agreement to the adoptive parent(s) and maintains a copy in the adoption assistance record.

## ASSISTANCE AGREEMENT SIGNATURES

### Adoption Assistance/ Nonrecurring Adoption Expenses

An adoption assistance agreement must be signed by both the adoptive parent(s) and the AGAO program manager or MDHHS designee **prior** to the final order of adoption. If the adoption assistance agreement is signed **prior** to the date of the adoptive placement, adoption assistance payment is effective on the date of adoptive placement or the date of the PCA 320, Order Placing Child After Consent, whichever is later.

If the adoption assistance agreement is signed **after** the date of the PCA 320, Order Placing Child After Consent, but **before** the final order of adoption, adoption assistance payment is effective on the date the agreement is signed by the AGAO program manager or MDHHS designee.

If the final order of adoption is signed by the court prior to completion of all signatures on the adoption assistance agreement, the child will be ineligible for adoption assistance funds.

### Adoption Medical Subsidy

**An adoption medical subsidy agreement can be signed any time after the child is certified eligible, prior to the child's 18th birthday.** If the adoption medical subsidy agreement is signed **before** the date of the adoptive placement, the effective date of the

agreement will be the date of the PCA-320, Order Placing the Child After Consent.

If the adoption medical subsidy agreement is signed **after** the adoptive placement, the effective date of the agreement will be the date of the PCA-320, Order Placing the Child After Consent, or the date entered on the agreement by the AGAO, whichever is later.

If the application was made and the agreement issued prior to the order placing child the begin date will be the date of the PCA-320, Order Placing the Child After Consent.

**Note:** If the medical subsidy agreement has not been signed by the prospective adoptive parent(s) and returned to the AGAO within 90 calendar days of the issuance of the agreement, the adoption worker must submit a [DHS-4817, Adoption Subsidy Program Change Request](#), to request a new agreement. For medical subsidy agreements issued after adoptive placement, if the agreement has not been signed by the adoptive parent(s) and returned to the AGAO within 90 calendar days of the issuance of the agreement the adoptive parent will have to reapply for medical subsidy.

## POLICY CONTACT

Questions about this policy item may be directed to the [Child Welfare Policy Mailbox \(Child-Welfare-Policy@michigan.gov\)](mailto:Child-Welfare-Policy@michigan.gov).

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## CASE OPENING

### Adoption Assistance and Pre-Adoption Medical Subsidy

The adoption worker is responsible for informing the Adoption and Guardianship Assistance Office (AGAO) of the child's adoptive placement immediately after the PCA 320, Order Placing Child After Consent has been signed. Adoption assistance, nonrecurring adoption expenses, and/or adoption medical subsidy case opening is processed when all of the following have been completed:

- An adoption assistance agreement is signed by the adoptive parent(s) and the Michigan Department of Health and Human Services (MDHHS) designee.
- The adoption worker uploads the [DHS-1344, Adoption Subsidy Case Opening Request](#), signed by the adoptive family, to the electronic case management system's applicable assistance shell.

**Note:** The [DHS-1344, Adoption Subsidy Case Opening Request](#), is required to initiate the adoption assistance payment and to determine the appropriate funding source for the adoption assistance (title IV-E or non-title IV-E funds).

- The adoption worker must send an email notification to the AGAO at [MDHHS-AGAO-apps-and-openings@michigan.gov](mailto:MDHHS-AGAO-apps-and-openings@michigan.gov) to open the case once the above steps have been completed.

**Note:** The email should include the following information:

- Child's pre-adoptive name.
- Child's pre-adoptive and post adoptive person ID number from the electronic case management system.
- Child's adoptive name.
- The adoption worker has submitted a copy of the PCA 320, Order Placing Child After Consent or the PCA 321, Order of Adoption to the AGAO.

**Note:** In **all** adoption assistance cases and for adoption medical subsidy cases requested prior to adoption, the

adoption worker must send a copy of the PCA 321, Order of Adoption to the AGAO when the adoption is finalized.

**Nonrecurring  
Adoption Expense  
(NRE) Case  
Opening**

***NRE with Adoption Assistance or Adoption Medical Subsidy***

The AGAO opens the Nonrecurring Adoption Expenses (NRE) case at the same time as the adoption assistance and/or adoption medical subsidy case. The office initiates the reimbursement process for NRE when a claim is received from the family. For additional information regarding the NRE policy see; [AAM 310, Nonrecurring Adoption Expenses Claim/Reimbursement](#).

***NRE without Adoption Assistance or Adoption Medical Subsidy***

To open an NRE-only case, the adoption worker must submit the [DHS-1344, Adoption Subsidy Case Opening Request](#), and a copy of the PCA 320, Order Placing Child After Consent or PCA 321, Order of Adoption to the AGAO. The office initiates the reimbursement process when a claim is received from the adoptive family. For additional information regarding the NRE policy see; [AAM 310, Nonrecurring Adoption Expenses Claim/Reimbursement](#).

**POLICY CONTACT**

Questions about this policy item may be directed to the [Child Welfare Policy Mailbox \(Child-Welfare-Policy@michigan.gov\)](mailto:Child-Welfare-Policy@michigan.gov).

## OVERVIEW

Adoption assistance is a financial benefit paid to the adoptive parent(s)/legal guardian(s) of an eligible adopted child and is intended to assist with the expenses of caring for the child; it is not intended to meet all of the costs of raising the child. Eligibility must be determined, and a negotiated adoption assistance agreement must be signed prior to the final order of adoption. If the adoption assistance agreement is signed prior to the date of the adoptive placement, adoption assistance payment is effective on the date of adoptive placement or the date of the PCA 320, Order Placing Child After Consent, whichever is later. Adoption assistance payments must continue until eligibility ends.

## DEFINITIONS

### Legal Guardian

For the purpose of this policy, legal guardian is considered an individual who is a court-appointed guardian of an adopted child after the death of their adoptive parent(s) and who has an adoption assistance and/or medical subsidy guardian agreement in place.

## ADOPTION ASSISTANCE DURATION

Adoption assistance eligibility must exist until one of the following events occurs:

- The child becomes age 18.
- The child has not yet reached age 18 but is emancipated by any of the following:
  - Court order.
  - Marriage.
  - Entering the military service.
- The child dies.
- The adoption is terminated.
- The adoptive parent(s)/legal guardian(s) has requested in writing that the adoption assistance payment permanently stop.

- A determination of ineligibility is made by the Michigan Department of Health and Human Services (MDHHS) Adoption and Guardianship Assistance Office (AGAO). One or more of the following are reasons for a determination of ineligibility:

- The adoptive parent(s)/legal guardian(s) dies.

**Exception:** A full legal guardian is appointed by a court and a request is made for the adoption assistance to continue; see *Guardianship After Death of the Adoptive Parent* in this policy.

- The adoptive parent(s)/legal guardian(s) is no longer legally responsible for the support of the child.
- The adoptive parent(s)/legal guardian(s) is not providing any financial support for the child, including, but not limited to, payments for therapy, tuition, clothing, maintenance of special equipment in the home, or services for the child's special needs.

**Note:** If the AGAO determines the adoptive parent(s)/legal guardian(s) is providing some form of financial support to the child, the AGAO may continue the adoption assistance after renegotiation of the ongoing monthly adoption assistance payment and signatures by the adoptive parent(s)/legal guardian(s) and the AGAO program manager or MDHHS designee on the renegotiated agreement.

## ADOPTION MEDICAL SUBSIDY DURATION

Adoption medical subsidy is not title IV-E funded or subject to title IV-E regulations.

Adoption medical subsidy eligibility exists until one of the following events occurs:

- The child becomes age 18.
- The child has not yet reached age 18 but is emancipated by any of the following:
  - Court order.
  - Marriage.
  - Entering the military service.
- The child dies.



- The adoption is terminated.
- A determination of ineligibility is made by the MDHHS AGAO based on one or more of the following:
  - The certified condition(s) no longer exists.
  - The child is removed from the home as a temporary court ward due to delinquency or due to a child protective proceeding ([MCL 712A.2\(a\)](#) or [MCL.712A.2\(b\)](#)).

**Exception:** When a child is residing with their adoptive parent(s)/legal guardian(s) and under jurisdiction of the court, AGAO will not make a determination of ineligibility.

- The adoptive parent(s)/legal guardian(s) dies.

**Exception:** A full legal guardian is appointed by a court and a request is made for the adoption assistance to continue; see *Guardianship After Death of the Adoptive Parent* in this policy.

**Note:** If the family receives Family Support Subsidy for the child, Community Mental Health (CMH) will require the adoptive parent(s)/legal guardian(s) to close their medical subsidy case.

## REPORTING CHANGES

Adoptive parent(s)/legal guardian(s) must notify the AGAO in writing within two weeks of any changes outlined under adoption assistance or adoption medical subsidy duration sections of this policy. Recoupment procedures will be followed for overpayments.

## NOTICE OF AGREEMENT TERMINATION

Adoptive parent(s)/legal guardian(s) must be notified of the adoption assistance and/or medical subsidy agreement termination due to one or more of the events outlined in the adoption assistance and medical subsidy duration section of this policy. If a determination of ineligibility is made, the AGAO must issue a negative action notice. Recoupment of excess payments will be initiated, if necessary.

**CHILD MADE A  
TEMPORARY  
COURT WARD****Adoption  
Assistance**

Adoption assistance must continue in accordance with [MCL 400.115j](#) or another state or tribal government for children removed from their home due to delinquency as a temporary court ward based on proceedings under [MCL 712A.2](#) unless a determination of ineligibility is made.

**GUARDIANSHIP  
AFTER DEATH OF  
THE ADOPTIVE  
PARENT**

[MCL 400.115j\(8\)](#) states, "Upon the death of the adoptive parent, the department shall continue making adoption assistance payments or continue medical subsidy eligibility, or both, to the legal guardian of the adoptee if a legal guardian is appointed as provided in section 5202 or 5204 of the estates and protected individuals code, 1998 PA 386, MCL 700.5202 and 700.5204."

To continue the adoption assistance payments and/or medical subsidy, the legal guardian must contact the AGAO in writing to request an adoption assistance guardian agreement. A copy of the following documentation is required to establish the adoption assistance and/or medical subsidy:

- MDHHS-6155, Application to Continue Adoption Assistance After Death of Adoptive Parent(s).
- Adoptive parent(s) death certificate.
- Guardianship court order.
- Legal guardian(s) social security card or equivalent verification of the legal guardian(s) social security number.
- Legal guardian(s) driver's license or state-issued identification card.

**Note:** When there are two adoptive parents, both must be deceased for the legal guardian to be eligible for adoption assistance and/or medical subsidy.

**Note:** State-funded adoption assistance and/or medical subsidy payments will not be paid to the child's birth parent(s) or legal parent(s) whose rights were previously terminated and are later appointed as legal guardian(s).

Adoption assistance agreements with legal guardian(s) are state-funded and are eligible for Medicaid coverage for the child through the adoption assistance program.

The AGAO will send an agreement in the name of the legal guardian(s) for signature, if approved. When the signed agreement is returned to the AGAO, it will be signed by the AGAO program manager or MDHHS designee. A copy of the signed agreement will be mailed to the legal guardian(s). Payments may be made retroactive to the date the legal guardian(s) was appointed by the court up to six months and must not duplicate payments made to the deceased adoptive parent(s).

**Note:** Once an agreement is in place, the legal guardian(s) may apply to have new conditions added to the medical subsidy agreement on behalf of the child.

## SUBSEQUENT ADOPTIONS

Children who were previously adopted may be eligible for adoption assistance in a subsequent adoption when the child was eligible for title IV-E adoption assistance in a prior adoption and is being adopted under another private adoption statute of Michigan, another state, or tribal government.

The subsequent prospective adoptive parent(s) will apply for adoption assistance by completing the [MDHHS-5970, Adoption Assistance Application for Previously Adopted Children Who Were Eligible for Adoption Assistance](#). This form must be submitted to the AGAO prior to the final order of adoption; see [AAM 200, Adoption Assistance Eligibility and Funding Source Determination](#).

## POLICY CONTACT

Direct questions about this policy item to the [Child Welfare Policy Mailbox](#) ([Child-Welfare-Policy@michigan.gov](mailto:Child-Welfare-Policy@michigan.gov)).

## OVERVIEW

Adoption assistance and adoption medical subsidy agreements expire on the child's 18th birthday. The expiration of the agreement causes payments to end and related Medicaid to close at the end of the month of the child's 18th birthday. The Adoption and Guardianship Assistance Office (AGAO) sends an informational letter to the adoptive parent(s)/legal guardian(s). The letter explains that the adoption assistance and/or medical subsidy will end when the child turns 18 and includes the eligibility requirements for extensions. This policy is specific to children adopted prior to their 16th birthday; see [AAM 631, Extensions for Youth Adopted at Ages 16-17](#), for children adopted after age 16.

## DEFINITIONS

### Legal Guardian

For the purpose of this policy, legal guardian is considered an individual who is a court-appointed guardian of an adopted child after the death of their adoptive parent(s) and who has an adoption assistance and/or medical subsidy guardian agreement in place.

## TITLE IV-E-FUNDED ADOPTION ASSISTANCE EXTENSION ELIGIBILITY

A title IV-E-funded adoption assistance extension may be authorized until age 19 for children who were receiving title IV-E-funded adoption assistance prior to their 18th birthday if the Michigan Department of Health and Human Services (MDHHS) AGAO determines that the child has a mental, emotional, and/or physical disability that warrants continuation of adoption assistance under title IV-E. The mental, emotional, and/or physical disability is not required to be a certified condition listed on the child's medical subsidy agreement.

The AGAO will determine if the child has a disability that warrants the continuation of assistance based on a specific mental, emotional, and/or physical disability of such severity or kind that it would constitute a significant obstacle to the child's independence. Such conditions include, but are not limited to:

- Any physical handicap, by reason of a physical defect or deformity, whether congenital or acquired by accident, injury,

or disease, which makes a child totally or partially incapacitated. Examples are cerebral palsy, paraplegia, quadriplegia, blindness, deafness, or hydrocephalus.

- Any substantial disfigurement, such as the loss or deformity of facial features, torso, or extremities, for example, burn scars, or amputations.
- A diagnosed personality or behavioral problem, psychiatric disorder, serious intellectual incapacity, or brain damage that seriously affects the child's ability to relate to their peers and/or authority figures, including mental impairment or developmental disability, for example, schizophrenia, pervasive developmental disorder, traumatic brain injury, moderate-severe mental impairment, or emotional impairment.

To apply for a title IV-E-funded adoption assistance extension, the following documents must be submitted to the AGAO by the adoptive parent(s)/legal guardian(s):

- MDHHS-6160, Adoption Assistance and/or Medical Subsidy Extension Application.
- MDHHS-6162, Title IV-E Extension Verification.

If a child who previously qualified for title IV-E adoption assistance does not have a mental, emotional, and/or physical disability as described above, the child may be eligible for a state-funded extension; see *State-funded Adoption Assistance and/or Medical Subsidy Extension* in this policy.

**Note:** Medical subsidy extension eligibility has different requirements than title IV-E extensions. To determine eligibility for medical subsidy extensions; see *State-funded Adoption Assistance and/or Medical Subsidy Extension Eligibility* in this policy.

## STATE-FUNDED ADOPTION ASSISTANCE AND/OR MEDICAL SUBSIDY EXTENSION ELIGIBILITY

This section is used to determine eligibility for state-funded adoption assistance and/or medical subsidy extension. To be eligible for a state-funded adoption assistance extension, the child

must not be eligible for a title IV-E extension. A state-funded adoption assistance and/or medical subsidy extension may be authorized if the child meets all of the following eligibility criteria:

- The child has not reached age 19.
- The child has not completed high school, a General Equivalency Diploma (GED) program, or obtained a certificate of completion for students receiving special education services.
- The child is regularly attending high school, a GED program, or a program for children with disabilities on a full-time basis and is progressing toward achieving a high school diploma, GED, or certificate of completion per the educational requirements of the enrolled program.

**Note:** A child who is on a semester, summer, or other break but was enrolled in high school, a GED program, or a program for children with disabilities on a full-time basis during the previous semester and will be enrolled after the break is considered enrolled in school. Full-time means the child is regularly attending classes that are required to achieve a high school diploma, GED, or certificate of completion.

- The child is not receiving Supplemental Security Income (SSI).

To apply for state-funded adoption assistance and/or state-funded adoption medical subsidy extension, the following documents must be submitted to the AGAO by the adoptive parent(s)/legal guardian(s):

- MDHHS-6160, Adoption Assistance and/or Medical Subsidy Extension Application.
- MDHHS-6161, Student Enrollment Verification.

### ***Home Schooling***

Adoptive parent(s)/legal guardian(s) who are requesting an extension of the adoption assistance and/or medical subsidy for a child who is being educated at home must submit the following additional information to the AGAO with the extension application:

- A copy of the child's organized individual educational curriculum for the time period 9th grade through 12th grade.

- The individual education curriculum must include instruction in the subject areas of reading, spelling, mathematics, science, history, civics, literature, writing, and English grammar; see [www.michigan.gov/npshts](http://www.michigan.gov/npshts).

***Change in Graduation Date***

Adoptive parent(s)/legal guardian(s) are required to submit a new DHS-6161 if a child has not graduated by the date reported on the original DHS-6161. The new DHS-6161 is due 30-calendar days prior to the graduation date reported on the original DHS-6161 or as soon as it is known that the child will not graduate by the previously reported date.

***Temporary Assistance for Needy Families (TANF) Eligibility***

Using the application's information, the AGAO will determine if the extension will be funded through the Federal TANF Block Grant or state.

**MEDICAID  
ELIGIBILITY**

Children who are eligible for a title IV-E or state-funded adoption assistance extension are eligible for Medicaid.

**EXTENSION  
DOCUMENTATION  
TIMEFRAME  
REQUIREMENTS**

The adoptive parent(s)/legal guardian(s) may request an extension by providing the required documentation to the AGAO. The appropriate application(s) and documentation forms will be provided to the adoptive parent(s)/legal guardian(s) with the termination letter prior to the child's 18th birthday. The required documentation must be received by the AGAO no later than the last day of the next month following the child's 18th birthday. In all cases, an extension will not be granted if all required documentation is not received by the AGAO by the last day of the next month following the child's 18th birthday or 30-calendar days from the date of the DHS-900, Adoption Assistance Extension Missing Documentation Notice, whichever is later.

A complete application includes the application form and the applicable verification of eligibility form. If both documents are not submitted to the AGAO or if the documents are not thoroughly

completed, the application is considered incomplete. If an incomplete application is submitted to the AGAO, the AGAO must respond using the DHS-900 within 30-calendar days of receiving the incomplete application. The DHS-900 will clarify the documentation requirements and notify the adoptive parent(s)/legal guardian(s) of any missing application or verification information. The adoptive parent(s)/legal guardian(s) will have 30-calendar days from the date of the DHS-900, or until the last day of the next month following the child's 18th birthday, whichever is later, to provide the missing documentation and/or information.

## AGREEMENTS

Adoptive parents/legal guardian(s) are sent an adoption assistance and/or adoption medical subsidy extension agreement, which must be signed, witnessed, and returned to the AGAO within 90-calendar days of the agreement issuance date. Adoption assistance extension payments and adoption medical subsidy begin after the AGAO program manager or MDHHS designee signs the extension agreement(s) with an effective date of the first day of the month following the child's 18th birth month; see [AAM 500, Adoption Assistance Agreements - All Programs](#).

## TERMINATION OF EXTENSIONS

The title IV-E **or** state-funded adoption assistance extension agreement and/or the medical subsidy extension agreement shall terminate and will not be reinstated when one of the following occurs:

- The child reaches age 19.
- The child marries.
- The child enters the military service.
- The child dies.
- The adoption is terminated.
- The adoptive parent(s)/legal guardian(s) has requested in writing that the adoption assistance payment permanently stop.
- The child is receiving SSI by the Social Security Administration (SSA).



- A determination of ineligibility is made by the MDHHS AGAO. One or more of the following are reasons for a determination of ineligibility:
  - The adoptive parent(s)/legal guardian(s) dies.
  - The adoptive parent(s)/legal guardian(s) is no longer legally responsible for the support of the child.
  - The adoptive parent(s)/legal guardian(s) is not providing any financial support for the child, including, but not limited to, payments for therapy, tuition, clothing, maintenance of special equipment in the home, or services for the child's special needs.

**Note:** If the AGAO determines the adoptive parent(s)/legal guardian(s) is providing some form of financial support to the child, the AGAO may continue the adoption assistance after renegotiation of the ongoing monthly adoption assistance payment and signatures by the adoptive parent(s)/legal guardian(s) and the AGAO program manager or MDHHS designee on the renegotiated agreement.

***Additional Termination Criteria: State-funded***

In addition to the criteria above, a state-funded adoption assistance and/or adoption medical subsidy extension agreement shall terminate and will not be reinstated when one of the following occurs:

- The child is no longer regularly attending and working towards completion of a high school diploma, a GED program, or a program for children with disabilities on a regular, full-time basis per the requirements of the enrolled program.

**Note:** A child who is on a semester, summer, or other break but was enrolled in high school, a GED program, or a program for children with disabilities on a full-time basis during the previous semester and will be enrolled after the break is considered enrolled in school. Full-time means the child is regularly attending classes that are required to achieve a high school diploma, GED, or certificate of completion.

**Notification of  
Changes/Closure**

Adoptive parent(s)/legal guardian(s) must notify the AGAO in writing within two weeks of any of the above changes. Recoupment procedures will be followed for overpayments.

If eligibility ceases to exist prior to expiration of the extension agreement, the AGAO must issue the DHHS-4103, Adoption Assistance Case Closure/Overpayment Notice.

**POLICY CONTACT**

Direct questions about this policy item to the [Child Welfare Policy Mailbox](mailto:Child-Welfare-Policy@michigan.gov) ([Child-Welfare-Policy@michigan.gov](mailto:Child-Welfare-Policy@michigan.gov)).

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**PROGRAM  
ELIGIBILITY AND  
REQUIREMENTS**

To qualify for an extension of adoption assistance up to the youth's 21<sup>st</sup> birthday, the youth must satisfy all of the following requirements:

- An adoption assistance agreement was in place through the adoptee's 18th birthday.
- The youth first received adoption assistance at age 16 years or older.
- The youth is now between the ages of 18 and 20, and requests to extend adoption assistance payments to the age of 21.
- The youth and adoptive parent(s)/legal guardian (if adoptive parent(s) is/are deceased) have signed a DHS-1339, Young Adult Adoption Assistance Extension Application.
- The youth meets at least one of the conditions listed below:
  - Actively completing high school or a program leading to a general equivalency diploma (GED) exam.
  - Enrolled at least part-time in a college, university, vocational program, or trade school.

**Note:** An adoptee who is on a semester, summer, or other break, but was enrolled in school the previous semester and will be enrolled after the break, is considered enrolled in school. The college, university, vocational program, or trade school determines if a student is enrolled in the institution. There is no attendance or minimum grade point average requirement for college, university, vocational program, or trade school.

- Employed in either full- or part-time work, or participating in a program that promotes employment, such as Job Corps, Michigan Works! or another employment skill-building program. Participation must be at least 80 hours per month and may be at one or more places of employment, or a combination of any of the above activities.

- Incapable of any of the above educational or employment activities due to a documented medical condition.

**Note:** If eligibility is based on incapacity or expected to last longer than a year, the subsidy specialist must provide direction to the youth or adoptive parent(s)/legal guardian (if adoptive parent(s) is/are deceased) on how to apply for Supplemental Security Income (SSI).

- The DHS-1339, Young Adult Adoption Assistance Extension Application, is reviewed by the Adoption and Guardianship Assistance Office (AGAO) and an agreement is issued if the youth meets the requirements of the program. The youth and the adoptive parent(s) must sign the DHS-4113-YA, Young Adult Adoption Assistance Extension Agreement. If the youth was eligible for adoption assistance under a legal guardian (if adoptive parent(s) is/are deceased) the youth and the guardian, must sign the DHS-1322, Young Adult Adoption Subsidy Guardians Extension Agreement.

**Note:** The DHS-4113-YA, Young Adult Adoption Assistance Extension Agreement, is an agreement between the adoptive parent(s) and the Michigan Department of Health and Human Services (MDHHS), which outlines eligibility requirements in the areas of education and employment. The DHS-1322-YA, Young Adult Adoption Assistance Guardian Extension Agreement, is an agreement between the legal guardian(s) and MDHHS, which outlines eligibility requirements in the areas of education and employment.

#### ADOPTION MEDICAL SUBSIDY EXTENSION (STATE- FUNDED)

A state-funded adoption medical subsidy extension may be authorized when the youth meets at least one of the conditions listed below:

- Actively completing high school or a program leading to a GED exam.
- Enrolled at least part-time in a college, university, vocational program, or trade school.

**Note:** A youth who is on a semester, summer, or other break, but was enrolled in school the previous semester and will be enrolled after the break, is considered enrolled in school.

- Employed in either full- or part-time work, or participating in a program that promotes employment, such as Job Corps, Michigan Works! or another employment skill-building program. Participation must be at least 80 hours per month and may be at one or more places of employment, or a combination of any of the above activities.
- Incapable of doing at least one of the above educational or employment activities due to a documented medical condition.
- Is not eligible for SSI.

If the youth is eligible for a state-funded adoption medical subsidy extension the DHS-1317, Young Adult Adoption Medical Subsidy Extension Agreement, will be issued.

## VERIFICATION OF ELIGIBILITY

The following must be provided to the AGAO to apply for a Young Adult Adoption Assistance Extension:

- DHS-1339, Young Adult Adoption Assistance Extension Application.
- DHS-678, Annual Report/Status Change. This form determines if a non-title IV-E extension will be funded through state or Temporary Assistance to Needy Families (TANF) funding.
- The MDHHS-6006, Young Adult Adoption and Guardianship Assistance Verification of Eligibility, must be completed and returned with the DHS-1339, Young Adult Adoption Assistance Extension Application.

## Home Schooling

Adoptive parent(s) or the legal guardian(s) who are requesting an extension of the adoption assistance and medical subsidy for a youth who is being educated at home must submit the following additional information to the AGAO with the extension application:

- A copy of the youth's comprehensive individual educational curriculum for the time period of 9th grade through 12th grade.

The individual education curriculum must include instruction in the subject areas of reading, mathematics, science, history, and English; see [Michigan Department of Education \(https://www.michigan.gov/mde\)](https://www.michigan.gov/mde).

## APPLICATION FOR EXTENSION

The adoptive parent(s) or the legal guardian(s) (if adoptive parent(s) is/are deceased) of youth who exited foster care to an adoption and first received adoption assistance at age 16 years or older and continued to receive adoption assistance until their 18th birthday, may apply for a Young Adult Adoption Assistance Extension if the youth is under the age of 21 and meets the program qualifications.

The DHS-1339, Young Adult Adoption Assistance Extension Application, and DHS-628-YA, Young Adult Extension Notice, will be mailed to the adoptive parent(s) or the legal guardian(s) (if adoptive parent(s) is/are deceased) prior to the youth's 18th birthday. The notice will explain that adoption assistance payments will end when the adoptee reaches age 18 unless an extension agreement is in place. An explanation of the eligibility, application, and documentation requirements for extension requests will be included with the notice.

If an incomplete adoption assistance extension application is submitted to the AGAO, the adoption and guardianship assistance analyst must respond in writing with the DHS-1314, Young Adult Adoption Assistance Extension Missing Documentation Notice, within 14 calendar days of receipt of the application. The DHS-1314, Young Adult Adoption Assistance Extension Missing Documentation Notice, will clarify the documentation requirements and notify the adoptive parent(s)/guardian of any missing application or verification information. The adoptive parent(s) or the guardian(s) will have 30 calendar days following the date of the DHS-1314, Young Adult Adoption Assistance Extension Missing Documentation Notice, to provide the missing documentation for the application to be processed with an effective date of the young adult's 18th birthday.

If the adoptive parent(s)/guardian does not provide the missing documentation within 30 calendar days, the application will be denied, and the adoptive parent(s)/guardian will need to re-apply. Once a complete application with required documentation is received by the AGAO, the department will process the application within 30

calendar days. The effective date will be the date the completed application was received by the AGAO.

If an adoption assistance extension application is denied, the AGAO will provide a denial notice to the adoptive family or legal guardian (if adoptive parent(s) is/are deceased) that includes the reason(s) for the denial and information regarding the right to request an administrative hearing; see [AAM 700, Adoption Assistance Administrative Hearings](#).

## EXTENSION AGREEMENTS

After an extension is approved by the AGAO, the DHS-4113-YA, Young Adult Adoption Assistance Extension Agreement, will be mailed to the adoptive parent(s) or the DHS-1321, Young Adult Adoption Subsidy Guardian Extension Agreement, will be mailed to the legal guardian (if adoptive parent(s) is/are deceased) and youth for signatures. The signed agreement must be returned to the AGAO within 30 calendar days of the agreement issuance date and must be signed by the adoption and guardianship assistance program manager or MDHHS designee before the extension payments are authorized. If the agreement is missing information, the DHS-791, Young Adult Adoption Assistance Extension Agreement(s)-Incomplete Notice, will be sent to the adoptive parent(s) or legal guardians (if adoptive parent(s) is/are deceased). If the agreement is not received within 30 calendar days of the agreement issuance date or the date of the DHS-791, Young Adult Adoption Assistance Extension Agreement(s)-Incomplete Notice, the effective date will be the date the agreement was received by the AGAO.

## Extension Agreement Rates

The maximum daily adoption assistance rate for extensions will be the maximum rate that was established on the original DHS-4113, Adoption Assistance Agreement. The rate will be negotiated between the adoptive parent(s)/guardian and the AGAO.

## FUNDING SOURCE

The Young Adult Adoption Assistance Extension program is funded by title IV-E, state, and TANF. The funding source for the youth's extension is the same funding source that was established on the

original DHS-4113, Adoption Assistance Agreement, with the exception of youth who had an agreement established with a legal guardian (if adoptive parent(s) is/are deceased). These cases will be state funded.

For non-title IV-E cases, the AGAO will determine if the funding source is state or TANF. TANF eligibility is determined based upon information obtained from the DHS-678, Annual Report/Status Change. TANF-funded extensions must be changed to state-funded once the youth:

- Reaches their 19th birthday.
- Is no longer attending or graduates from high school.
- Is no longer living in their adoptive parent(s) home.
- No longer meets TANF eligibility based upon information provided on the DHS-678, Annual Report/Status Change.

**Note:** The adoptive parent(s) information must be provided on the DHS-678, Annual Report/Status Change, as Michigan's definition of a youth has been extended to age 21.

During periods of ineligibility, a grace period for re-establishing eligibility may occur. A funding source change must occur for title IV-E-funded cases during the grace period. Title IV-E-funded cases must be changed to state-funding when any grace period begins and must be changed back to title IV-E funding when the youth re-establishes eligibility.

## MEDICAID ELIGIBILITY

Youth who are eligible for a title IV-E-funded and non-title IV-E young adult adoption assistance extension are eligible for Medicaid during the extension period.

## CHANGE REPORTING

Change reporting by the adoptive parent/legal guardian (if adoptive parent(s) is/are deceased) of the Young Adult Adoption Assistance is required as listed in [AAM 650, Post Placement- Parent Responsibilities](#), with the exception of the time frame for reporting. The adoptive parent/legal guardian (if adoptive parent(s) is/are deceased) and youth must report changes as soon as they occur, but no later than 14 calendar days after the event.



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**GRACE PERIOD**

A grace period is the period of time after the youth ceases to meet the educational, employment, and incapacitating medical condition requirements. Grace periods are to be applied based on the following:

- Youth are allowed a 30-calendar day grace period in which to re-establish eligibility.
- Youth are allowed up to three grace periods per fiscal year.
- The grace period begins the day immediately following the day the youth becomes ineligible, whether or not it is reported timely.
- The Young Adult Adoption Assistance Extension payments and Medicaid coverage, if the youth was eligible for Medicaid, continues during the grace period.

**Note:** A funding source change must occur for title IV-E-funded cases during the grace period. Title IV-E-funded cases must be changed to state-funding when any grace period begins and must be changed back to title IV-E funding when the youth re-establishes eligibility.

The adoptive parent(s) or legal guardian(s) (if adoptive parent(s) is/are deceased) must contact the AGAO to discuss ways in which the youth could meet the requirements, or the assistance will terminate at the end of the grace period. The AGAO will monitor and track the time frame for the grace period.

A grace period cannot be used for youth who become ineligible due to one of the following circumstances:

- Reaches their 21st birthday.
- Marries.
- Begins receiving federal SSI payments.
- Is living with their biological parent(s).
- Dies.
- Enters the military.

**Exception:** Membership in the Reserve Officers' Training (ROTC) or the reserve component of the Armed Forces, such as, Army National Guard of the United States, Air Force Reserve, and Coast Guard Reserve does not disqualify a youth from the Young Adult

Adoption Assistance Extension, unless participation requirements exceed 21 consecutive calendar days of active duty or training responsibilities.

## QUARTERLY REVIEWS

The AGAO will continue to review eligibility for the extension program every three months, beginning three months from the effective date of the extension. Verification of the youth's continued employment, education, vocational or job training enrollment, or inability to participate in any educational or employment activities due to medical reasons must be provided every three months.

**Note:** If a medical reason is expected to last for one year or longer, verification of the condition by a physician is only required once a year.

The DHS-881-YA, Quarterly Young Adult Extension Review, and applicable verification forms will be mailed to the adoptive parent(s) or legal guardian(s) (if adoptive parent(s) is/are deceased) 30 calendar days prior to the quarterly review due date for completion. If the DHS-881-YA, Quarterly Young Adult Extension Review, and applicable verification documentation are not returned to the AGAO within 30 calendar days from date on the DHS-881-YA, Quarterly Young Adult Extension Review, payments will be terminated.

## TERMINATION OF EXTENSION

MDHHS may terminate the DHS-4113-YA, Young Adult Adoption Assistance Extension Agreement, or DHS-1321, Young Adult Adoption Subsidy Guardian Extension Agreement, and payments will end, if the youth becomes ineligible. Ineligibility occurs when the youth:

- Discontinues their educational, vocational or trade program and does not re-enter a similar program or meet another eligibility requirement within the 30-calendar day grace period.

**Note:** A youth who is on a semester, summer, or other break, but was enrolled in school the previous semester and will be enrolled after the break, is considered enrolled in school. Full-time means the youth is regularly attending classes that are

required of the youth to achieve a high school diploma, or a certificate of completion or a GED.

- Is no longer employed at least 80 hours per month or participating in a program that promotes employment, such as Job Corps, Michigan Works! or another employment skill-building program, and has not met one of the other eligibility requirements within the 30-calendar day grace period.
- Is no longer deemed incapable due to a medical condition and does not meet one of the other eligibility requirements within the 30-calendar day grace period.
- Is incarcerated for more than 30 calendar days.
- Is living with their biological parent(s).
- Reaches their 21<sup>st</sup> birthday.
- Marries.
- Begins receiving federal SSI payments.
- Dies.
- Enters the military.

***Exception:*** Membership in the Reserve Officers' Training (ROTC) or the reserve component of the Armed Forces, such as, Army National Guard of the United States, Air Force Reserve, and Coast Guard Reserve does not disqualify a youth from the Young Adult Adoption Assistance Extension, unless participation requirements exceed 21 consecutive calendar days of active duty or training responsibilities.

The AGAO will send written notification of termination of the adoption assistance by mail to the adoptive parent(s)/legal guardian(s) (if adoptive parent(s) is/are deceased). This written notification will include a statement of the department's reason for termination and rights to an administrative hearing; see [AAM 700, Adoption Assistance Administrative Hearings](#).

**RE-ENTERING THE  
YOUNG ADULT  
ADOPTION  
ASSISTANCE  
EXTENSION  
PROGRAM**

To re-enter the Young Adult Adoption Assistance Extension program, the adoptive parent(s) or legal guardian(s) (if adoptive parent(s) is/are deceased) must contact their adoption assistance specialist for an application and required verification forms or locate this information on the [MDHHS website](https://www.michigan.gov/mdhhs) (<https://www.michigan.gov/mdhhs>), and then submit this documentation to the AGAO. The adoptive parent(s)/guardian(s) may re-apply for an adoptee to re-enter the Young Adult Adoption Assistance Extension program if the youth first received adoption assistance at age 16 years or older, if the adoptee is under the age of 21, and if the Young Adult Adoption Assistance Extension was terminated when the youth:

- Discontinued their educational, vocational or trade program and did not re-enter a similar program or meet another eligibility requirement within the 30-calendar day grace period.
- Was no longer employed at least 80 hours per month or participating in a program that promotes employment, such as Job Corps, Michigan Works! or another employment skill-building program, and did not meet one of the other eligibility requirements within the 30-calendar day grace period.
- Was no longer deemed incapable due to a medical condition and did not meet one of the other eligibility requirements within the 30-calendar day grace period.
- Was incarcerated for more than 30 calendar days.

If an extension application is denied, the AGAO will provide a denial notice to the adoptive parent(s)/legal guardian(s) (if adoptive parent(s) is/are deceased) that includes the reason(s) for the denial and information regarding the right to request an administrative hearing; see [AAM 700, Adoption Assistance Administrative Hearings](#).

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**RECOUPMENT**

Recoupment for overpayments will be pursued from the payee retroactively to the date that eligibility ceased to exist; see [AAM 140, Recoupment](#).

**LEGAL AUTHORITY****State**

To implement this option, Michigan passed the Young Adult Voluntary Foster Care Act (MCL 400.665 - 400.671), which allows eligible youth who first received adoption assistance at age 16 years or older to receive adoption assistance until their 21st birthday, if they are in school, in job training, employed or are incapable due to a documented medical condition.

**Federal**

The Fostering Connections to Success and Increasing Adoptions Act of 2008 (PL 110-351) includes an option for states to extend title IV-E funded adoption assistance agreements for youth who first received adoption assistance at age 16 years or older and who meet certain criteria for education, employment, or are incapable due to a documented medical condition. This program is specific to older adoptees and must be used in lieu of the state and title IV-E-funded extensions described in [AAM 630, Post Placement-Extensions for Children Adopted at Ages 0-15](#), for youth adopted prior to their 16th birthday.

## OVERVIEW

Medical subsidy is intended to assist with payment for necessary services related to the treatment of a mental, emotional, and/or physical diagnosis certified by the Adoption and Guardianship Assistance Office (AGAO) of a child who has been placed for adoption per [MCL 400.115f](#). Related expenses may include therapies, prescriptions, medical supplies, or laboratory expenses. The child must meet the application and eligibility requirements of the program; see [AAM 400, Medical Subsidy Eligibility](#).

## USE OF AVAILABLE RESOURCES

The Michigan Department of Health and Human Services (MDHHS) must not make a medical subsidy payment unless all other available public money and third-party payments, such as Medicaid, Children's Special Health Care Services (CSHCS), and private insurance, have been exhausted. The medical subsidy program is the payer of last resort per [MCL 400.115h](#).

## TREATMENT RESPONSIBILITY

The adoptive parent(s)/legal guardian(s) retains responsibility for making treatment arrangements for their child, seeking prior approval for services, and making payment arrangements with providers. The quality of services is the responsibility of the adoptive parent(s)/legal guardian(s) and the service provider. All mental health providers must be licensed.

**Note:** The department reserves the right to deny payment for services with a provider who does not meet the licensing or practice standards set by the State of Michigan.

### Prior Authorization Requirement

In order for the AGAO to reimburse for covered services, the adoptive parent(s)/legal guardian(s) must obtain **prior** written authorization for **most** services by submitting a MDHHS-6178, Medical Subsidy Prior Approval Application, to the AGAO before the services are rendered; see specific policy sections in this item for further information.

The AGAO may authorize payment for a service when prior authorization is not obtained if **all** eligibility criteria for the covered service has been met.

If approved, the AGAO will issue a MDHHS-5457, Adoption Medical Subsidy Authorization, that specifies the type of service, extent of coverage, rate of payment, the authorized provider, approved time period, and expiration date, after which the family will be required to reapply for additional prior authorization using the MDHHS-6178.

The adoptive parent(s)/legal guardian(s) and provider should carefully review the MDHHS-5457. Payment is made only for services provided during the approved time period **and** when the child is eligible for medical subsidy for services related to a certified condition; see [AAM 400, Medical Subsidy Eligibility](#), for certification criteria.

### Provider Registration

In order for a provider of services or an adoptive parent/legal guardian to receive reimbursement, registration as a vendor is required with the Michigan Department of Technology, Management, and Budget (DTMB) at:  
[www.michigan.gov/sigmavss](http://www.michigan.gov/sigmavss).

### COVERED SERVICES

The following policy sections refer to services that may be covered **after** the child's eligibility for medical subsidy has been certified by the AGAO for specific condition(s) related to the requested services. A DHS-3013, Adoption Medical Subsidy Agreement, or the DHS 3013-G, Adoption Medical Subsidy Guardian Agreement, for the specific condition(s) must be signed by the AGAO program manager or MDHHS designee and, when applicable, prior authorization must be approved by the AGAO before payment can be processed through the medical subsidy program. The date of service **must** be on or after the effective date of the adoption medical subsidy agreement and during the approved time period on the MDHHS-5457.

**Note: The medical subsidy program does not reimburse adoptive parent(s)/legal guardian(s) or a member of the household for providing treatment/services to their own adopted child.**

If the medical subsidy agreement is signed by all parties on or before the court's signature on the PCA-320, Order Placing Child After Consent, the effective date of the agreement will be the date of the PCA-320.

If the medical subsidy agreement is signed after the PCA-320, or the PCA-321, Order of Adoption, the effective date per [AAM 400, Medical Subsidy Eligibility](#), will be listed on the agreement issued by the AGAO.

## Medical and Dental Services

### *Dental*

The medical subsidy program does not cover routine dental care and cosmetic treatments.

Dental services include but are not limited to fillings, root canals, crowns, extractions, and excavations.

The maximum lifetime dental coverage is \$5,000.

### *Medical*

The medical subsidy program does not cover routine medical care.

Medical services include but are not limited to x-rays, blood draws/lab work, and medical procedures such as inpatient/outpatient surgeries.

The maximum lifetime medical care coverage is \$5,000.

## Physical Care Services

Physical care services provide assistance in caring for special physical conditions of a child with complex and continuing medical maintenance issues (examples include: quadriplegic, tube feedings, ostomy care, severe multiple impairments).

The AGAO will cover physical care services until ongoing care and/or services can be obtained through Medicaid or CSHCS programs. If physical care services are denied by Medicaid and CSHCS, the AGAO will continue covering physical care services. Prior authorization is required for physical care services to prevent hospitalization or out-of-home care.



Coverage for physical care services will not extend beyond the child's 18th birthday.

**Note:** Payment for physical care services is not approved if the child requires care because adoptive parent(s)/legal guardian(s) works, goes to school, volunteers, is providing care for foster children, or because the child cannot be left alone.

Prior authorization of physical care services requires:

- A prescription or letter from a physician, which must include the total amount needed and duration of treatment.
- A service provider who is qualified by education, training, or experience, as determined by the AGAO, and is not a member of the household.

Maximum payment is \$15 per hour, up to eight hours per day, for a period of six months. After six months, a review and current documentation of the continued need for physical care services is required by the AGAO.

Adoptive parent(s)/legal guardian(s) must provide documentation they have submitted an application to, and received denial or partial assistance from, the following resources before requesting assistance through the medical subsidy program:

- Private health insurance.
- Medicaid.
- CSHCS.
- Home Help through MDHHS (45-calendar day approval process).

**Note:** This service cannot be used due to the incapacity of the adoptive parent(s)/legal guardian(s) to care for the child.

## Medical Supplies and Prescriptions

Medical supplies and prescriptions may be covered only when the supply or prescription is necessary to treat a condition certified by the AGAO. Medical subsidy will not pay for medications that have not been approved by the U.S. Food and Drug Administration (FDA).

Reimbursement request must include a receipt from the pharmacy demonstrating the cost derived from a prescription for the eligible child.

**Note:** Non-covered items include but are **not limited to** general over-the-counter medical/first aid supplies such as aspirin, band-aids, general over-the-counter lotions, thermometers, vitamins, supplements, and shampoos.

## Orthodontics

Orthodontic treatment may be covered when a treatment plan from the proposed orthodontic provider is submitted that includes the following:

- The presenting orthodontic condition.
- Initial fee for appliances and/or treatment to include projected monthly billing payment.
- Timeline for treatment.
- Statement of total cost, including any required extractions for orthodontic purposes only.
- Adoptive parent(s)/legal guardian(s) **and** provider signature.

For a certified orthodontic condition, total lifetime payments through the medical subsidy program for this service will be limited to \$5,000.

In cases where payment for orthodontic services was processed through the foster care program prior to adoption, the medical subsidy program will cover the remainder of orthodontic services up to a total of \$5,000.

## Durable Medical Equipment

Durable medical equipment are items that can stand repeated use, are primarily and customarily used to serve a medical purpose, are not useful to a person in the absence of illness or injury, and can be used in the home. Durable medical equipment (for example, wheel-chairs, ramps, or walkers) may be covered after prior authorization is obtained from the AGAO based on the submission of documentation:

- Documentation from a physician verifying medical necessity, based on a medical condition/diagnosis certified by the AGAO. The type and quantity of equipment and the frequency of usage must be included with the documentation.
- A physician's prescription or professional evaluation dated within 12 months recommending the equipment to treat the certified condition/diagnosis.

Durable medical equipment payments through the medical subsidy program may be reimbursed up to a maximum \$5,000 every five years.

**Note:** Costs for van lifts and communication aids are not included in this amount; see *Van Lifts and Communication Aids* in this policy.

### Adaptive Equipment

Adaptive equipment is a tool or device that is intended to assist with daily living tasks such as enhanced keyboard or special eating utensils. The equipment must be necessary to treat or compensate a physical condition certified by the AGAO. Adaptive equipment may be covered by the AGAO based on the submission of a physician's prescription or professional evaluation dated within the last 12 months recommending the equipment to treat the certified condition/diagnosis. Adaptive equipment is included in the \$5,000 maximum reimbursement every five years.

### Van Lifts

Medical subsidy may assist with the cost of a van lift up to a maximum of \$5,000 every five years. Prior authorization from the AGAO is required.

### Communication Aids

Medical subsidy may assist with items and devices that enhance and augment communication, including computer software up to a maximum of \$1,500 every two years. Modification of an existing communication device is payable one time per year.

Communication aids may be covered by the AGAO based on the submission of a physician's prescription or professional evaluation dated within the last 12 months recommending the equipment to treat the certified condition/diagnosis.

**Glasses/Contact  
Lenses**

Reimbursement is available every 12 months for one pair of glasses or one year's worth of contact lenses. Prior authorization by the AGAO is not required.

Reimbursement request must include a prescription by a physician/ophthalmologist.

**Hearing Aids**

Reimbursement is available for medically prescribed hearing aids once every 12 months. Prior authorization by the AGAO is not required.

Reimbursement request must include a prescription from a physician/audiologist.

**Incontinence  
Supplies**

Reimbursement is available for diapers, pull-ups, or other incontinence supplies **only** if they are related to a condition certified by the AGAO and when there is written documentation of a medical need from a physician/physician assistant **and** the child is four years of age or older.

**EXCLUDED ITEMS**

Structural changes, improvements to the home, computers, or items that provide comfort (for example, vehicles, elevators, hot tubs, etc.), education, or recreation for other family members cannot be approved for payment through this program.

**MENTAL HEALTH  
SERVICES-  
GENERAL  
INFORMATION**

Mental health treatment may be approved for payment for a mental health or emotional condition certified by the AGAO.

The medical subsidy program assists with the following types of mental health services:

- In-home behavioral services.
- Counseling.

**Mental Health  
Services**

- Developmental assessments/evaluations.
- Medication reviews.
- Out-of-home treatment services, including step-up, residential, and step-down placements.

***Mental Health/Developmental Assessment Evaluation***

The maximum allowable amount for an outpatient mental health or comprehensive developmental assessment evaluation is \$500. This service requires written prior authorization by the AGAO.

The AGAO will assist the family with the certification process for the diagnosis identified in the assessment per [AAM 400, Medical Subsidy Eligibility](#).

***Trauma Assessment Evaluation***

Prior to requesting a pre-authorization for a trauma assessment from the AGAO, the adoptive parent(s)/legal guardian(s) must obtain a pre-screening assessment through the [Post Adoption Resource Center \(PARC\)](#) in their region. The AGAO will assist the family with the certification process for the diagnosis identified in the assessment per AAM 400.

Trauma assessments funded by the medical subsidy program must be conducted by a contracted trauma assessment agency through AGAO. Following the completion of the trauma assessment, the contractor must submit their bill directly to the AGAO, which will be paid at the current contracted amount.

***Medication Reviews***

Medication reviews may be covered through the AGAO for medication related to a mental health/emotional condition that has been certified by the AGAO. This service requires written prior authorization by the AGAO.

***Outpatient Counseling***

Outpatient mental health and related services are those psychological, psychiatric, counseling, psychotherapy, or other similarly defined services for evaluation and/or treatment of mental health/emotional conditions that have been certified eligible by the AGAO.

Counseling services can be one of the following:

- Clinical counseling: A counselor meets with a child and/or family member(s) and/or other person(s) significant to the child (if specified in the AGAO approval).
- Outreach counseling: A counselor meets with a child and/or family member(s) and/or other person(s) significant to the child (if specified in the AGAO approval) at the client's home or at a mutually agreed upon site.
- Group counseling: A counselor meets with a group of clients.

### ***Specialized Mental Health Treatment***

Refers to a variety of services that support people with specific conditions or high-level needs. Specialized therapies are often used for severe mental health issues or when other treatments have not been successful. Some examples include Eye Movement Desensitization and Reprocessing Therapy (EMDR), Phototherapy, Dialectical Behavior Therapy (DBT), and Equine Therapy. Therapy that focuses primarily on a concentrated area, such as issues of adoption, reactive attachment disorder, or sexualized behaviors, may also be considered specialized mental health treatment.

Mental health services do not include individual treatment for family members other than the eligible child unless the treatment is relevant to the child's treatment.

### ***Authorization for Mental Health/Emotional Treatment***

For a child with a mental health/emotional condition certified by the AGAO, payment for outpatient therapy does not require prior authorization from the AGAO for the first six months, with a maximum of three times a week for each type of counseling service if either:

- The child is transitioning from foster care to adoption and will continue to receive services from the same counselor used during foster care.
- The child has not received counseling services in the past 12 months and the adoptive parent(s)/legal guardian(s) are currently seeking services for the child.

Prior authorization from the AGAO is required for additional weekly counseling sessions. Approvals may be granted for up to six

months, with a maximum of three times a week for each type of counseling service, for reimbursement by the AGAO. Additional sessions may be authorized for children with severe needs. Services through CMH must be accessed for Medicaid-eligible children prior to additional sessions being authorized.

Progress reports from outpatient therapy providers are required with each subsequent prior authorization request. The frequency and duration of treatment will be reviewed by the AGAO, and additional information may be requested from the outpatient therapy provider. Outpatient psychotherapy must be provided by one of the following professionals licensed by the Michigan Department of Licensing and Regulatory Affairs (LARA) and/or under contract with MDHHS:

- Limited or fully licensed master social worker.
- Limited or fully licensed marriage and family therapist.
- Limited or fully licensed psychologist.
- Limited or fully licensed professional counselor.
- Fully licensed physician or osteopathic physician, for psychiatric services.

**Note:** For services provided in another state, the provider must be licensed by the appropriate public agency in that state.

**Rates**

Adoptive parent(s)/legal guardian(s) or providers are reimbursed at the following maximum rates:

Type of Service (Requires Face-to-Face Contact)	Maximum Rate
Medication review	\$24.00
Individual psychotherapy: 50-to-60-minutes	\$63.00
Family therapy: 50-to-60-minutes	\$81.81
Group psychotherapy: per person per 50-to-60-minute session	\$19.00
Missed appointment	\$0

**Exception:** Rates for specialized mental health treatment may be approved at the rate billed by the provider.

**Payments**

Medical subsidy will provide reimbursement to adoptive parent(s)/legal guardian(s) or service providers up to the maximum rates above following any private insurance or Medicaid coverage; see example below.

**Example:** The provider charges \$100 for a 50-60-minute session of individual psychotherapy.

\$100.00 provider charges.  
\$63.00 insurance coverage.  
\$37.00 AGAO payment.

**Example:** The provider charges \$150 for a 50-60-minute session of individual psychotherapy.

\$150.00 provider charges.  
\$63.00 insurance coverage.  
\$63.00 AGAO payment, *see maximum rate in this item.*



## Assisted Care Services

Assisted care services are available when an additional individual is needed to help the adoptive parent(s)/legal guardian(s) with supervision and engagement in activities of daily living for a child. The purpose of assisted care is to prevent out-of-home placements such as psychiatric hospitalization or residential placement.

Coverage for assisted care services will not extend beyond the child's 18th birthday.

Prior authorization for assisted care services requires:

- The child is diagnosed with a certifiable severe mental health or emotional condition. Examples of severe mental health and emotional conditions include but are not limited to bipolar disorder, schizophrenia, disruptive mood dysregulation disorder, post-traumatic stress disorder, autism, and reactive attachment disorder.
- The child must be receiving mental health treatment, including individual therapy, and the adoptive parent(s)/legal guardian(s) must be actively participating in the child's treatment.
- For the initial request, the family must be receiving case management services from the PARC and assisted care has been assessed as part of a goal in the family-centered plan, or for families who do not reside in Michigan, the need must be recommended by the child's treating mental health provider.

Maximum payment for assisted care is \$15 per hour, up to eight hours per day for a period of six months. After six months, a review and current documentation of continued need for assisted care services is required by the AGAO. Current documentation includes an updated recommendation from the child's treating mental health provider and/or PARC.

**Note:** Adoption assistance payments will continue while a child is receiving assisted care.

Assisted care must be based on the child's needs and not due to incapacity of the adoptive parent(s)/legal guardian(s). It may not be used as childcare in the absence of the adoptive parent(s)/legal guardian(s) and cannot be provided by the child's adoptive parent(s)/legal guardian(s), individuals currently living in the home, or the biological parent(s) of the child.

The adoptive parent(s)/legal guardian(s) is solely responsible for the selection of the assisted care provider and scheduling arrangements.

## Behavioral Services

Behavioral services are educational and behavioral services (12 months or less) for the child and adoptive parent(s)/legal guardian(s) to enhance the adoptive parent(s)/legal guardian(s) skills and modify the child's behavior related to their mental health or emotional condition that has been certified by the AGAO.

This service is not approved for care of the child in the absence of the adoptive parent(s)/legal guardian(s) or beyond a child's 18th birthday.

Payment for behavioral services will be made at a rate set by the AGAO for a maximum 12-month period.

Prior authorization will be made based on the following submitted documentation:

- The behavioral services are a component of an ongoing treatment program developed by a qualified treatment specialist (such as a licensed physician, psychologist, psychiatrist, limited or fully licensed master social worker, or limited or fully licensed professional counselor).
- A written treatment plan is provided, including an assessment of the child's behavior, a statement of intervention techniques to be used, expectations of parental involvement, and expected outcomes at the end of the treatment period. The treatment plan must include the credentials of the treatment specialist and service provider. The treatment plan must be signed by the treatment specialist, service provider, and adoptive parent(s)/legal guardian(s).
- The treatment specialist (such as a licensed physician, psychologist, psychiatrist, limited or fully licensed master social worker, or limited or fully licensed professional counselor) recommends the service provider and is responsible for training and supervision of the service provider. The training and supervision plan must be submitted with the request for behavioral services.

***Behavioral Services Rates***

For one child, the maximum payment is \$40 per hour for a maximum of \$1,000 per calendar month, not to exceed \$4,800 in a 12-month period.

When two or more children from the same family are being provided services at the same time, the maximum payment is \$50 per hour with a maximum of \$1,400 per calendar month not to exceed \$7,200 in a 12-month period.

When children within one family have needs that are individual and services are being rendered separately, the maximum rate will be used for one child to cover each child's behavioral services.

**Step-Up Placement**

Step-up placements are used when a child requires temporary placement outside the family home in order to stabilize behavior, de-escalate family conflicts, provide for a return home, or to an alternate care provider within a 90-calendar day period, unless an extension is granted. Step-up placements require prior written approval by the AGAO. Requirements for a step-up placement are:

- Family provides an application signed by adoptive parent(s)/legal guardian(s) to the AGAO.
- The child is under the age of 18.
- Prior authorization by the AGAO. There is no exception to this requirement.
- A result of a Family Team Meeting (FTM) that may include the local MDHHS, placement agency foster care (PAFC) case manager and/or adoption case manager, community partners (including the child's treatment specialist), the family, the child, and the AGAO.
- There must be a plan for the following:
  - Continued counseling plan for the child.
  - A regular ongoing visitation plan.
  - Expected outcomes of the step-up placement.
  - Adoptive parent(s)/legal guardian(s) continued active participation in counseling.

- Limited to a maximum of 90-calendar days unless an extension is granted by the AGAO.
- The step-up placement is in a licensed foster care home or an identified relative that is included in the therapeutic treatment plan.
- Active continued involvement by the family with the treatment plan. Lack of family involvement will result in discontinuation of coverage of step-up placement through the AGAO.
- An FTM must be held within 30-calendar days of the child's step-up placement date to discuss the child's progress and appropriateness of continued placement.

**Note:** The step-up placement cannot be provided by the child's adoptive parent(s)/legal guardian(s), individuals currently living in the adoptive home, or the biological parent(s) of the child. The adoptive parent(s)/legal guardian(s) is solely responsible for the selection of the step-up provider and making placement arrangements.

### ***Extension of Step-up Placements***

When a child has not met the treatment goals within the 90-calendar day approval period, the AGAO may grant a one-time exception for an additional period up to 30-calendar days. The need for continued placement must be consistent with the child's treatment plan and must be requested in writing by the adoptive parent(s)/legal guardian(s) at least 15-calendar days prior to the original authorization ending.

### ***Step-up Payment and Adoption Assistance Payment***

Monthly adoption assistance payments are suspended while the child is receiving payment for the step-up placement.

Step-up placements are paid at the following rates:

- Child ages 0-12 is up to \$50 per day/per child.
- Child ages 13-17 is up to \$60 per day/per child.

**Short-Term  
Residential  
Treatment  
Services**

The AGAO may provide limited funding through the medical subsidy program for short-term residential treatment outside the family home. Short-term residential treatment through a Child Caring Institution (CCI) should be used as a last resort when emotional/behavioral concerns and treatment goals are not being achieved in the home and community setting. The purpose of this treatment is intended to reunify a child with their family and/or ensure the child can be placed in a community setting.

Funding for residential treatment services is limited to children under the age of 18 who are not temporary court wards in out-of-home placement. Children who are temporary court wards due to delinquency or have a delinquency case pending must have authorization from the court prior to being approved for funding.

**Note:** Placement in a CCI is not to provide for the safety of children in the home who are in foster care, as those children should be moved if there is a safety risk.

***Eligibility Timeframe***

Short-term treatment outside the family home can be covered as a last resort when treatment goals are not being achieved in the family setting. Adoption medical subsidy policy limits the amount of coverage to 180-calendar days unless a special circumstance extension is granted. The first approval may be granted up to 180-calendar days. Additional approvals may be granted for periods of up to 90-calendar days at a time.

***Treatment Goals***

The goals of treatment outside the family home are to address the child's emotional and behavioral problems, strengthen the adoptive family, and facilitate the reunification of the child with their adoptive family or other community placement as identified in the treatment plan. To meet these goals, it is required that the adoptive parent(s)/legal guardian(s) and alternate care provider(s), when applicable, be actively engaged in the treatment of the child. Parental involvement must include participation in family therapy, family weekends, phone calls, and home visits. The lack of family

participation will result in the discontinuation of funding for the out-of-home treatment by the AGAO.

### ***Prior Authorization***

Funding for treatment outside the family home for mental health or emotional conditions requires prior authorization from the AGAO. The medical subsidy program will not provide coverage for treatment outside the family home for children age 18 years or older. The authorization is contingent on the determination made during a family team meeting (FTM). The MDHHS-5457, Adoption Medical Subsidy Authorization from the AGAO will include the effective date of coverage. The medical subsidy program will only provide coverage during the effective dates noted in the MDHHS-5457 and requires regularly scheduled case reviews using the FTM model and must include, at a minimum, the adoptive parent(s)/legal guardian(s), alternate caregiver(s) when applicable, the out-of-home provider, the child's therapist, and an AGAO representative.

### ***Application Process***

To request coverage through the medical subsidy program, the adoptive parent(s)/legal guardian(s) must submit a signed CCI placement application and provide supporting documentation to the AGAO. The following is required:

- Signed CCI placement application.
- The placement must be for the purpose of supporting and maintaining the adoptive relationship.
- Copies of the child's treatment reports (for example, progress reports, psychological or psychiatric evaluations) dated within the last 12 months.
- The AGAO will conduct an FTM with the adoptive parent(s)/legal guardian(s) and service providers. During the FTM, the AGAO will verify the following:
  - Information about family composition (for example, adults and children, including foster children and their placement dates).
  - The proposed reunification plan for the child to return home, which includes the adoptive parent(s)/legal guardian(s) involvement in parent/family therapy and the

proposed visitation plan with the child while the child is out of their care.

- The proposed aftercare plan for the child when discharged from the program.
- That the adoptive parent(s)/legal guardian(s) understand that they are responsible for choosing a facility and making the actual placement outside the family home, and if approved, the AGAO will authorize payment.
- The child's need for a placement outside the family home is not due primarily to the functioning of the adoptive family.
- A letter of recommendation from one of the following professionals is required: a licensed physician, psychologist, psychiatrist, limited or fully licensed master social worker, or limited or fully licensed professional counselor. The letter must indicate the following:
  - The child requires a higher level of care than they are currently receiving in the community.
  - The child's behaviors warrant treatment outside the family home.
- The treatment professional should recommend the treatment services needed based on the following:
  - The age-appropriate needs of the child.
  - The developmental needs of the child.
  - The child's mental health/emotional diagnosis.
  - The child's behavioral needs.
  - The child's medical needs, if applicable.
- How the child would benefit from residential treatment services.
- The family's active participation in prior efforts to treat the child in the child's own home or in an in-patient setting. Supporting documentation of this participation must be provided to the AGAO. Prior efforts must include active engagement and full utilization of community-based services in the family's region. Examples of services include:

- Outpatient psychotherapy and family counseling.
- Inpatient psychiatric hospitalization.
- Behavioral services.
- Wraparound services.
- Families First services.
- Early intervention services.
- Step-up placements.
- Intensive in-home services.
- Day treatment, if available and covered under the child's insurance plan.
- Aftercare services following a previous placement outside the family home.

The family is required to provide the above documentation within 90-calendar days of the AGAO receiving the application for residential treatment. If the documentation is not received within 90-calendar days, the request will be denied.

### ***Monthly Adoption Assistance***

When an adoptive family requests funding for treatment outside the family home, they have the option to have the medical subsidy program pay for the service and suspend the adoption assistance payment during the placement, or to continue receiving the monthly adoption assistance payment and pay the out-of-home provider directly.

### ***CCI Selection and Payment Authorization***

Upon approval of the CCI application, the adoptive parent(s)/legal guardian(s) are responsible for selecting an appropriate CCI with the assistance of the child's treating mental health professional. Whenever possible, the CCI should be located within 200 miles of the family home to allow for frequent in-person visitation and home visits. If a CCI placement appropriate to meet the child's needs cannot be secured within 200 miles of the family home, funding may be approved for a CCI further away, including in another state. The facility must be licensed by the state in which it is located, and the license must be in good standing.



When the child is accepted for placement at the CCI selected by the adoptive parent(s)/legal guardian(s), the AGAO must verify that the license is in good standing in the state where the facility is located. The AGAO must not authorize payment for a CCI that has a license that is not in good standing. After verifying the license, the AGAO will issue a payment authorization letter to the CCI and adoptive parent(s)/legal guardian(s). The funding authorization will include the name of the CCI, the dates approved, the daily per diem rate, and the enrollment fee, if applicable. The authorization will also include authorization for travel reimbursement in accordance with the *Travel Expenses* section of this policy. The AGAO does not cover any other expenses, including but not limited to medical, clothing, school supplies, and field trips.

The AGAO will issue payment authorizations as follows: the first authorization can be up to 180-calendar days. There may be times when a child's treatment cannot be completed within 180-calendar days. To ensure the child is able to complete necessary treatment before returning to the community, a special circumstance request may be submitted. Special circumstance requests must have approval by the AGAO program manager and may be up to 90-calendar days. A written request from the child's therapist at the CCI and the adoptive parent(s)/legal guardian(s) is required to request a special circumstance extension. The request must include the timeframe requested and be supported by a treatment plan detailing the child's treatment goals, a family therapy plan, in-person onsite visits and overnight home visits between the child and adoptive parent(s)/legal guardian(s), and the reunification plan.

Adoptive parent(s)/legal guardian(s) are responsible for making arrangements to place their child, signing any required authorizations required by the facility, including payment for any expenses that are not authorized by the AGAO. The AGAO does not cover any fees related to the child's placement other than the daily per diem rate and applicable enrollment fee.

The CCI must provide the AGAO with a copy of all treatment plans, including the discharge report.

**Note:** The adoptive parent(s)/legal guardian(s) are responsible for picking up their child upon discharge from the CCI. Adoptive parent(s)/legal guardian(s) may disenroll their child from the CCI prior to the completion of treatment if they believe it is in their child's best interest.

**Note:** Payment will not be made for psychiatric hospitalization through the AGAO.

### ***Role of the AGAO***

The AGAO must monitor the placement of the child outside the family home for continued funding. If the criteria have not been met, the AGAO may discontinue funding.

### ***Payment to CCI During Temporary Absence***

Children who are Absent Without Legal Permission (AWOLP) from the CCI placement may be granted a five-day hold on their placement when the facility is willing to accept the child back into placement. After the five-day hold, funding through the AGAO will end. When a child is hospitalized, the AGAO may grant continued authorization for the child's bed when the CCI continues oversight and plans to accept the child back upon discharge.

### ***Visitation and Payment to the Facility***

When regularly scheduled overnight home visits are a part of the child's treatment plan, the AGAO will make payment to the facility as follows:

- If five or fewer overnight visits occur during the month, payment will be made at the full per diem rate for the month.

**Example:** During June, four visits occurred. The AGAO will pay the facility for 30-calendar days of care.

- If six or more overnight visits occur during the month, payment will be made for five-calendar days at the full per diem rate and the remaining visitation days at one-half the per diem rate.

**Example:** During June, seven visits occurred. The AGAO will pay the facility for 28-calendar days at the full rate and two-calendar days at the half rate.

- Within three months of the anticipated discharge date, payment will be made at the full per diem rate for up to 10 overnight visits during the month.

### ***Visitation and Adoption Assistance Payment***

When regularly scheduled overnight home visits are part of a child's treatment plan and the child is eligible for adoption assistance, the

AGAO will make adoption assistance payments as follows to the adoptive parent(s)/legal guardian(s):

- If six or more overnight home visits occur during the month, the full adoption assistance per diem rate will be paid to the family beginning on the sixth day and each day thereafter that the child is at home.

**Example:** During June, 10 visits occurred. The AGAO will pay the full adoption assistance amount to the family for five-calendar days.

- When less than six overnight home visits occur in a month, adoption assistance payments will not be made to the family.

### ***Subsequent CCI Placement Requests***

Once the child leaves the CCI placement, a subsequent request for coverage of residential services through the AGAO may not be made until one year from the child's discharge date (regardless of the recommendation from the placement facility) and may only be for 90-calendar days. New requests must meet policy requirements, including exhausting all community resources, including assisted care and behavioral care, and the family must provide proof that the discharge recommendations were followed from the previous CCI placement.

## **Step-Down Placements**

Step-down placements are used when a child needs a temporary placement to transition from a CCI or psychiatric hospitalization setting back to the family home, regardless of funding source. This placement will assist a child's adjustment from the more restricted CCI or hospital environment to community living and the family home. Step-down placements require prior written approval by the AGAO. A request for step-down placements requires the following:

- A signed step-down application from adoptive parent(s)/legal guardian(s).
- A letter of recommendation for step-down placement in the child's discharge plan from the CCI or hospitalization written by one of the following professionals: a licensed physician, psychologist, psychiatrist, limited or fully licensed master social worker, or limited or fully licensed professional counselor.

- Step-down placements must be provided in a licensed foster care home, licensed CCI, or an identified relative that is included in the therapeutic treatment plan.
- Result of an FTM meeting that includes the CCI/hospital staff, community partners (including the treatment specialist), the family, the child (when appropriate), and the AGAO staff.
- The child is under the age of 18.
- Prior authorization by the AGAO.
- Limited to 90-calendar days.
- Continued, active involvement by the family in the treatment plan. Lack of family involvement will result in discontinuation of coverage of step-down placement through the AGAO.

**Note:** The step-down placement cannot be provided by the child's adoptive parent(s)/legal guardian(s), individuals currently living in the home, or the biological parent(s) of the child. The adoptive parent(s)/legal guardian(s) is solely responsible for the selection of the step-down provider and making placement arrangements.

A progress report must be submitted by one of the following professionals: a licensed physician, psychologist, psychiatrist, limited or fully licensed master social worker, or limited or fully licensed professional counselor to the AGAO within 30-calendar days of the child's step-down placement date. The progress report must include, at a minimum, the adoptive parent(s)/legal guardian(s) participation, progress of the child's treatment, and plans to address any additional needs discovered during the placement.

### ***Step-down Payment and Adoption Assistance Payment***

Monthly adoption assistance payments are suspended while the child is receiving payment for step-down placement.

Step-down placements are paid at the following rates:

- Child ages 0-12, \$50 per day/per child to the provider/foster parent(s) and the relevant administrative rate to the supervising agency, if applicable; or the daily rate to the CCI or transitional placement program home.

- Child ages 13-17, \$60 per day/per child to the provider/foster parent(s) and the relevant administrative rate to the supervising agency, if applicable; or the daily rate to the CCI or transitional placement program home.

## RESPITE SERVICES

The medical subsidy program assists with respite services for a child who has been certified for a mental, emotional, or physical diagnosis certified by the AGAO. Respite is intended to provide the adoptive parent(s)/legal guardian(s) with restorative time away and the adoptive child a break from their routine schedule to support the well-being of the family. Respite does not require written prior approval by the AGAO.

Each adoptive child is eligible for 12 units of respite per child, per quarter. A single unit of use is equivalent to any part of one calendar day. Any amount of time used less than a full day equates to one unit. Overnight respite service is allowed and equates to one unit when the child is returning home the next day, within a 24-hour time frame. An exception for additional units of respite may be requested for a child with severe emotional or behavioral needs to prevent out-of-home placement or hospitalization. Exception requests must be submitted to the ongoing analyst. Exceptions will be reviewed and approved by the AGAO program manager.

**Note:** A quarter is defined as a 3-month period.

Respite cannot be provided by the child's adoptive parent(s)/legal guardian(s), individuals currently living in the home, or the biological parent(s) of the child. The adoptive parent(s)/legal guardian(s) is solely responsible for the selection of the respite provider and making placement arrangements. The adoptive parent(s)/legal guardian(s) may select a licensed respite provider through the contracted agency located in their region or a non-licensed respite provider.

### ***Payment***

Respite services are paid at the following rates:

- Child ages 0-12, \$67.37 per day/per child to the provider.
- Child ages 13-17, \$80.48 per day/per child to the provider.

**Note:** Adoption assistance payments will continue while a child is receiving respite.

## EDUCATIONAL SERVICES

The Michigan Mandatory Special Education Act (Act 451, P.A. 1976) places responsibility for providing educational services with the Michigan Department of Education (MDE) and local and intermediate school districts. Educational services are not covered through the medical subsidy program if the service is available from the public school system through the Michigan Mandatory Special Education Act. The medical subsidy program does not pay for private school tuition or services that can be provided through public school special education programs.

**Note:** The medical subsidy program will not purchase computers but will consider the costs of educational software for a medical condition certified by the AGAO.

### ***Physical, Occupational, and Speech Therapy***

Physical, occupational, and/or speech therapy services are limited to the same level as the services stated in the child's current Individual Education Plan (IEP) or 504 Plan. A child attending home school, or a private school must obtain an IEP and services from the local or intermediate school district before medical subsidy will assist with services.

Physical, occupational, and/or speech therapy services must be rendered by providers who are licensed to administer these services.

If a child needs services over and above what is provided by the child's school district, a recommendation letter from an appropriate professional in the area of physical, occupational, and speech therapy is required.

Physical, occupational, and/or speech therapy services require prior authorization by the AGAO.

Before medical subsidy may authorize payment or reimbursement for physical, occupational, and/or speech therapy, a request **must** be made and eligibility determined for coverage by the following:

- Private insurance (if available).
- CSHCS.
- Medicaid.

- Local public school district (IEP/504 plan required) for children three years of age or older.
- Proof of Early On application/assessment for children 0-2 years of age.

Medical subsidy will not authorize payment or reimbursement when services are being provided by one of the above resources during the same time period.

Payment for these services through the AGAO will not exceed the Medicaid payment rate.

For pre-primary children ages 0-2, the adoptive parent(s)/legal guardian(s) must apply to Early-On before requesting prior approval from medical subsidy. Documentation of this request and the denial from Early-On must be provided to the AGAO. If the child is enrolled in Early-On, medical subsidy will not pay for therapy services.

For pre-primary children ages 3-5 and for school-age children ages 6-17, medical subsidy may assist with the cost of physical, occupational, or speech therapy.

### ***Sensory Integration***

Sensory integration therapy is a form of occupational therapy intended to help the patient regulate sensory responses. Sensory integration therapy requires prior authorization. The medical subsidy program may authorize up to six months of this specialized therapy for children who have a medical subsidy agreement for a neurological condition, a physician's prescription, and all other payment resources have been exhausted. If the child needs additional therapy beyond six months, a new prior authorization is required.

Payments for sensory integration therapy will not exceed the Medicaid payment rate. Services must be approved by the AGAO.

### ***Tutoring***

Limited payment for tutoring may be provided for the following children:

- Ages seven and older, for the purpose of raising a failing grade (C or below) in a general education class or required elective

for high school students or support for a child who has below average standardized test scores.

- Children who are receiving educational services as part of their special education IEP or 504 plans and require specific additional help beyond parental assistance.

The tutoring request must include **one** of the following:

- Most recent report card or progress report.
- Most recent standardized test scores.
- IEP Plan.
- 504 Plan.

Additionally, the tutoring request must:

- Occur outside of regular school hours.
- Include documentation that free tutoring is not offered by the school.
- Documentation that verifies the tutor is qualified to tutor the child in the subject area(s) (example: honors student in that particular subject, high school graduate, college student, certified teacher) must be submitted with the tutoring request to the AGAO prior to commencement of tutoring services.

### **Tutoring Approvals**

- Tutoring payment requires prior authorization by the AGAO.
- Tutoring must not exceed \$150 per week.
- Prior authorization for tutoring may cover a maximum of 12 months.
- Request for additional tutoring requires a new prior authorization from the AGAO.
- Tutoring payments will be made directly to the tutor. The tutor must register as a vendor with the State of Michigan.

### ***Academic Credit Recovery/Summer School***

Academic credit recovery/summer school courses may be reimbursed for high school students in public school districts that do not reimburse parents for completion of the courses. The courses must



meet high school graduation requirements, and the child must have a medical subsidy condition certified by the AGAO related to academic performance. Documentation from the school verifying the course is required for high school graduation, and the cost of the course is required for prior authorization by the AGAO. Documentation verifying regular attendance and completion of the course is required for reimbursement of the course.

## CAMP

The medical subsidy program may cover up to \$500 for day camp or \$800 for overnight camp per calendar year. A letter from the adoptive parent(s)/legal guardian(s) indicating how the child will benefit from the camp based on the certified condition is required.

Overnight and day camps must be licensed in the state where they are located. Medical subsidy will not cover the costs of transportation to or from the camp. Prior authorization through the AGAO is not required.

**Note:** To ensure payment, adoptive parent(s)/legal guardian(s) may request prior authorization.

## TRAVEL EXPENSES

The medical subsidy program does not routinely pay for travel expenses. In order for payment to be made, the following criteria must be met:

- Written prior authorization must be given from the AGAO prior to the expenses being incurred. Approval may be granted only if travel meets all of the following:
  - Mileage in excess of 30 miles round trip.
  - Necessary for the treatment of a condition.
- Lodging may be approved if it is determined the family must be away from home overnight to obtain the treatment and it is in excess of 50 miles from family residence.
- Meal reimbursement may be approved for travel in excess of 50 miles from family residence.
- The [DHS-1624, Adoption Medical Subsidy Travel Reimbursement Log](#), must be completed.

Payment for travel expenses will be based on state rates for meals, standard mileage, and lodging. Itemized, unaltered receipts are required for reimbursement of all lodging. To receive reimbursement for meals, travel must be within the times in the chart below to qualify for its corresponding maximum allowance rate.

Reimbursable Meal:	Travel Begins Before:	Travel Extends Past:
Breakfast	6:00	8:30
Lunch	11:30	15:00
Dinner	17:30	20:00

## BILLING PROCEDURES

Medical subsidy payments are made in response to specific billing statements submitted by the adoptive parent(s)/legal guardian(s), or the service provider to the AGAO. Payments are made at rates approved by the AGAO and sent directly to the service provider or adoptive parent(s)/legal guardian(s). Frequency and duration of treatment are subject to review by the AGAO. Payments and billing may be audited for accuracy.

Payment is approved only if **all** of the following are met:

- The service is **necessary** to treat a condition that has been certified by the AGAO.
- A medical subsidy agreement is signed by the AGAO program manager or MDHHS designee.
- The service has prior authorization from the AGAO, if applicable.

**Note:** The AGAO may authorize payment for a service when prior authorization is not obtained if **all** eligibility criteria for covered service have been met.

- Service providers are appropriately licensed or certified by the state agency responsible for regulating professionals in the state where the services were provided. In Michigan, the

agency responsible for regulating professional service providers is LARA. CCI placement facilities are licensed as CCIs by the state where the facility is located. In Michigan, the MDHHS Division of Child Welfare Licensing (DCWL) is responsible for licensing CCIs.

- All other payment resources have been exhausted up to their maximum benefit. Before payment can be authorized, the adoptive parent(s)/legal guardian(s) must use all other available resources up to their maximum benefit, including:
  - Private health insurance.
  - Medicaid.
  - CSHCS.
  - Local and intermediate school districts.
  - Other public resources.

**Note:** The department may waive this requirement in cases of undue hardship.

The medical subsidy program does not reimburse the adoptive parent(s)/legal guardian(s) for providing treatment/services to their own adopted child.

Billing statements are to include the following information:

- Child's name and date of birth.
- Adoptive parent/legal guardian name(s) and address.
- Condition for which services were provided.
- List of the services provided.
- Date(s) and time(s) of service(s).
- Name and address of the service provider.
- Federal identification number (FEIN) or Social Security Number (SSN) of the service provider requesting payment.
- License or certification number of the individual therapist who actually provided the services, if applicable.
- If services have been rejected for coverage or for partial coverage by a private insurance carrier or by Medicaid, a copy

of the rejection or partial coverage statement must be attached to the billing statement.

- If no other resources are available to assist with the cost of services, the billing statement must state, "No other resources available."
- The adoptive parent(s)/legal guardian(s) signature verifying receipt of services. The billing statement must include the following statement: "I have reviewed this billing statement for accuracy, and by my signature, I am verifying that the services were provided and the times and dates of services billed are accurate."
- Provider signature verifying that services were rendered on the dates and times indicated on the billing statement.

Whenever possible, the family is to have the service provider bill the AGAO for services covered by the medical subsidy program. Billing statements can be mailed, faxed, or emailed to the AGAO:

Michigan Department of Health and Human Services  
Adoption and Guardianship Assistance Office  
Suite 612  
P.O. Box 30037  
Lansing, Michigan 48909

Fax (517) 335-4019

[MDHHS-MedicalSubsidyClaims@michigan.gov](mailto:MDHHS-MedicalSubsidyClaims@michigan.gov)

When a child is not covered by the adoptive parent(s)/legal guardian(s) private health insurance and the family obtained prior authorization from the AGAO, billing statements must be submitted within six months after services are provided.

When a child is covered by the adoptive parent(s)/legal guardian(s) private health insurance and the family obtained prior authorization from the AGAO, billing statements must be submitted within six months of the adoptive parent(s)/legal guardian(s) or provider receiving documentation of partial payment or rejection of payment by the insurance company.

Medicaid-enrolled providers must bill Medicaid prior to submitting billing statements to the AGAO and must accept Medicaid payment as payment-in-full for any covered services.

## EXCLUDED COSTS

The medical subsidy program does not reimburse the adoptive parent(s)/legal guardian(s) for providing treatment/services to their own adopted child.

Medical subsidy does not pay for missed appointments.

Payment for physical care, behavioral care, and out-of-home services will not be extended beyond the child's 18th birthday.

Services are not paid if the service is available from the public school system under the Michigan Mandatory Special Education Act [Act 198, P.A. 1971].

Payment will not be made for routine medical care, including well-child checks and general over-the-counter medical/first aid supplies.

## LEGAL AUTHORITY

### State

[MCL 400.115f](#)

[MCL 400.115h](#)

## RESOURCES

[Adoption and Guardianship Assistance Contact List \(michigan.gov\)](#)

## POLICY CONTACT

Questions about this policy item may be directed to the [Child Welfare Policy Mailbox \(child-welfare-policy@michigan.gov\)](#).

**PARENT  
RESPONSIBILITIES**

The adoptive parent(s) must notify the Adoption and Guardianship Assistance Office, in writing, within two weeks after any of the following events occur for as long as adoption assistance is continued:

- The child is no longer the legal responsibility of the adoptive parent(s).
- The adoptive parent(s) are no longer providing any support for the child.
- The child becomes an emancipated minor.
- The child marries.
- The child enlists in the military.
- The child dies.
- Change of family's address.
- The child is placed in a legal guardianship.
- The child becomes a ward of the Juvenile Court through voluntary or involuntary actions.

Recoupment procedures will be followed for changes not reported timely that result in an overpayment.

**ANNUAL REPORTS**

The department will conduct annual reviews to determine whether the adoptive parent(s) remain legally and financially responsible for the child.

**Title IV-E Funded  
Cases**

The DHS-1347, Annual Report/Status Change, will be mailed to all adoptive parents receiving title IV-E funded adoption assistance. The report will include directions and time frames for reporting.

**State-Funded  
Cases**

The DHS-678, Annual Report/Status Change - Eligibility for Services Funded by the Federal TANF Block Grant, will be mailed to all adoptive parents receiving state funded adoption assistance. This report will be used to determine whether TANF funding or state funding may be used to fund the adoption assistance. The report will include directions and time frames for reporting.

**ANNUAL REPORT  
COMPLETION**

Completed annual reports can be mailed to the address below. Any questions regarding directions or status of an annual report should be directed to the Adoption and Guardianship Assistance Office.

Michigan Department of Health and Human Services  
Adoption and Guardianship Assistance Office  
235 S. Grand Ave., Suite 612  
P.O. 30037  
Lansing, MI 48909  
517-335-7801

Failure to complete and return either the DHS-1347 or DHS-678 to the Adoption and Guardianship Assistance Office will result in further action to determine continued eligibility for adoption assistance.

**POLICY CONTACT**

Questions about this policy item may be directed to the [Child Welfare Policy Mailbox](#).

## OVERVIEW

Once approved, adoption assistance and adoption medical subsidy will continue even if the adoptive parent(s) move out of the state, provided all other eligibility requirements are met.

Children moving into Michigan with adoption and medical assistance from another state may be eligible to have Michigan Medicaid opened by the Adoption and Guardianship Assistance Office.

## ADDRESS CHANGES

Adoptive parents are required to submit address changes by completing **both** requirements below:

- Address changes must be submitted in writing to the Adoption and Guardianship Assistance Office. The address change information should be submitted as far in advance as possible so that adoption assistance checks can be directed to the correct address. The written address change must include the following information:
  - Parent's name.
  - Phone number.
  - Child's name.
  - Child's date of birth.
  - Complete old address.
  - Complete new address, including any post office box number.
  - Effective date of new address.
  - Parent's signature.
- Update address within SIGMA

<https://www.michigan.gov/SIGMAVSS>

**Note:** If the adoptive parent is also a licensed foster parent or day care provider, he/she must also contact the appropriate licensing office.



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**MEDICAID****New Cases  
Opening With an  
Out-of-State  
Address**

Michigan Medicaid will not be opened for children whose adoptive home is located in another state.

At case opening, the Adoption and Guardianship Assistance Office will complete Interstate Compact on Adoption and Medical Assistance (ICAMA) Form 700, Notice of Medicaid Eligibility/Case Activation, and notify the child's state of residence that the Medicaid should be opened in that state.

**Michigan Children  
Moving to Other  
States**

Children who are eligible for Medicaid through Michigan's adoption assistance program should be eligible for the Medicaid program in the state where they live.

Before moving, the adoptive parent(s) should contact the Adoption and Guardianship Assistance Office to change their address and inform the office they need Medicaid in the new state.

The Adoption and Guardianship Assistance Office will complete Interstate Compact on Adoption and Medical Assistance (ICAMA) Form 700 Notice of Medicaid Eligibility/Case Activation, for the family and inform the new state of the need for medical assistance through that state's program.

**Children Moving to  
Michigan From  
Other States**

A child who moves to Michigan with adoption assistance-related Medicaid eligibility from another state may receive Medicaid through Michigan's Medicaid program. All title IV-E funded adoption assistance cases are categorically eligible for Medicaid. The Adoption and Guardianship Assistance Office in central office authorizes and maintains current Medicaid for these children.

The parent of an eligible child who is moving to Michigan should contact the state that issued the adoption assistance agreement.

The originating state should complete the ICAMA Form 700, Notice of Medicaid Eligibility/Case Activation and forward it to:

Michigan Department of Health and Human Services  
Adoption and Guardianship Assistance Office, Suite 612  
P.O. Box 30037  
Lansing, Michigan 48909

**POLICY CONTACT**

Questions about this policy item may be directed to the [Child Welfare Policy Mailbox](#).

**GENERAL  
INFORMATION**

The following policies must be used when an administrative hearing regarding adoption assistance, medical subsidy or nonrecurring adoption expenses is requested.

**MAHS**

The Michigan Administrative Hearings System (MAHS) is the state's central agency that provides impartial administrative law judges to conduct administrative hearings for the Michigan Department of Health and Human Services (MDHHS). This office is located within the Department of Licensing and Regulatory Affairs (LARA). Contact information for MAHS is below.

Michigan Administrative Hearing System (MAHS)  
Benefit Services Division  
P.O. Box 30763  
Lansing, MI 48909  
Tel.: (517) 335-7519  
Fax: (517) 763-0155

**ISSUES SUBJECT  
TO ADMINISTRATIVE  
HEARINGS**

MDHHS has an administrative hearing process to provide for the right to dispute a department decision when an individual believes a decision and/or action is contrary to law or MDHHS policy. Examples of issues subject to administrative hearings include, but are not limited to:

- A request has not been acted upon per the established AAM policy/timeframes for that particular request.
- Denial of eligibility for any of the adoption assistance programs.
- Lack of notification by MDHHS, or a private agency under contract with MDHHS, to potential adoptive parents about the availability of adoption assistance for children who are under MDHHS responsibility for placement and care when the prospective adoptive parent(s) have requested a determination of eligibility by signing the DHS-4081, Adoption Assistance Intent Statement.

- The required application documents for prospective adoptive parent(s) who request an eligibility determination to apply for adoption assistance was not completed by the adoption worker prior to the final order of adoption.
- Dispute with negotiated and/or maximum adoption assistance rate.
- Closing of an adoption assistance and/or medical subsidy case.
- Reduction or denial of adoption assistance, nonrecurring adoption expenses, and/or medical subsidy benefits.

The applicant, adoptive parent, or guardian must prove that an error occurred in his or her case that would substantially affect the determination at an administrative hearing.

## NOTICE REQUIREMENTS

Application forms and each written decision made on a case must provide applicants information on their right to a hearing. This includes an explanation of how and where to file a hearing request and the right to be represented by an authorized hearing representative at the applicant's expense.

The applicant must receive a written notice of all decisions affecting adoption assistance, medical subsidy or nonrecurring expenses eligibility or the amount of benefits. When a decision is proposed or made, the notice must specify:

- The decision of the department.
- The reason(s) for the decision.
- The specific manual item(s) that cite the legal basis for the decision, or the regulation or law itself.
- The circumstances when adoption assistance or medical subsidy will be continued until the hearing decision is received.
- If the MDHHS decision is upheld, the payments made during the time must be repaid to the department.

***Exception:*** There will not be a notice of a decision when a proposed or final hearing decision is issued.

The Adoption and Guardianship Assistance Office must give **timely** and **adequate** notice of decisions that will result in discontinuance, termination, suspension, or reduction of adoption assistance and/or medical subsidy.

**Adequate notice** means a notice containing the information above. **Timely notice** of these MDHHS decisions means that notice must be mailed at least 10 calendar days before the effective date of the decision by the department.

In the following circumstances, the Adoption and Guardianship Assistance Office must send **adequate notice** to the applicant, adoptive parent, or guardian no later than the date of the decision (immediate negative action):

- When the Adoption and Guardianship Assistance Office has factual information confirming the death of the adoption assistance payee or the adoption assistance-eligible child.
- When the Adoption and Guardianship Assistance Office receives a written statement signed by the adoption assistance payee that he/she no longer wishes to receive adoption assistance or the statement provides information which requires termination or reduction of assistance and the payee has indicated in writing that he/she understands that the discontinuance of adoption assistance is the result of the information.
- When the payee's whereabouts are unknown and MDHHS mail directed to the payee has been returned by the post office indicating no known forwarding address. The payee's check must be made available to him/her if the whereabouts become known during the payment period covered by a returned check.
- When the Adoption and Guardianship Assistance Office has factual information confirming that adoptive parent(s) is not providing any support for the child or the termination of the adoptive parent(s)'s parental rights has occurred.
- A special allowance granted for a specific time period is terminated and the recipient has been informed in writing at the time of initiation that the allowance shall automatically terminate at the end of the specified period.

**AUTHORIZED  
HEARING  
REPRESENTATIVE  
(AHR)**

A hearing request signed by a petitioner may name an authorized hearing representative (AHR) who may represent the petitioner in the hearing process. The petitioner may choose an attorney or other person to act as the AHR. An AHR exercises the petitioner's right to a hearing and may do whatever the petitioner would do if the petitioner were not represented. If the petitioner names an AHR, the AHR must sign a hearing request withdrawal, if one is filed.

**WHO MAY REQUEST  
AN  
ADMINISTRATIVE  
HEARING**

Prior to adoptive placement by the court, an administrative hearing may be requested by an adoption assistance applicant or his or her AHR. After adoptive placement by family court order, the adoptee, the adoptive parent or legal guardian (appointed after the death of the adoptive parent(s) under MCL 700.5202 and 700.5204) or an AHR has the right to request a hearing.

**HEARING REQUEST  
DEADLINE**

Hearing requests must be in writing, signed and submitted to the:

Adoption and Guardianship Assistance Office  
Hearings Coordinator, MDHHS  
235 S. Grand Ave., Suite 612, PO Box 30037  
Lansing, MI 48909

For all denials and other appeals, an individual has the right to request a hearing within 90 calendar days from the date of the written decision notice by the Adoption and Guardianship Assistance Office.

**CONTINUATION OF  
PROGRAM  
BENEFITS**

To avoid suspension, reduction, discontinuance, or termination of adoption assistance, medical subsidy, or nonrecurring adoption

expenses pending the administrative hearing, the petitioner must submit a hearing request to the Adoption and Guardianship Assistance Office on or before the 11th business day from the date of the written decision notice.

If a petitioner requests a hearing within the above timeframe, the department shall not suspend, reduce, discontinue, or terminate adoption assistance, medical subsidy, or nonrecurring adoption expenses pending a decision following the hearing.

***Exception:*** Benefits will not continue when the petitioner or AHR (this includes petitioner's attorney) specifically states in writing that continued assistance pending the hearing decision is **not** requested or if the adoptive parent(s)'s parental rights have been terminated or released.

If a hearing request is not received within the above-stated timeframe, suspension, reduction, and/or termination of assistance will not be reversed prior to the final decision and order.

## DENIAL AT APPLICATION

The petitioner is not entitled to benefits pending the hearing when the reason for the hearing request is a denial of eligibility at application.

## RECOUPING PROGRAM BENEFITS

If a hearing request is received timely and program benefits are continued, repayment of funds will be required if any of the following occur:

- The hearing request is later withdrawn.
- The petitioner or AHR fails to appear for the hearing and a final decision and order is issued based upon the default.
- The final decision and order upholds the department's decision.

The repayment will be calculated from the date the payments should have stopped as indicated on the written decision notice by the Adoption and Guardianship Assistance Office or the final decision and order.

**LOCAL OFFICE  
RECEIPT OF  
HEARING REQUEST**

In the event an adoption assistance hearing request is inappropriately filed in the local MDHHS office, it must be date-stamped and immediately forwarded to the Adoption and Guardianship Assistance Office at:

Adoption and Guardianship Assistance Office  
Hearings Coordinator, MDHHS  
235 South Grand Ave., Suite 612, P.O. Box 30037  
Lansing, MI 48909

**ADOPTION AND  
GUARDIANSHIP  
ASSISTANCE  
OFFICE ACTION ON  
UNTIMELY  
REQUESTS**

Hearing requests received by MDHHS more than 90 calendar days from the date of the written decision notice, the Adoption and Guardianship Assistance Office may do one the following:

- Complete the DHS-3050, Hearing Summary and include:
  - The request was received more than 90 calendar days from the date of the written decision notice (attach a copy of the notice).
  - Request an informal conference with MAHS and the petitioner.
- Forward the DHS-3050, Hearing Summary, and hearing request to MAHS with a copy to petitioner.

**STANDARDS OF  
PROMPTNESS**

The Adoption and Guardianship Assistance Office has 14 calendar days from receipt of the hearing request to complete all of the following:

- Log the hearing request.
- Contact the petitioner or AHR.



- Obtain and submit to MAHS verification of the AHR's prior authorization, if needed.
- Offer an informal conference including all appropriate persons.

**Note:** The conference does not need to be held within the 14-calendar day standard, but there must be documentation of the contact with the petitioner or AHR within the 14 calendar days.

- Clarify the nature of the dispute.
- Forward to MAHS by the 14th calendar day, the request with either:
  - A DHS-18A, Hearing Request Withdrawal
  - A DHS-3050, Hearing Summary

Upon receipt of the hearing summary and hearing request, MAHS will schedule the hearing. MAHS is responsible to conduct a hearing, render a proposed decision, and mail it to the Adoption and Guardianship Assistance Office, the petitioner and the AHR.

Following the administrative hearing, the Adoption and Guardianship Assistance Office has 14 calendar days from the date a final order and decision is received from the department director to implement the decision.

## EXPEDITED HEARINGS

The department or petitioner may request an expedited hearing with justification.

An expedited hearing may be requested when unusual circumstances exist. Circumstances that may qualify for an expedited hearing include, but are not limited to:

- Medical subsidy denials for out-of-home placement funding.
- Denial of eligibility/services for a child with a serious medical condition.

Adoption and Guardianship Assistance Office shall request an expedited hearing at the request of the petitioner by calling the ALJ manager or checking the expedited hearing box on the DHS-3050, Hearing Summary.

All of the following must be completed by the Adoption and Guardianship Assistance Office within five business days of receiving the written hearing request:

- Complete the DHS-3050. Include an explanation of the reason an expedited hearing is required.
- Write *expedited hearing* at the top of the hearing request.
- Fax the hearing request and the summary to MAHS.

### **DHS-3050, REVIEW AND HEARING SUMMARY**

Upon receiving a signed, written hearing request, the Adoption and Guardianship Assistance Office will review the request and complete the DHS-3050, Hearing Summary, and forward it and the original hearing request to MAHS. The hearing summary must briefly describe the agency's decision and the petitioner's arguments against the department decision.

The narrative of the hearing summary must include all of the following:

- A clear statement of the decision, including all programs involved in the decision.
- Facts that led to the decision.
- Policy that supported the decision.
- Correct address of the petitioner or AHR.
- Description of the documents the Adoption and Guardianship Assistance Office intends to offer as exhibits at the hearing.

The department may decide what exhibits to offer at the hearing and attach copies to the hearing summary. A list of the policies used in determination of the MDHHS decision must also be included. A copy of the hearing summary and copies of proposed exhibits and policies must be sent to the petitioner at the same time they are sent to MAHS. A copy of all documents must be kept in the adoption assistance case file. Additional documents may be sent to MAHS and to the petitioner and offered at the hearing after the hearing summary has been submitted.

The Adoption and Guardianship Assistance Office must determine whether a local office or private contract agency staff person is needed for testimony at the hearing. If staff is determined necessary, they should be informed by telephone and confirmed in writing. Current MDHHS and contract agency staff are required to participate in administrative hearings without a subpoena when their testimony is deemed necessary.

A request for a subpoena may be sent to MAHS if a witness is no longer employed or under contract with MDHHS. The request must be sent prior to the hearing date and allow time for sufficient notice.

### MAHS RESPONSE TO HEARING REQUESTS

MAHS may grant or deny a hearing request. MAHS can deny requests:

- Signed by unauthorized persons.
- Without signatures. Faxes or photocopies of signatures are acceptable.

### INFORMAL CONFERENCE

Issues stated in the hearing request should be resolved whenever possible through an informal conference with the petitioner or AHR (which includes the parties' attorneys of record) rather than through a hearing. This conference (either in person or by phone) must be scheduled within 30 calendar days after the Adoption and Guardianship Assistance Office receives the hearing request unless:

- The petitioner or AHR chooses not to participate in the informal conference.

**Note:** The efforts made to offer a conference must be documented in the case record.

- A conference was held prior to the receipt of the hearing request, the issue in dispute is clear, and MDHHS staff fully understands the positions of the petitioner. Documentation of the conference must be filed in the case record.

All appropriate staff should be consulted before the informal conference and should attend, as necessary.

**CORRECTED CASE  
ACTION**

If the Adoption and Guardianship Assistance Office determines that the decision needs correction, the department may take one or more of the following actions:

- Cancel the MDHHS case decision.
- Make corrective payments retroactive to the date the incorrect action was effective.
- Send a new decision notice to the petitioner and/or AHR.

The hearing will not be dismissed if the petitioner or AHR claims that the Adoption and Guardianship Assistance Office failed to correct all disputed decisions.

**WITHDRAWAL**

A petitioner or AHR may request or agree to withdrawal of a hearing at any time prior to the administrative law judge's (ALJ) issuance of a recommended hearing decision and order. When a petitioner wishes to withdraw a request, a written and signed withdrawal must be submitted. If the petitioner has named an AHR, the AHR must sign the hearing request withdrawal. The DHS 18-A, Hearing Request Withdrawal, may be used for this purpose.

A written and signed withdrawal must be sent to the Adoption and Guardianship Assistance office. The withdrawal must state clearly that the petitioner has decided to withdraw the request and the reason for the withdrawal. The Adoption and Guardianship Assistance Office must forward the signed withdrawal to MAHS, indicating agreement or objections, and file a copy in the case record. If the case has already been assigned to an ALJ, the withdrawal will be submitted to the assigned ALJ for consideration.

**Note:** This must occur if the DHS-3050, Hearing Summary, has been submitted to MAHS.

**ATTORNEY  
GENERAL  
REPRESENTATION**

The Adoption and Guardianship Assistance office staff must notify the [Children's Services Legal Division \(CSLD\)](#) immediately upon

notice to the department that a client will be represented by an attorney. CSLD will request Attorney General (AG) representation.

The Office of Attorney General requires a two-week notice prior to the date of the hearing. If there is less than two weeks' notice, a request for adjournment should be made to MAHS for purpose of arranging legal representation. The decision whether to adjourn the matter is left to the discretion of the ALJ. A hearing date does not have to be received to make a request for representation.

Once an AAG is assigned to a case, the department should direct all routine communication to the assigned AAG and not to MAHS, the petitioner or his or her AHR, unless directed otherwise by the AAG. The directive does not pertain to communications that can only be addressed by MAHS, e.g. dismissal of a hearing request when a client requests to withdraw the request subsequent to the informal conference.

**Note:** In cases where it is determined by the department that AG representation would be beneficial, such as a complex issue in dispute; client representation by a third party organization, the department may request AG representation by following above process.

#### TELEPHONE HEARINGS- REQUEST BY PARTY

MAHS will schedule an in-person hearing upon receipt of a hearing summary/request for hearing from MDHHS as standard practice, unless the hearing summary/request for hearing specifically requests that a telephone hearing be scheduled. After an in-person hearing has been scheduled, either party may submit a request that the hearing be converted to a telephone hearing for one or both of the parties. The request to convert to telephone hearing must be made in writing to MAHS (to the attention of the assigned ALJ indicating Docket No.) stating the reason(s) for the request with a copy provided to the opposing party. The request must contain a Proof of Service or written indication that the opposing party has been served with a copy of the request. The request to convert to telephone hearing must be filed with MAHS no later than 10 days in advance of the scheduled hearing date, unless good cause is shown for late filing. The opposing party must file written objections to the request within seven calendar days of the filing date. The assigned ALJ will decide on whether good cause has been shown to grant the request.

**TESTIMONY BY  
TELEPHONE**

A party may request that a witness be allowed to testify by telephone at a scheduled in-person hearing. The request must be made in writing to MAHS (to the attention of the assigned ALJ indicating Docket No.) stating the reason for the request with a copy provided to the opposing party. The request must contain a Proof of Service or written indication that the opposing party has been served with a copy of the request. The request for telephone testimony must be filed with MAHS no later than 10 calendar days in advance of the scheduled hearing date, unless good cause is shown for late filing. The opposing party may file written objections to the request within seven calendar days of the filing date. The assigned ALJ will decide on whether good cause has been shown to grant the request.

**REQUESTS FOR  
POSTPONEMENT  
(ADJOURNMENT)**

The petitioner, an AHR or the Adoption and Guardianship Assistance Office may request a postponement (also called adjournment) of a scheduled hearing. A party shall submit a written request for postponement. A request for postponement shall be made within seven calendar days prior to the scheduled hearing, unless good cause is shown for a shorter timeframe. Only MAHS can grant or deny a postponement. If the hearing is rescheduled, a notice of hearing will be mailed to all parties who received the original notice.

**THE HEARING**

The usual sequence for a hearing is:

- Introduction by the ALJ.
- Opportunity for the parties or counsel to provide opening statements.
- Generally, the petitioner presents his or her case first unless to provide greater efficiencies, the department consents to change the presentation order.
- Testimony of witnesses and presentation of exhibits

- Opportunity for the parties or counsel to provide closing statements.

In general, the ALJ will follow the uniform administrative rules of Administrative Procedures Act, MCL 24.201 et. Seq. and R 792.10101 to the extent these rules are applicable. The ALJ must ensure the record is complete and may:

- Take an active role in questioning the witnesses and parties.
- Assist either side to ensure that necessary information is present on the record.
- Be more flexible than a circuit court judge in deciding what evidence may be presented and admitted into the record.
- Determine what evidence is acceptable, material and relevant to the hearing.
- Take appropriate actions to control the proceeding in order to make a complete record.

## **FAILURE TO APPEAR**

In the event that one of the parties fails to appear at the hearing after receiving proper notice, the other party may request a dismissal or a default judgement against the non-appearing party pursuant to the Administrative Procedures Act, MCL 24.201 through MCL 24.238.

## **HEARINGS FOR ERROR DETERMINATION**

The ALJ issues a recommendation for hearings concerning adoption assistance and/or nonrecurring adoption expenses (NRE) eligibility requests after the final order of adoption. The MDHHS director may adopt or reject the ALJ's recommended decision in his or her final decision and order. The MDHHS director may also refer the case to the ALJ for reconsideration of the original recommendation.

There are certain circumstances in which an ALJ may find:

- A specific error (examples below) was made.

- The child's pre-adoptive circumstances met the adoption assistance/NRE eligibility requirements prior to the date of the final order of adoption.

If the child's circumstances did not meet adoption assistance/nonrecurring adoption expenses eligibility requirements prior to the date of the final order of adoption, the presence of an error is not relevant. Determination of an error listed below will not change the child's ineligibility.

### **Specific Errors**

Some examples of errors that may be considered in the administrative hearing for adoption assistance and/or nonrecurring adoption expenses eligibility requests are:

- An error in the written determination of a child's ineligibility by the MDHHS Adoption and Guardianship Assistance Office.
- The documented denial of eligibility by the MDHHS Adoption and Guardianship Assistance Office was based on a means test of the adoptive family income/assets.
- Failure by the MDHHS local office adoption program (or private agency under contract with MDHHS to provide adoption services to the child) to notify or advise the adoptive parent(s) of the availability of adoption assistance and/or nonrecurring adoption expenses. Documented receipt of DHS Publication 538, Michigan's Adoption Assistance Programs, may be evidence of notice of the above.
- Relevant facts regarding the child were known by MDHHS, placing agency foster care (PAFC) provider, or contracted private adoption agency and the information was not presented to the adoptive parent(s) prior to the final order of adoption.

### **Specific Error Determination**

Unless there is a jurisdictional or timeliness issue, the hearing may proceed to determine if a specific error occurred on a case. The eligibility policy that was in effect at the time of the final order of adoption will be used to determine eligibility.

If a child's circumstances did not meet eligibility criteria for adoption assistance and/or nonrecurring adoption expenses prior to the date



of the final order of adoption but there is evidence of an error as listed above, eligibility cannot be granted.

### **Adoption Assistance Rate for Children Found Eligible**

The ALJ shall issue a recommended hearing decision with proposed findings of fact and conclusions of law to the MDHHS department director.

If the MDHHS director determines in a final decision and order that a specific error occurred and the child met the eligibility requirements for adoption assistance, the MDHHS Adoption and Guardianship Assistance Office will determine the maximum adoption assistance daily rate. The maximum rate will be determined consistent with the foster care maintenance rate that the child received, or would have received, in a foster family home, that was in effect at the time immediately prior to the final order of adoption. In addition, any legislative increase or decrease to the standard base rate that was authorized since the child's adoption placement will be considered.

For a child who was adopted from a residential treatment facility, the maximum adoption assistance rate will be determined consistent with policy in [AAM 210, Adoption Assistance Rate Determination](#).

After a maximum adoption assistance rate is determined by the Adoption and Guardianship Assistance Office, the ongoing adoption assistance rate will be negotiated with the adoptive parent(s). A negotiated DHS-4113, Adoption Assistance Agreement, must be signed by the adoptive parent(s) and the adoption and guardianship assistance program manager or MDHHS designee before the adoption assistance ongoing payment and any retroactive payments may be paid.

### **Effective Date of Adoption Assistance**

If the MDHHS director determines in a final decision and order that a specific error occurred **and** the child met the adoption assistance eligibility requirements, the adoption assistance will be paid retroactive to the date the first payment would have been made if

an error had not occurred. The adoption assistance payment is processed when the adoption assistance agreement is signed by the adoptive parent(s) and the adoption and guardianship assistance program manager or MDHHS designee and the DHS-1344, Case Opening Request, is submitted by the parent(s) to the Adoption and Guardianship Assistance Office.

### **Medicaid for Children Found Eligible**

If the MDHHS director determines in a final decision and order that a specific error occurred **and the child met adoption assistance eligibility requirements at the time the eligibility determination was made**, the Adoption and Guardianship Assistance Office will determine the child's eligibility for Medicaid through the adoption assistance program. If it is determined that the child is eligible, Medicaid will be activated after the adoption assistance agreement is signed by the adoptive parent(s) and the adoption and guardianship assistance program manager or MDHHS designee, and the DHS-1344, Case Opening Request, is submitted by the parent(s) to the Adoption and Guardianship Assistance Office.

**Note:** Adopted children are given the opportunity to select a Medicaid health plan. If no health plan is selected by the adoptive parent(s), a health plan is automatically chosen by the State of Michigan's contracted enrollment broker, Michigan ENROLLS. The selection of the health plan is determined by the beneficiary's county of residence.

### **Nonrecurring Adoption Expenses Reimbursement for Children Found Eligible**

If the MDHHS department director determines in a final decision and order that a specific error occurred and the child met the eligibility requirements for nonrecurring adoption expenses, the DHS-4113, Adoption Assistance Agreement, or DHS-4814, Nonrecurring Adoption Expenses Application/Agreement for a Child Without Adoption Assistance, must be signed by the adoptive parent(s) and the adoption and guardianship assistance program manager or MDHHS designee. The allowable expenses will be determined and reimbursed up to the maximum allowed after the

DHS-1344, Case Opening Request, and DHS-4815, Parent Claim for Reimbursement of Nonrecurring Adoption Expenses, are submitted to the Adoption and Guardianship Assistance Office by the adoptive parent(s); see [AAM 310](#).

## ADOPTION ASSISTANCE RATE DISPUTES

Adoption assistance payment rates must comply with state law [MCL 400.115g (2)], adoption assistance policies in [AAM 210](#), and foster care policies in [FOM 903-3](#).

## HEARING DECISIONS

The ALJ determines the facts based solely on the evidence at the hearing, draws conclusions of law, and for all adoption assistance matters issues a recommended decision to the MDHHS director.

Copies of the recommended decision are sent to the Adoption and Guardianship Assistance Office and the petitioner. Either party may file written exceptions within the timeframe as set forth in the recommended decision. The MDHHS director has 60 calendar days to issue a final decision and order or remand for rehearing.

The petitioner has the right to appeal the final decision and order to probate court within 60 calendar days after the final decision and order is received.

The final decision and order may require the Adoption and Guardianship Assistance office to take action. The office must implement any required action within 14 calendar days of the mailing date of the hearing decision.

## REHEARING

A rehearing is a hearing which is granted on the MDHHS director's final decision and order when the original hearing record is inadequate for purposes of judicial review or there is newly discovered evidence that could affect the outcome of the original hearing.

The request for a rehearing of the MDHHS director's final decision and order must be received by the department within 60 calendar days of the mailing date on the final decision and order.

**RECONSIDERATION  
(HEARING)**

A reconsideration is a paper review of the facts, law and any new evidence or legal arguments. A reconsideration is granted when the original hearing record is inadequate for judicial review and a rehearing is not necessary but the department believes the ALJ failed to accurately address all the issues.

MAHS will grant or deny the request and will send written notice to all parties of the original hearing. If MAHS grants a reconsideration, the hearing decision may be modified without another hearing unless there is a need for further testimony. If a rehearing is granted, MAHS will schedule and conduct the rehearing in the same manner as the original hearing.

**REQUEST FOR A  
REHEARING OR  
RECONSIDERATION**

The department or petitioner may file a written request for a rehearing or reconsideration. The parties may request a rehearing or reconsideration for reasons including but not limited to:

- Newly discovered evidence that existed at the time of the original hearing that could affect the outcome of the original hearing.
- Misapplication of policy or law in the hearing decision which led to a wrong conclusion.
- The ALJ did not address in the decision relevant issues raised in the hearing request.
- Typographical or mathematical errors that affect the rights of one of the parties.

**APPEALING A  
HEARING DECISION**

Appeals from administrative hearing decisions must be filed in the probate court in which the adoption petition was filed or the probate court of the county in which the adoptee resides. For families living out-of-state, appeals must be filed in the probate court in which the adoption petition was filed.