
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).