

# Wow! That's a Big Change

## Subsidy Frequently Asked Questions

### November 1, 2024

**1. Question: *What is the subsidy?***

**Answer:** The purpose of a subsidy is to defray the high costs of meeting a child's special needs. Subsidies are not a continuation of foster care, and the basic needs of the child are not intended to be met through the subsidy.

Subsidies are agreements between the State of Alaska and the adoptive parent(s) or guardians that can include financial & medical support, including:

- Monthly payment
- Reimbursement of expenses in finalizing the adoption
- Medicaid benefits anywhere in the United States

Subsidies last until a child turns 18 or the parents are no longer legally responsible for a child. Families can request to renegotiate subsidy amounts to reflect a child's current needs and the family circumstances necessitating help in meeting that need.

**2. Question: *Will these new changes affect our current subsidy?***

**Answer:** The change in subsidy will not impact subsidies negotiated prior to July 1, 2024.

**3. Question: *Where can we find a calendar of the payment dates? How do we get one?***

**Answer:** The payment schedule for the year is usually sent directly to you in January. You can also request one from the State subsidy Unit.

**4. Question: *Where are the current foster care rates published?***

**Answer:** The current foster care rates can found at

<https://dfcs.alaska.gov/ocs/Pages/fostercare/moreinfo.aspx>

**5. Question: *Are the new foster care rates temporary? Why do we go off fiscal year 2023?***

**Answer:** The foster care program's monthly foster rates have increased in the new fiscal year, and the adoption subsidy program has decided not to include a childcare program. Therefore, covering childcare is no longer part of the budget for adoptive families.

**6. Question: *What was the level 2 care for fiscal year 2023?***

**Answer:** This amount depends on the youth, their age, and where their family resides. All subsidies are individually negotiated based on the documented costs of care for a youth and are not automatically set to a specific rate. The most the unit can authorize is set by the FY23 rate the youth would qualify for.

**7. Question: *How will it affect the current subsidy if potential changes are needed?***

**Answer:** If you must renegotiate your current subsidy, the rates and childcare would be subject to the new guidelines and limitations.

**8. Question: Why are some subsidies renegotiated yearly and others not?**

**Answer:** Due to time-limited provisions in the subsidy agreement. We set up a time-limited subsidy amount based on family circumstances within the subsidy program. Higher costs help with new expenses for the youth or significant family changes such as retirement, becoming a single-income family, or medical expenses due to a parent not being able to provide the pre-negotiated amount.

**9. Question: Can you explain what to expect during the subsidy negotiation? I don't understand what it means to negotiate up to 90% of the current rate. What rate are you referring to, daycare?**

**Answer:** All negotiations start at zero. Families can negotiate up to 90% of the 2023 foster care rate. Childcare is not included. How is the amount determined?

**Per OCS Manual section 6.2.2.6.**

- The subsidy amount is individualized to each specific child being considered and consistency between families is not a factor. All adoptive or guardianship subsidies must be individually negotiated, and agreed-upon with the OCS and the adoptive or guardianship family based on:
- the identified special needs of the child;
- the costs associated with meeting these special needs; and
- the family's existing circumstances and resources, which may assist with meeting the child's special needs; and
- the hardship the family would experience in continuing to care for the child in transitioning from foster care
- The amount of the monthly subsidy payment cannot exceed 90% of the FY23 foster care rate for which the child would be eligible in the state where the child resides, including augmented foster care rates up to level 2, if applicable.
- In some rare cases the subsidy can be negotiated up to 90% of FY23 level 3 augmented rates for up to 12 months, based on documentation of out of pocket medical and therapeutic intervention costs more than the maximum level II rate.

**10. Question: How do you even get started in negotiations? Is this something your lawyer will/should do for you, or should you already know before you talk to the lawyer? What should you/can you ask for?**

**Answer:** Once your home study has been completed, your social worker will put you in contact with the central office adoption staff who will conduct the subsidy negotiations with you. The lawyer is not a part of this discussion. Please review the WOW Wednesday Adoption and Guardianship Subsidy training: <https://www.acrf.org/training/teleconference/3081>

**NEGOTIATIONS – WHAT CAN & CANNOT BE CONSIDERED**

**Allowable Expenses**

- Specialized dietary needs
- Travel expenses to/from necessary services more than 50 miles per week
- Out of pocket costs for medically necessary medical, therapeutic or dental services and interventions
- Travel for the purposes of cultural continuity

**Non allowable expenses:**

- Basic food, clothing and shelter needs
- Vacation expenses
- Respite care
- Childcare

**11. Question: *Is the exclusion of respite care a factor in subsidy negotiation in law through the legislature, Federal IV-E rules, OCS internal rules, or something else?***

**Answer:** In Alaska Administrative Code 7AAC 53.245 Under factors the department may consider, respite care is not an identified item.

**12. Question: *What assistance is available for children who have a disability?***

**Answer:** Disabled children may qualify for Social Security or the Waiver through the SOA. To apply for Social Security disability benefits for a child, you can: Complete the Child Disability Report online: This report collects information about the child's disability and how it affects their ability to function. You'll need to sign a form giving the child's doctor(s) permission to provide information about the disability.

**13. Question: *Is it true that children with significant medical needs (i.e., special diets, formulas, etc, that Medicaid does not cover) cannot qualify for a permanent tier 3 90% negotiated rate?***

**Answer:** The program is limited in the amount of support that it can offer; with the maximum amount the adoption & guardianship unit can currently authorize as an ongoing rate being no more than 90% of the FY23 level II rate based on the documented cost of therapeutic and medical services to care for the child. Subsidies based on level III rates are temporary to provide short-term intervention while the family seeks alternative resources and is only authorized based on documented costs of therapeutic and medical services in excess of the level II rates.

**14. Question: *What is guardianship?***

**Answer:** For children in foster care, guardianship is an important option when efforts to achieve reunification with birth parents is not possible. Guardianship can provide a stable and permanent family for the child and should not be used to provide a temporary living arrangement. Guardianship is a legal relationship in which a court gives an adult caregiver the authority to care for a child. Guardianship authorizes caregivers, usually a relative or a close family friend, to make the same daily decisions that a parent might make, such as enrolling a child in school or authorizing medical care. Unlike adoption, guardianship does not require the termination of parental rights, and therefore may allow the birth parents to remain involved in the child's upbringing if appropriate.

**15. Question: *Is guardianship the same as permanency placement?***

**Answer:** Guardianship is a type of permanency. There are differences between adoption and guardianship. Guardianship is not a steppingstone to adoption.

**16. Question: *What is the difference between adoption and guardianship?***

**Answer:** ACRF has resources that may be of assistance.

Go to; <https://www.acrf.org/supports/adopting-through-the-office-of-childrens-services-resource-center> for a handout entitled Adoption vs Guardianships.

**17. Question: Is Medicaid included in both adoption and guardianship?**

**Answer:** In most situations, Medicaid is available through an adoption subsidy to both relative and non-relative adoptions. Guardianship generally does not include Medicaid, except in specific cases where the youth qualifies for a federally funded guardianship subsidy. Factors for a federally funded guardianship subsidy include the income of the home of origin in the month of removal, that the guardianship placement is a fully licensed relative, and the specific wording in the removal findings in the initial custody order placing the youth in care. If Medicaid is not available through a subsidy it can be applied for through the Division of Public Assistance.

**18. Question: Do you have to formally be licensed as a relative provider to qualify for Medicaid? It was recently stated that the relative family needed to be eligible for licensure?**

**Answer:** To be eligible for Medicaid families must be licensed and have received six months of foster care payments.

**19. Question: How do I become a guardian if I am not a relative?**

**Answer:** In the state of AK, anyone can be appointed a guardian of the manner if they pass all the steps to becoming a guardian. You do not have to be a relative.

**20. Question: Who would the contact be for updating an adoption subsidy based on the adoption at birth, but medical has changed with a new diagnosis, especially since the adoption?**

**Answer:** For general inquiries, requests, and Medicaid Maintenance please email:  
[hssocsadoptionunit@alaska.gov](mailto:hssocsadoptionunit@alaska.gov)

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**21. Question: Is childcare available pre-adoption? If so, what is the dollar cap?**

**Answer:** Childcare is part of the foster parent stipend. The provider must be licensed by the state as a childcare provider to be paid.

**22. Question: *What is the timeline for adopting newborn?***

**Answer:** In general, infants who enter foster care at birth are not available for adoption as the department's first goal is reuniting them with their birth parents, the second goal is for them to be placed with a relative. If a family wants to adopt a newborn, the best option is to contact Alaska Adoption Services.

**23. Question: *How long is a home study valid?***

**Answer:** The home study is valid for three years with continuous updates each year and expires after one year. A new home study must be completed after three years.

**24. Question: *Is it accurate that the subsidy must be in place and signed before the finalization hearing? If it is not, it is no longer an option, correct?***

**Answer:** That is correct. The eligibility criteria states that a family is unable to proceed with finalization without the financial assistance of a subsidy. If you finalize the adoption prior to the subsidy being in place, it shows you can and did move forward without the assistance, therefore it is no longer an option.