

ADOPTION SUBSIDIES

What are Adoption Subsidies?

Adoption subsidies are financial assistance to families who need assistance in order to make a long term commitment to a child with special needs. Subsidies are intended to assist the family in meeting the current special needs of the child.

Things you need to know about subsidies...

- Based on child's special needs
- Becomes a legal agreement with the State
- Subsidy supports placement of hard to place children

Other Things to Know:

- Families must apply and be approved for a subsidy before an adoption or guardianship is finalized.
- The amount of the subsidy cannot exceed 90% of the foster care payment rate for FY23.
- Subsidy agreements can be renegotiated at the adoptive family's request as the special needs of the child or family circumstances change.
- Medicaid health coverage is usually included in the adoption subsidy.

Which Children Qualify?

First, "The State must determine that in EACH CASE a reasonable, but unsuccessful, effort to place the child with appropriate parents without providing adoption assistance has been made."

- Adoption exchanges
- Recruitment efforts
- Relative searches
- Other activities

In these cases, the State must "pose the question of whether or not the prospective adoption parents are willing to adopt without assistance." EXCEPTIONS:

- The child has significant emotional ties to the adoption or guardianship family
- Adoption with relatives in which meeting statutory requirements on the placement of children with relatives

Second, "the State must determine that the child cannot or should not be returned to the home of his or her parents."

- Relinquishments
- Termination of Parental Rights
- Consent
- Tribal Adoption with State's Consent following Stipulation to Permanency

Finally, the State must determine that there exists a specific factor or condition because of which it is reasonable to conclude that the child cannot be placed with adoptive parents without providing title IV-E adoption assistance or Medicaid. Such a factor or condition may include (but is not limited to)

- ethnic background,
- age or membership in a minority or sibling group,
- the presence of a medical condition, or
- physical, mental or emotional disabilities."

Are There Other Factors To Consider In Determining A Subsidy?

- Does child receive DBH or Medicaid Waiver services?
- Is child SSI eligible? Does he receive SSA (survivor) benefits?
- What funds and services can adoptive family provide? It is expected that family will provide basic care for their child.

- What supports does OCS need to assist with?

SUPPLEMENTAL SECURITY INCOME

- SSI is means tested, which means that the family's income will count against the benefit.
- SSI will typically be reduced by the amount of the subsidy.
- SSI availability and amount must be considered when negotiating the subsidy.

SURVIVOR BENEFITS THROUGH SOCIAL SECURITY

- Social Security Survivor's Benefits are available to children whose parent(s) is deceased.
- These benefits follow the child in both adoption and guardianship
- The Survivor's Benefits are deducted dollar-for-dollar from the negotiated subsidy amount.

Subsidy Possibilities

Federal Subsidy (for both adoption and guardianship)

- *based on SSI eligibility
- *based on IV-E eligibility
- *based on IV-E eligibility in prior adoption
- *based on parent being in custody too
- *based on specific language in court orders & financial status of birth parents at removal
- *Medicaid comes with this subsidy and is accepted in 49 states and the District of Columbia

State Subsidy: with or without Medicaid *

Based on lack of federal IV-E eligibility

* All funds come from the state budget

* Medicaid is included in the State Subsidy with Medicaid but is *guaranteed* only in Alaska.

Medicaid is not an automatic benefit of state-funded adoption assistance should a child reside in another state. Currently COBRA reciprocity is not offered in four states: HI, IL, NM and NV.*

The new state may not approve the application for Medicaid (check aaicama.org)

Deferred Subsidy The family may choose to have a deferred subsidy, which is a zero amount each month with the potential for a subsidy amount to be negotiated in the future if the child acquires special needs or if there is a family hardship.

ZERO SUBSIDIES

- You are able to financially meet your son's or daughter's needs
- \$0 subsidy agreement is insurance for the future and is a safety net
- Preferable to do \$0 paperwork rather than no subsidy so a family is eligible for financial assistance in the future.