



ADOPTION SUBSIDY

A Program
for Children
with Special
Needs



For more information:
www.azkidsneedu.gov



877.543.7633

Arizona Department of Economic Security
Division of Children, Youth and Families

Arizona Adoption Subsidy

Welcome to the Adoption Subsidy Program. Thank you for your interest in the adoption of Arizona's waiting children. The Adoption Subsidy Program promotes permanency for special needs children and supports the long term stability of these children with adoptive families.

Through the Adoption Subsidy Program children may be eligible to receive Title XIX benefits for medical, dental and mental health services. In addition, children may also be eligible to receive monthly maintenance subsidy payments, special support services and non-recurring benefits.

Adoption Subsidy case managers are available to provide consultation and support to assist parents in securing community resources and advocating on behalf of their children.

This booklet attempts to answer some of the most commonly asked questions about Adoption Subsidy. However each child is unique. Once you are ready to adopt, discuss your child's needs with your adoption worker for assistance in completing the application and documenting your child's needs.

For additional information, please contact the Adoption Subsidy Program at:

Phoenix Units

*(Maricopa, Yuma, La Paz, Mohave, Yavapai, Coconino,
Navajo and Apache counties)*
4000 N. Central Ave.
21st Floor
Phoenix, AZ 85012
602-771-6470

Tucson Unit

*(Pima, Pinal, Gila, Graham, Greenlee, Cochise and
Santa Cruz counties)*
432 S. Williams Blvd.
Suite 200
Tucson, AZ 85711
520-885-8002

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The Adoption Subsidy Program provides post adoption support for children with special needs who are adopted from foster care. The adoption subsidy program supports the department's efforts to provide permanent adoptive placements for children who cannot be cared for by their birth parents to ensure that no foster child is considered unadoptable solely because of his or her special needs.

Eligibility

A child is eligible for adoption subsidy if he or she:

- is in the care and custody of the department or of a licensed private child placing agency in Arizona;
- the child cannot or should not be returned to the care of the birth parents;
- a reasonable, but unsuccessful, effort has been made to place the child with appropriate parents without providing adoption assistance unless it would not be in the best interest of the child because of such factors as the existence of significant emotional ties with prospective adoptive parents while their care as a foster child;
- the State has determined that one of the following special needs exists because of which it is reasonable to conclude the child cannot be placed with adoptive parents without providing adoption assistance:
 - physical, mental or developmental disability;
 - emotional disturbance;
 - high risk of physical or mental disease that may result in a debilitating condition;
 - high risk of developmental disability that may result in a debilitating condition;
 - age six or older at the time of application for adoption subsidy;
 - sibling relationship when such factor impedes the child's adoptive placement;
 - racial or ethnic factors when such factor(s) impede the child's adoptive placement; and
 - high risk of severe emotional disturbance if removed from the care of the child's foster parent or relative as diagnosed by a psychiatrist or psychologist.

How long does the subsidy last?

The adoption subsidy will continue until the child's 18th birthday if the adoptive parents remain legally and financially responsible for the child. The adoption subsidy may continue through the age of 21 if the child is residing with the adoptive parent and is continuously enrolled in and regularly attending school, unless the child has received a high school diploma or certificate of equivalency (GED).

The adoption subsidy may be terminated if the Adoption Subsidy Program determines the adoptive parents are no longer legally responsible for the support of the child including if the child joins the military or marries or the adoptive parents are no longer providing support to the child.

If something happens to me does the adoption subsidy transfer to my child's caregiver?

No. The subsidy will end if you are no longer able to care for your child. If a subsequent caregiver adopts, the child will likely continue to be eligible for adoption subsidy under a new agreement with that adoptive parent.

The adoptive parents are responsible for reporting changes immediately to Adoption Subsidy. This includes if the child: has a change of address or no longer resides with the adoptive parents; receives monetary benefits or there is a change in benefits; is no longer attending school or if the child or parent dies.

Types of Subsidy

The department may provide one or more of the following types of adoption subsidy for the eligible child, as determined by the needs of the child:

- medical/dental/mental health care through Title XIX eligibility;
- maintenance payments;
- special services subsidy; and
- reimbursement of nonrecurring adoption expenses.

Health Care

Almost all adoption subsidy children receive medical, dental and mental health coverage through the Arizona Health Care Cost Containment System (AHCCCS) or Medicaid. (*Contact the Adoption Subsidy Program for information about exceptions.*)

Medical and dental care is provided in the community through a number of different AHCCCS/Medicaid health plans and providers. In Arizona, mental health care is provided through the Regional Behavioral Health Authorities (RBHA) and their providers contracted through the Department of Health Services.

DES notifies AHCCCS of the child's eligibility when the final order of adoption is received. AHCCCS then notifies the adoptive parent to choose a health plan.

When does CMDP end and AHCCCS begin?

CMDP ends on the date of the adoption and AHCCCS coverage begins. However it takes a couple of weeks for AHCCCS to process the change and notify the parents of the new AHCCCS health plan. It is important that medications be refilled prior to the adoption and that routine medical and dental appointments not be scheduled for a few weeks after the adoption. Emergencies are covered but it may take additional clarification.

Does our income count toward AHCCCS eligibility?

If the child is eligible for adoption subsidy then the child is categorically eligible for AHCCCS and therefore the family's income is not considered.

Do the adoptive parents have to provide private insurance for the child?

No, however if the parents have private insurance that can cover the child it is the expectation that they will add the child unless it is cost prohibitive. AHCCCS/Medicaid will then be secondary coverage.

Who covers co-pays if the child is covered by private insurance?

It is responsibility of AHCCCS/Medicaid to coordinate benefits that may include the cost of co-pays.

Can I use my own doctor?

You will choose the AHCCCS plan for your child and then use the physicians, providers and facilities of that plan.

Maintenance Subsidy

Maintenance subsidy is a regular monthly payment provided to the adoptive parent to assist with the extra time, care and expense required to care for an adopted child with special needs. The amount of the subsidy payment varies and is based on the severity of the special needs of the child and the time, care and expense involved in meeting the child's needs. The maintenance payment is intended to assist the family so that they are able to adopt and care for a child with special needs but it is not expected to cover all the daily living expenses.

Maintenance subsidy rates are negotiated with the adoptive family based on the needs of the child and generally mirror the foster care rate the child receives or for which they qualify. **The maximum amount can be no more than the amount that would have been paid to a family foster home.**

Will the maintenance subsidy cover all of the costs of the child's care?

No. The adoptive parents are responsible for the child's living expenses. The maintenance payment is intended to assist with the extra expenses involved in caring for a child with special needs.

Do all Adoption Subsidy children receive a maintenance payment?

No. Not all adoption subsidy children are eligible for adoption subsidy maintenance. The maintenance is based on the special needs of the child and circumstances of the family. For example, a young child who is determined eligible for Adoption Subsidy based on his high risk of disabilities may not have any current needs beyond those normally expected for any child. This child may not receive adoption subsidy maintenance.

Why do some children receive higher rates than others?

Adoption Subsidy maintenance amount is based on the specific special needs of each child and the extra time, care, supervision and expense needed to meet the child's special needs. **The child cannot receive a rate higher than the amount that would have been paid if the child was in a family foster home.**

Why doesn't Adoption Subsidy pay the higher rates received by therapeutic (HCTC) and Division of Developmental Disabilities (DDD) child developmental homes?

These homes are paid to provide professional care for the child in addition to the foster care rate. When the caregiver decides to adopt, the role changes from professional provider to adoptive parent. Adoption Subsidy maintenance is provided to assist the adoptive family with the costs of caring for a special needs child not to replace the income for providing professional care. The caregiver is now the parent and the child is eligible to receive therapeutic or habilitation services from other providers.

Will Adoption Subsidy subtract other benefits such as Social Security (SSA) or Supplemental Security Income (SSI)?

Adoption Subsidy subtracts some benefits such as SSA death or disability benefits. SSI is not subtracted but the adoptive parent must report the receipt of adoption subsidy maintenance to Social Security and frequently the child will no longer qualify for SSI after the adoption.

Will receipt of Adoption Subsidy affect other benefits such as TANF, food stamps, WIC or school lunch?

Yes, other benefits may be affected. The adoptive parent must report the receipt of Adoption Subsidy maintenance payments to the benefit offices such as Family Assistance, Social Security or the school. The benefits may be reduced depending on the family's income including adoption subsidy. The adoptive parent must report to Adoption Subsidy any other benefits the child receives.

Will the child's maintenance payment ever change?

The initial rate is based on the child's needs at the time of application and may or may not be the same as the rate being received in foster care. If the needs of the child change or other benefits received for the child change the subsidy maintenance amount may be renegotiated.

If maintenance is approved what is required and when is it received?

If the child is approved for maintenance, the check is sent monthly to the adoptive parent between the 1st and 15th of the month. No additional paperwork is required from the adoptive parent.

Is my adoption subsidy maintenance taxable?

The state does not issue an IRS 1099 for adoption subsidy maintenance. Since each person's taxes are specific to their situation Adoption Subsidy cannot give tax advice. Please refer your tax questions to the IRS or a tax accountant.

Special Services Subsidy

Special services subsidy is provided for extraordinary, infrequent or uncommon needs related to the pre-existing special needs conditions of the child on the Adoption Subsidy agreement that cannot be met by AHCCCS/Medicaid, RBHA, school or other public or private resources. **All special services must be authorized by the Adoption Subsidy program prior to receipt of the service.**

The adoptive family must exhaust all other resources, including private insurance, Arizona Health Care Cost Containment System (AHCCCS)/Medicaid, Regional Behavioral Health Authorities (RBHAs), Arizona Long Term Care System (ALTCS) and the public school district services before applying to the Adoption Subsidy Program for special services payment. The family is expected to participate to the extent possible in providing special services.

Special services must be:

- Related to a special needs condition listed on the adoption subsidy agreement;
- Necessary to improve or maintain the adopted child's functioning as documented by an appropriate qualified professional;
- Provided by a qualified professional approved by the Department;
- Provided in the least restrictive environment and as close as possible to the family's residence;
- In accordance with the "Standard of Care"; and
- Not otherwise covered by or provided through maintenance subsidy, medical, dental or mental health subsidy, or other resources for which the adopted child is eligible.

Special services subsidy **do not include:**

- Payment for services to meet needs other than the pre-existing special needs conditions specifically listed in the adoption subsidy agreement;
- Payment for medical or dental services usually considered to be routine, such as well-child checkups, immunizations, and other services not related to the child's special needs conditions on the adoption subsidy agreement;
- Payment for health-related services that are not medically necessary, as determined by a health service professional;
- Payment for social or recreational services such as child care, dance lessons, sports fees, camps, and similar services;
- Payment for personal or clothing allowance; and
- Payment for educational services that is not necessary to meet the special needs conditions specifically listed in the adoption subsidy agreement, or the services for which the school district is responsible.

If a special service is authorized, will there be a cost to the parent?

There may be. Adoption Subsidy pays for approved services at rates established by AHCCCS, DES, DDD and Adoption Subsidy. The provider may charge the full cost of the service. Adoption Subsidy will only pay at the government established rate (minus any insurance payment). The adoptive parent is responsible for any difference.

What services can my child receive from Adoption Subsidy?

There is not a list of services that a child can receive. The services for each child are based on that child's pre-existing conditions on the Adoption Subsidy agreement and the other resources that are available to the child. If there are no conditions on a child's agreement then no services are available.

Does Adoption Subsidy pay for day care?

No. Adoption Subsidy does not pay for the costs of day care. CPS day care ends when the adoption is final.

Does Adoption Subsidy pay for respite?

Respite is a special service and the need for services must be related to each child's conditions on the individual's adoption subsidy agreement. Approval for services including respite are based on the child's needs and must first be exhausted from private and public health coverage and other community resources. Respite from other resources must be used or denied prior to receiving respite from Adoption Subsidy. If respite services are determined necessary the services must be prior authorized by Adoption Subsidy.

Does Adoption Subsidy pay for college?

No. There are no adoption subsidy funds to assist with college. Adoption Subsidy ends once the youth is 18 years old and graduates from high school or receives a GED. If the youth was adopted after age 16 he/she may be eligible to receive assistance through the Education and Training voucher (ETV). Applicants may access the application at www.statevoucher.org and click on Arizona.

Non-recurring Adoption Expenses

Reimbursement of nonrecurring adoption expenses is a one-time reimbursement, up to \$2,000 per child, for reasonable and necessary expenses such as adoption fees, court costs, attorney fees, and expenses directly related to the legal process of adopting a child with special needs.

Only actual expenses are reimbursed and the request for payment must be received within 9 months of the date the adoption is final.

What expenses are not reimbursable?

Family counseling, pre-placement visitation, remodeling or alteration of the adoptive parent's home and any other expenses not related to the legal process of the adoption are not reimbursable.

Application Process

There are a number of forms and documents required to determine eligibility. The adoption worker will assist the parent with the application. The adoption worker completes some of the forms and assists the adoptive parents in completing the others. Professional documentation of the child's pre-existing conditions must be attached to the application. The documentation must be completed by a professional who has expertise in the area of the diagnosis.

All applications, regardless of which agency placed the child, are submitted to the DES Adoption Subsidy Program and are reviewed by the Adoption Subsidy Review Committee (ASRC) to determine eligibility. The adoption subsidy agreement must be signed by the adoptive parents and the adoption subsidy supervisor before the adoption is final.

When do I apply for subsidy?

Parents adopting a special needs child should submit their application about the time they file the *petition to adopt* and at least 60 days before the final adoption hearing.

The Adoption Subsidy agreement must be negotiated before the adoption is final. **The agreement must be signed by the adoptive parent and the Adoption Subsidy supervisor before the adoption is final.**

When does the subsidy begin?

Adoption subsidy maintenance payments may begin after the adoption subsidy agreement has been signed by the adoptive parents and the Adoption Subsidy supervisor and the petition to adopt has been filed.

Health coverage (AHCCCS/Medicaid) and Special Services that have been authorized may begin when the adoption is final.

Non-recurring adoption expenses are reimbursed after the bills have been submitted. The bills must be submitted within 9 months of the date the adoption is final.

Adoption Subsidy for a child who lives outside of Arizona

To protect the interests of adoption subsidy children who move or are placed across state lines, the department follows all rules and procedures required by the Interstate Compact on Adoption and Medical Assistance (ICAMA).

The adoption subsidy agreement remains in effect regardless of the state of residence of the child and adoptive parents.

Adoption subsidy maintenance payments are provided to adoptive parents living outside of Arizona in the same manner as those residing in Arizona.

Children who have Title IVE adoption subsidy agreements are eligible for Medicaid health coverage in their state of residence. Children who have state adoption subsidy agreements (*not Title IVE eligible*) are eligible for Medicaid health coverage if they reside outside Arizona in a reciprocating state. (*Contact the Adoption Subsidy Program for information about non-reciprocating states (HI, IL, NH, NM, NV).*)

The adoptive parents must request and be approved for special services subsidy for necessary services prior to the receipt of the services.

The need for special services must be related to the pre-existing special needs conditions on the adoption subsidy agreement.

Adoptive parents who move from Arizona or move between places outside Arizona must notify their Adoption Subsidy worker immediately. Adoption subsidy must complete the paperwork to transfer the Medicaid coverage.

Annual Review

The adoptive parent is sent an Adoption Subsidy Annual Review form. The parent **must complete and return the review** form to the Adoption Subsidy program within 30 days.

Information on the annual review is used to confirm that the child is still in the care and custody of the adoptive parents and provide an update on the child.

Case Management

Adoption Subsidy case managers are appointed for all approved children. Families are notified of the case manager's name, address, email and telephone number. Case management services are directed at supporting the integration and stability of the child within the adoptive family.

If requested by the adoptive parents, the adoption subsidy case manager may provide the following services: assistance in locating and obtaining services through community resources; assistance with requests for special services; information about payments and service authorizations and assistance in completing annual reviews.

What is the difference between Foster Care and Adoption Subsidy?

The primary difference is that the child is no longer in the custody of DES or an agency. The child is now in the custody of the adoptive parent who is now responsible and will make decisions about the child. An Adoption Subsidy case manager will be assigned, but s/he will not make home visits or contact the adoptive family unless the parent requests assistance. The adoptive parent is encouraged to contact the case manager with any questions or concerns.

Appeals

An applicant may appeal the department's decision to deny, reduce or terminate adoption subsidy. A request for an appeal must be made to Adoption Subsidy in writing no later than 15 calendar days from the postmark of the written notice of the action. The request for appeal shall specify the action being appealed, the reasons for the appeal, and a brief summary of why the department's action was erroneous, unlawful or improper.

The DCYF Adoption Subsidy Program Specialist or Adoption Subsidy Supervisor will coordinate appeals in accordance with the requirements of Arizona Administrative Code Title 6, Chapter 5, Article 24, Appeals and Hearings.

Tax Credit

A federal income tax credit may be available if you adopt a special needs child. Consult a tax professional or the Internal Revenue Service for more information.

Equal Opportunity Employer/Program • Under Titles VI and VII of the Civil Rights Act of 1964 (Title VI & VII), and the Americans with Disabilities Act of 1990 (ADA), Section 504 of the Rehabilitation Act of 1973, the Age Discrimination Act of 1975, and Title II of the Genetic Information Nondiscrimination Act (GINA) of 2008; the Department prohibits discrimination in admissions, programs, services, activities, or employment based on race, color, religion, sex, national origin, age, disability, genetics and retaliation. The Department must make a reasonable accommodation to allow a person with a disability to take part in a program, service or activity. For example, this means if necessary, the Department must provide sign language interpreters for people who are deaf, a wheelchair accessible location, or enlarged print materials. It also means that the Department will take any other reasonable action that allows you to take part in and understand a program or activity, including making reasonable changes to an activity. If you believe that you will not be able to understand or take part in a program or activity because of your disability, please let us know of your disability needs in advance if at all possible. To request this document in alternative format or for further information about this policy, contact your local office; TTY/TDD Services: 7-1-1. • Free language assistance for DES services is available upon request.



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