

Adoption Advocate



A Guide to Adoption Subsidies and Assistance for Adoptive Parents

BY JENNIFER KELLY

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People who are interested in adopting are often worried about their ability to come up with the necessary funds for the adoption process. They may also wonder how they can afford the services required for a child with known medical, developmental, or other needs. Adoption subsidies are an underutilized and often misunderstood resource for those who qualify for adoption assistance. This article provides essential information and answers to frequently asked questions about adoption subsidies.

What Are Adoption Subsidies?

Adoption subsidies are now recognized as a critical support for maintaining permanency for some of the country's most vulnerable children. These benefits are available to most children adopted in the U.S. from foster care and children with special needs adopted privately. In most cases, the benefits are available until the child reaches adulthood.

Who Provides Adoption Subsidies?

Adoption subsidies are provided *either* through the Title IV-E program or the non-Title IV-E program. **Children cannot qualify for both Title IV-E and non-Title IV-E benefits.**

In the Title IV-E program, at least a portion of the subsidy benefits comes from the federal government. The state and/or county covers the remainder of the cost. While the federal portion provided for each child is relatively consistent, the amount that states and counties supplement is based on individual state guidelines and vary widely by state.

Non-Title IV-E benefits are provided *only* at the state and county levels and also vary widely by state and county. Often states have a way of determining a child's level of need based on criteria such as medical needs and difficulty in finding a placement, and this level of need will help determine the program for which a child is eligible. As non-Title IV-E

benefits are handled exclusively at the state level, this article will focus on Title IV-E adoption subsidies.

What Does an Adoption Subsidy Provide?

A Title IV-E adoption subsidy usually consists of four primary benefits:

- Monthly stipend
- Medicaid (or its state equivalent)
- One-time reimbursement towards adoption expenses
- Access to post-adoption support services

During the application/approval process, families indicate which of these benefits they would like to apply for and the state/county must indicate the final approval/denial for each specific component for which they applied.

The **monthly stipend** is intended to help financially support a family with expenses not covered by insurance. Examples include:

- therapeutic equipment
- specialized transportation
- gas back and forth to appointments
- compensation for additional time off of work
- necessary modifications to a home to accommodate a disability

Depending on the state providing the subsidy, this amount may be set in stone according to the determined level of need or it may be negotiable based on each individual child's application. Even within states with set rates, there are corresponding rates for each level of

need. With all of these differences within and between states and rate levels, the monthly stipend can run between roughly \$250 and \$2,500 per month.

Medicaid is often the most critical component of subsidy approval for adoptive families. Most adoptive families exceed the income requirements to qualify for Medicaid in their state. However, most children who qualify for subsidy assistance are at risk of having greater need for professional medical and/or mental health services. Having the security of Medicaid to assist in obtaining quality health care can be critical for placement success.

For families that already have private insurance to cover the adopted child, Medicaid can serve as a secondary insurance to help cover co-pays and deductibles. Additionally, in some states there may be support services that can only be accessed as a Medicaid recipient. For instance, a child may be required to be covered by Medicaid to access home health nursing or therapeutic services.

A **one-time reimbursement** for adoption expenses is typically around \$1,500 and is intended to cover a portion of the adoption costs paid by the adoptive family. The amount of reimbursement and the type of qualifying expense vary according to state regulations. Qualifying expenses for adoptions from foster care may include legal fees, private home study fees, or other related expenses. In private adoptions, almost any component of the process qualifies for reimbursement.

Post-adoption support services (often referred to as PASS) include a variety of services intended to support a family after finalization of an adoption to ensure permanency for a child. In many states, some or all of the PASS

services can be accessed regardless of subsidy approval, while other states require subsidy eligibility for some or all of the PASS services. Additionally, the extent to which states offer services varies widely – some states have tremendous resources available to families while others are quite limited in what they offer.

Examples of PASS include:

- Free counseling for the child and/or other family members
- Annual financial allowance for home modifications to accommodate a disability
- Monthly allowance for child care
- Support group meetings
- Access to specialized advocates to help navigate school systems
- Specialized events to help families connect with one another

Who Is Eligible for an Adoption Subsidy?

Eligibility for adoption subsidies is based on specific criteria, not on type of adoption. While there are small differences between the states, the biggest components of eligibility determination are the same nationwide.

Type IV-E Subsidies Eligibility

First, a child must meet all of the following three conditions to establish that the child has special needs which merit Title IV-E eligibility status:

1. The child welfare authority determines that the child cannot, or should not, be returned to the birth parents' home;

2. The child has a condition or other factor in their situation that makes them more difficult to place for adoption such as a medical condition, being a part of a large sibling group, age, etc.;
3. There has been a reasonable but unsuccessful effort to place the child with a family that does not require the subsidy OR the child has an emotional attachment to the family they are placed with, and it is not in the child's best interest to move to a new placement simply to avoid subsidy provision.

In addition to meeting all three of those criteria, a child must also qualify under at least one of the following:

1. Be a child of a minor parent who is also Title IV-E eligible and already in foster care;
2. Be at least three years of age at the end of the state's fiscal year or be the sibling of a child three years or older at the end of the fiscal year who is also being adopted (this age restriction will be removed July 1, 2024);
3. Be a child whose birth family met the income guidelines for Aid to Families and Dependent Children (AFDC) during the month in which the child was placed into foster care;
4. Be a child who has been in foster care for at least 60 consecutive months or be the sibling of a child who has been in foster care for at least 60 consecutive months that is also being adopted;
5. Be a child who was previously adopted and determined to be Title IV-E eligible whose adoption then dissolved and who was placed for adoption again with a new placement resource; or,

6. Be a child who has medical and/or emotional health needs sufficient to have met the requirements to qualify for Title XVI Supplemental Security Income (SSI) benefits.

Adoption Subsidy Process – Application, Determination, and Provision



Application

For children being adopted from foster care, the state child welfare workers will help with the application and determination process. Adoptive families can and should also ask for an advocate to help with the process when adopting from foster care. The North American Council for Adoptable Children (nacac.org) has a listing of advocates in almost every state that adoptive families can contact for assistance.¹

The criteria most often used to qualify children who are being adopted privately are the secondary adoptions and SSI criteria. In adoption cases with children whose previous adoptions were disrupted, it is recommended to work with an attorney or licensed adoption agency in the adoptive parents' state to help with the application to transfer the child's Title IV-E benefits prior to the adoption finalization.

Children who are in the custody of an agency are considered legal orphans, which means there are no income requirements for SSI qualification, and their application is based entirely on medical need. Children who have sufficient medical need to qualify for SSI are automatically entitled to a subsidy, as long as they meet the first three required criteria.

In private adoptions where there is no agency holding custody, qualifying for adoption subsidies may be substantially more difficult because getting the SSI determination may be impossible due to the adoptive parents' income. If there is no agency involved, either the adoptive parents or their attorney should reach out to subsidy advocates for assistance in applying.

For private adoptions, either the adoptive parents or the attorney/agency will apply for the subsidies. The application is submitted to the state for review.



Eligibility

An eligibility determination must be made and the family notified within a “reasonably prompt” timeframe. Some states have their own regulations as to what is considered reasonably prompt, but it can take several months to receive notification of eligibility. It is common for adoption finalizations to be delayed by the subsidy process. Therefore, families should be prepared to adjust their expectations about the adoption process timeline.

If Title IV-E benefits are denied, there are two choices: accept the denial and move to finalize the adoption or file an appeal. It is strongly recommended but not required in most states to involve an experienced, knowledgeable attorney in the appeal process. While this is an added expense, the appeals process is full of timelines and legal language that can be overwhelming to even the most experienced advocate. An experienced attorney may also be able to provide helpful advice on the likelihood of a reversal.

¹ <https://www.nacac.org/help/adoption-assistance/adoption-assistance-us/state-programs/>



Provision

In adoption from foster care, the state that holds custody of the child is responsible for paying out any benefits approved for the child, regardless of where the adoptive parents reside. In private adoptions, the adoptive parents' resident state handles everything, not the state where the child was born or the state where the custodial agency is located.

If approved, a contract will be signed between the adoptive parents and the state and/or county. This contract should be completely executed prior to finalization. After finalization, subsidy benefits should go into effect right away. It is important to note that a child usually cannot collect SSI and subsidy at the same time and the SSI benefits will most likely stop at finalization. Adoptive parents should make sure they know who to contact if there are issues getting subsidy set up after finalization or with any benefits going forward.

If you should move to a new state after finalization, your benefits will move with you. You will need to contact your subsidy worker and inform them of the move, and they will help with the paperwork to get benefits set up in your new state. It is best to give as much advance notice of your move as possible.

As your child grows, their needs may change. Periodically you may approach the state/county and request adjustments to your subsidy benefits. You can renegotiate your monthly stipend and request additional benefits you may have had previously declined. Most often, you must provide additional documentation to prove the need for a change. This step is handled exclusively between the state and the adoptive parents, and rarely requires an advocate, but advocates are available if you need help.

Tips for Applying for an Adoption Subsidy

When applying for an adoption subsidy, there are some important things to keep in mind:

Do's

Do gain a clear understanding of the pros and cons of subsidy application.

While the benefits are critical for many families to ensure permanency for children, the process can take a long time to complete in some states. As long as a subsidy is received, it will tie a family to state child services to some extent until the child reaches adulthood (18 - 21 years old, depending on the state).

Do ask questions as the process goes along to make sure everything is being done correctly and promptly.

The last thing you want is to be denied because you skipped a critical step or misunderstood the requirements. Ask questions until you understand exactly what is needed and when it is needed. If you are not satisfied with the answers you are receiving, go to a supervisor or advocate.

Do research the benefits specific to your state and county to have a grasp on what is available and what the child you hope to adopt is entitled to.

Since there is wide variability in benefits from one place to the next, it is good to connect with other adoptive parents in your area and contact advocates for your state. Other adoptive parents can be an invaluable resource as they have already been through the process and utilized many of the services available.

Do state clearly why you need the subsidy.

While you may technically not need *all* of the benefits adoption subsidy can provide, if you say you could *possibly* adopt without it, many states will use that alone to deny you. Remember – this is a benefit *your child* is federally entitled to, to help ensure you can provide for them and their special needs for the remainder of their childhood.

Author's Note

I am often asked why an adoption subsidy is important for families who are financially stable enough to adopt? Shouldn't a family who is choosing to adopt a child be ready to meet all of their needs on their own?

When my husband and I adopted our daughter, we knew very little about adoption subsidy benefits. We had good insurance and income, and assumed we would have no need for these benefits. We were in a hurry to finalize her adoption as she had significant medical needs that left her very fragile, so we skipped applying for subsidies. In her short life, she received millions of dollars in health care and we were responsible for a flat 10% of that. Even years after she passed, our family is still financially recovering from her medical bills. Adoption subsidy benefits would have eliminated this issue in our family. It is the responsible thing for a family to apply for subsidies **their child is eligible for**, even if it appears they have sufficient resources at the time of adoption.

Don'ts

Do not finalize the adoption without subsidy if you want or need it.

Once you finalize, it is nearly impossible to apply for and successfully obtain subsidies. All of the application and approval process must be complete with a signed subsidy agreement fully executed *prior* to finalization in order to be valid.

Do not accept a denial for invalid reasons.

Particularly in private adoptions, states and/or counties may not have seen a subsidy application in quite some time. The worker you contact may not be aware of how to process the application or may be misinformed about how the Title IV-E program is intended to work. Verify the information you are given with someone who has expertise in the federal regulations.

Do not go it alone.

There are many resources available to you in your pursuit of a subsidy. National programs, advocacy groups, adoptive parents, and experienced attorneys/agencies are all here to help you through the application process. Many of these resources are provided at no cost.

Do not underestimate the work that will go into the application and approval process.

Obtaining the application, completing it, gathering the paperwork, and submitting it back to the state will take a substantial amount of time to do well. Parents will need to dedicate additional time to stay in contact with those handling the approval process and ensure all approval documentation is in place

prior to finalization. In fact, in the author's experience, it takes an average of 100 hours per case to process a child through a subsidy application in private adoption.

A Note for Adoption Professionals

Adoption agencies, attorneys, and public child welfare professionals may be wondering why they should be concerned with whether a family obtains subsidy benefits. Some see it as outside the scope of their responsibilities in providing social and professional adoption services. In fact, it can be critical to the central focus of all that those professionals do – support permanency for children.

Without the financial and logistical security offered with adoption subsidy assistance benefits, a family is more likely to reach a

crisis point where they may need to dissolve an adoption. This not only disrupts permanency for the adopted child, but often brings along extensive emotional and psychological harm to the rest of the family. Ensuring that strong and appropriate supports for permanency are in place prior to finalization is the responsibility of everyone in the adoption triad, and adoption subsidy benefits are critical for the most vulnerable children.

Additional Resources

- <https://www.childwelfare.gov/topics/adoption/adopt-assistance/>
- <https://www.nacac.org/help/adoption-assistance/adoption-assistance-us/>
- https://www.acf.hhs.gov/cwpm/public_html/programs/cb/laws_policies/laws/cwpm/policy_dsp.jsp?citID=139

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Jennifer Kelly is a mom of seven and grandmother of one. She had spent her adult life working in medicine, higher education, and biotechnology before entering the adoption field. She is a founding partner of Special Angels Adoption Agency and has since applied for adoption subsidy for over 125 children all over the U.S. She now also serves as the Program Director for ACF Adoptions Alabama.

This issue of the *Adoption Advocate* was edited by
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