

Adoption Subsidy Key Policies

- Adoption subsidy is a negotiate process between DHS and the adoptive family to provide support for families who adopt special needs children.
- The Agreement must be completed prior to the finalization of the adoption.
- The maximum subsidy rate is what the child received or would be eligible to receive in foster care.
- Per Federal policy, a “means test” is not allowed when negotiating subsidy rates. “The circumstances of the adopting parents must be considered together with the needs of the child when negotiating the adoption assistance agreement. Consideration of the circumstances of the adopting parents has been interpreted by the ACF to pertain to the adopting family's capacity to incorporate the child into their household in relation to their lifestyle, standard of living and future plans, as well as their overall capacity to meet the immediate and future needs (including educational) of the child. This means considering the overall ability of the family to incorporate an individual child into their household.” (Federal policy)
- Medicaid is automatically included when a subsidy agreement is completed. Families may include the child in their private insurance but are not required to do so.
- Once the adoption assistance agreement is signed and the child is adopted, the adoptive parents are free to make decisions about expenditures on behalf of the child without further agency approval or oversight.
- The subsidy payment cannot be reduced unless it is with the agreement of the adoptive family.
- If the child enters out of home care, the subsidy payment remains in effect as long as the family provides any support to the child. According to Federal policy “any support includes various forms of financial support such as therapy, tuition, clothing, and equipment.” It may also include visitation, participation in treatment and gifts to the child.
- Federal policy also does not allow states to suspend subsidy payments if the child enters out of home care.
- Subsidy can be terminated if DHS determines the family is no longer legally responsible for the child. This would be when there is termination of parental rights, the child marries, or the child enlists in the military.
- Adoption subsidy is not transferable. If the adoptive parents relinquish the child, or are deceased, the child must be eligible for adoption and a new agreement is entered into with the new adoptive family. The subsidy cannot be given to another family if the child is residing with them and not the adoptive family.
- The department does not initiate a review of a family’s subsidy agreement until the child turns 17½ to determine if there is a qualifying diagnosis or condition that warrants continued subsidy to age 21. The family must provide documentation prior to the youth turning 18 that there is a qualifying diagnosis or condition and that the diagnosis has been made within the year.
- If the child does not meet eligibility for continued subsidy to age 21, subsidy payments end the month after the youth turns 18, regardless of whether or not the youth has completed high school.