

Section 4 Overview

This section pertains to the policy and procedures necessary when an out-of-home placement of a child is imminent or has occurred.

Chapter 30 Overview

This chapter discusses the legal, theoretical and procedural processes involved in adoption subsidy as well as subsidized guardianship for qualified relatives.

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30.1 Introduction

In keeping with the Children's Division's goal to achieve permanency for all children in the care and custody of the Children's Division, adoption or legal guardianship is a desired outcome for children who cannot be reunified with their families. This goal is founded in the belief that every child has a right to a permanent and stable family.

An adoption subsidy is available to a child who is designated as having special needs (section 453.065, RSMo) and who does not have an adoptive family readily available. Guardianship subsidy is available to a qualified relative of a child who is granted legal guardianship of the child in the same manner as such subsidies are available for adoptive parents. Subsidies are available to children in the care of the Children's Division, Division of Youth Services, Department of Mental Health and licensed child-placing agencies at the time of placement for guardianship or adoption.

Adoption subsidy services may be used to assist in providing permanency for children through adoption who, because of their special needs, might not otherwise be adopted, and for whom a family is not readily available.

Subsidized guardianship services may be used to assist a great-grandparent, grandparent, great-aunt, great-uncle, aunt, uncle, adult sibling or adult first cousin who has obtained legal guardianship for eligible children.

Payment for maintenance, MO HealthNet, childcare and other special services are authorized through an adoption or guardianship subsidy Agreement. These Agreements are negotiated in a collaborative process involving the adoptive/guardianship family and the Division/Child-placing agency utilizing a complete assessment of the needs of the child. ***There is to be no means test utilized in developing these Agreements.***

Subsidy Basic Package

The basic subsidy package includes ***maintenance*** (standard rate), ***childcare for children to age 13*** as long as both parents are working, and ***MO HealthNet*** to meet the healthcare needs of the child. The payment is intended to aid in the development, adjustment and continuity of the formation of the "new" family created by adoption or legal guardianship. Significant to the use of an adoption/legal guardianship subsidy is the realization that without this resource a family would not otherwise have the resources to provide permanency to a special needs child.

The Division's philosophy and practice in the adoption and legal guardianship subsidy program is to promote and develop a collaborative effort between Division staff and the adoptive or guardianship family to meet the special needs of the child.

Adoption and legal guardianship Agreements may continue until the child reaches age 18. All subsidy Agreements are reviewed by staff at least annually to insure best services to children and families are provided, and more frequently at the request of the family when changes are necessary because of the needs of the child/youth.

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An adoption subsidy may be approved to continue to age 21, on a yearly basis, when a documented physical, dental or mental health need exists that requires care beyond the age of 18. These 18+ Agreements are negotiated on an annual basis, according to the youth's current needs and in the spirit of transitioning the youth to adult services.

All guardianship subsidy Agreements end at age 18 as does the legal guardianship established by the court, therefore, there is no option for extension beyond the age of 18.

Additionally, this Division assists the Division of Youth Services (DYS), the Department of Mental Health (DMH) and licensed child-placing agencies by authorizing an adoption or legal guardianship subsidy for eligible children who are in their custody and are placed for adoption or guardianship. These children must meet eligibility requirements for the subsidy programs.

It must be remembered that, although there may be a subsidy in place, the family is an adoptive or guardianship family. Therefore, we must recognize that the family, like other families, has the same rights and responsibilities to manage their own lives and that of their child after the final decree of adoption or legal guardianship is granted. The family, like other families, may utilize any appropriate community service or resource (including the Division) to assist with service needs which develop at a later time. However, with the Division's commitment to seek permanency for children with special needs through adoption or legal guardianship, it is recognized that families providing permanency for these children may need placement support services beyond the granting of a decree of adoption or legal guardianship. We are to extend to these families our assistance to make the adoption or legal guardianship a success. The family should be informed that staff will be available to provide needed and appropriate services, i.e., the family may request adoption or guardianship support services any time after the decree of adoption or legal guardianship.

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30.2 Legal Basis and Funding Source

The Missouri Adoption Subsidy Program is authorized by sections 453.065, 453.073 and 453.074, RSMo, and permits the Division to make subsidy payments on behalf of eligible special needs children to adoptive families to cover maintenance, medical and dental care, and other special expenses.

This program was first effective September 28, 1973. Legislation passed by the 83rd General Assembly and effective September 28, 1985, authorized the Division to use adoption subsidy funds also for children in the custody of the Department of Mental Health (DMH) and the Division of Youth Services (DYS) at the time of their placement for adoption. This legislation also clarified that children in the custody of a dually licensed private child-placing agency are eligible for an adoption subsidy. A subsidy authorized for such children uses Division adoption subsidy appropriations and Division guidelines to administer the program.

Title IV-E of the Social Security Act, modified through the Adoption Assistance and Child Welfare Act of 1980 (P.L. 96-272), authorized Federal Financial Participation (FFP) in an adoption subsidy if the child, while in the custody of the Children's Division, was eligible for IV-E alternative care. Also, this eligibility automatically causes the child to be eligible for the Missouri Medical/Dental Services (MO HealthNet) program. Children, eligible for SSI and covered by an adoption subsidy Agreement, are also eligible for MO HealthNet.

The Consolidated Budget Reconciliation Act of 1986 (COBRA), also known as P.L. 99-272, authorized several amendments to Titles IV-E and XIX of the Social Security Act, effective October 1, 1986. These amendments permit the child who is eligible for adoption subsidy IV-E to receive Title XIX (MO HealthNet) and Title XX services in the state of residence as long as there is an adoption subsidy Agreement in place with the original state of residence. Also, these amendments eliminated the requirement that a Title IV-E child must receive a maintenance payment to receive MO HealthNet.

The Missouri legislature enacted legislation, effective September 28, 1985, permitting the Division to become a signatory state to the Interstate Compact for Adoption and Medical Assistance (ICAMA). Missouri became a signatory state in January 1986. For the member states, this compact authorized the IV-E child to receive medical assistance through Medicaid from the resident state. The intent is to assure that no break occurs in the child's receipt of medical assistance when the child moves to another state.

Related Subject: Section 4 Chapter 25 Interstate Placements (ICPC & ICAMA)
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The Tax Reform Act of 1986 (P.L. 99-514) also authorized, effective January 1, 1987, payment for maintenance for eligible Title IV-E children to begin with the date of placement as long as there is an adoption subsidy Agreement signed by the Division Director. This amendment to Title IV-E of the Social Security Act eliminated the previous requirement that eligible children be in the custody of the adoptive parent(s) for the purpose of adoption to use Title IV-E funds.

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P.L. 99-514 requires states to pay certain nonrecurring expenses of all special needs children who meet the eligibility requirements.

The Adoption and Safe Families Act (ASFA) of 1997 requires that state medical assistance coverage or MO HealthNet is provided for children who have a state-funded adoption assistance agreement. A child who has been determined by the state to have special medical, mental health or rehabilitative need cannot be placed for adoption without medical assistance. This is also part of the requirement for waiver demonstration incentive payments.

Funding for the Division's program is derived from three (3) sources:

- Appropriations made from Missouri's general revenue;
- Appropriations authorized through Title IV-E of the Social Security Act; and
- Appropriations authorized under Title XIX of the Social Security Act.

Other possible funding sources for a subsidy plan are Veteran's Assistance (VA) administered by the U.S. Veteran's Administration, Supplemental Security Income (SSI), and the Old Age Survivors and Dependents Insurance (OASDI) programs administered by the federal Social Security Administration (SSA). In rare instances, a specific child may have other sources of income that will follow the child into adoption.

The **Legal Guardianship Subsidy Program** is authorized by Missouri legislation. Senate Bill 1 was effective August 28, 1999. This subsidy program is funded by state adoption subsidy funds only. **Federal funds cannot be used for this program.**

The guardianship subsidy program is authorized by 453.072 RSMo. According to this statute, any subsidies available to adoptive parents pursuant to section 453.073 and section 453.074 shall also be available to a qualified relative of a child who is granted legal guardianship of the child in the same manner as such subsidies are available for adoptive parents. Legal guardianship ends when the youth reaches age 18, therefore the legal guardianship subsidy is only available through a youth's 18th birthday.

As used in this section, "relative" means any grandparent, aunt, uncle, adult sibling of the child or adult first cousin of the child. Great grandparents, aunts, and uncles are not included in this qualified group.

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30.3 General Policy

- A. For the Division to subsidize an adoption or legal guardianship, the adoptive parent(s) or guardian(s) must sign an Agreement. This Agreement will cover only those services for which the Division has agreed to pay. In many instances services may be purchased only from a provider with whom the Division has a contract. In other instances a child's needs may require a service that is not available from a provider with whom the Division has a contract. Such services must be included in the Agreement and approved by the Division Director prior to the services being utilized. These services will be reimbursed to the adoptive parent(s) or guardian(s) or, whenever possible, a child-specific contract will be developed with the service provider to allow payment to the provider directly from the Division.
- B. Subsidy forms are to be signed only by the adoptive parent(s)/guardian(s) and the Division Director.

Payment for services included in the Agreement must not begin until the Division Director has signed the Agreement.

- C. All children who are adopted or children who are placed for legal guardianship with an eligible relative through the Children's Division are eligible for the following basic subsidy services, however adoptive parent(s) or guardian(s) may decline any or all of these services:

In the event that services are declined, the parent(s) or guardian(s) must sign a dated statement indicating specifically which services they are declining.

This statement is to be filed in the subsidy record and an entry made in the narrative of the subsidy file indicating specifically what services were declined.

1. **Maintenance** (daily living expenses including room and board, clothing and incidentals) at base rate to age 18;
2. **MO HealthNet** coverage to age 18 or maximum of age 21 on a yearly negotiated 18+ Agreement; and
3. **Child Care to age 13**– if both parent(s)/guardian(s) or the single parent/guardian is working.

The following expenses are available for inclusion on the initial Agreement for completion of the adoption or guardianship.

4. Attorney fees at \$100.00 per hour and court fees. In adoption cases, the maximums are up to \$1,500.00 in non-contested cases, and \$3,000.00 in

contested cases. In guardianship cases, the maximum legal expense per guardianship is \$2000 in non-contested as well as contested cases.

5. Adoption private agency fee reimbursement up to \$3,500.00 is allowed. Such costs may include the adoption study, including health and psychological examination, and supervision of the placement prior to adoption finalization.
 6. Travel, food and lodging costs for the child and the adoptive parent(s) or legal guardian(s) and related to the child's placement and adoption or guardianship may be reimbursed up to \$1,000.00.
- D. The adoption subsidy and subsidized guardianship Agreements are contracts and are considered legally binding.

Because these documents are contracts and are legally binding, no pencil, white out, or other alterations may be made in the pre-printed template of the Agreement.

In the event that a requested service entered on the Agreement or any Amendment is not approved by the Division Director or the amount of payment is changed, or a correction needs to be made, the change may be handled by "crossing out" the item, writing in the change and requesting the adoptive parent(s)/guardian(s) to initial the change and date their initials. *If more than one change must be made on the Agreement or Amendment, a new Agreement or Amendment will need to be prepared and signatures obtained again.*

CHANGES OF ANY KIND CANNOT BE MADE TO THE PRE-PRINTED TEMPLATE CONTENTS OR THE FOUR PAGES OF THE ADOPTION SUBSIDY AGREEMENT, CD AD.

Fax copies of the Agreement will only be accepted by the Contract Management Unit (CMU) with prior approval, with the original documents to be mailed promptly.

THE ADOPTION SUBSIDY AGREEMENT AND LEGAL GUARDIANSHIP AGREEMENT MUST BE APPROVED BY THE DIVISION DIRECTOR PRIOR TO THE FINAL DECREE OF ADOPTION OR AWARD OF LEGAL GUARDIANSHIP.

30.3.1 Negotiating a New Adoption Subsidy Agreement

- A. When approaching the negotiation of a new Adoption Subsidy Agreement, CD AD, with prospective adoptive parent(s), the prospective adoptive parent(s) are to be given the Adoption Subsidy Program Brochure, CS-350, and given an opportunity to ask questions about the subsidy program. They are then to be asked to complete the Application for Adoption Subsidy, CD APP AD. With the assistance of the worker, the physical, mental health, dental and emotional needs of the child are to be fully documented on the Application for Adoption Subsidy, CD APP AD, and, subsequent to the meeting, in the narrative portion of the subsidy record for present and future reference.

Private child-placing agencies that are approaching the negotiation of a new adoption subsidy Agreement are to forward the application for adoption subsidy to their local Children's Division staff for review of eligibility. The Children's Division should then send back, within 10 working days, a letter approving the child's eligibility as well as approval to proceed with negotiation of the Adoption Subsidy Agreement, CD AD, or a letter denying the child's eligibility. A copy of the letter as well as the Application for Adoption Subsidy, CD APP AD, is to be kept in an adoption subsidy file in the local Children's Division office.

Children's Division staff, Foster Care case management staff and private child-placing agencies who have been given approval to proceed with the negotiation of the Adoption Subsidy Agreement, CD AD, should then discuss with the family the needs for which the family feels they can assume responsibility. It is not necessary for staff to document the detailed income and expenses of the adoptive family nor shall a means test be used. Staff should fully discuss with the family their many resources; emotional, physical and financial, and encourage them to utilize these resources. Staff should also review with families the community resources available to meet the child's needs and make referrals as appropriate. The goal of the negotiation should be to review with the family the current and anticipated needs of the child and to prepare the family for what lies ahead in a collaborative with the agency, planning for the current needs through completion of the Adoption Subsidy Agreement; CD AD, as well as acknowledging the potential future needs by fully documenting on the Application for Adoption Subsidy, CD APP AD.

At the time of the initial negotiation of the Adoption Subsidy Agreement, CD AD, the family should be advised that this Agreement will continue in effect until the last day of the month of the child's 18th birthday. If no changes are necessary during the life of the Agreement, no further action is necessary. If changes are required, an amendment section will be completed within the body of the contract. Each amendment is made to the Agreement as a whole and the entire completed Adoption Subsidy Agreement, CD AD, will need to accompany every amendment when sent to the Contract Management Unit (CMU).

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At the time of the initial negotiation of the Adoption Subsidy Agreement the parent(s) should be advised that an adoption subsidy may be approved to continue up to age 21 when a documented physical, dental or mental health need exists that requires care beyond the age of 18. These 18+ Adoption Subsidy Agreements, CD AD 18 are negotiated, on an annual basis, with the family according to the youth's current needs and in the spirit of transitioning the youth from subsidy services to adult services to ensure all necessary services are in place for the youth's success when subsidy is no longer available.

At the time of the initial negotiation the parent(s) should also be advised that **an Agreement must be approved by signature of the Division Director prior to payment being made.**

Adoptive parent(s) should also be advised of their right to file an appeal, as specified in the subsidy contract, on all or any part of an Adoption Subsidy Agreement that is denied by the Division Director. Their request for appeal must be received within 10 days of their written notice of the denial decision.

- B. Adoption Subsidy Agreements are legally binding contracts. Contact should be made with families at least annually to ensure that the best services to children and families are being provided. However no change will be necessary to the basic subsidy package included in the Agreement and no changes will be made if no request is made by the adoptive parent(s). The Agreement shall remain in effect until the end of the month of the child's 18th birthday, unless they are terminated as a result of the parent(s) request or reasons for termination listed in the contract.

If approved time-limited services beyond the basic subsidy package expire on the Agreement or a new service needs to be added, an amendment must be developed between the family and the agency for payment for services to be made.

- C The adoptive parent should be encouraged to make application for Supplemental Security Income (SSI) with the local Social Security Administration (SSA) office for any potentially eligible children.

Adoptive parent(s) accepting a child for adoptive placement who is eligible for Title IV-E adoption subsidy, have the right to determine whether SSI or adoption subsidy IV-E would be more appropriate to meet the maintenance payment for the child in the context of his/her and their circumstances. Parents of children who receive state-only funded adoption subsidy may receive both. The adoptive parent of the IV-E child may also receive both funds; however, parents should be advised that the Social Security office may reduce the SSI amount the child receives, dollar for dollar, by the amount the child is receiving in subsidy maintenance. If the family decides to accept SSI, the Children's Service Worker will need to update the client's fund code from „04-Adoption Subsidy IV-E to „05-

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Adoption Subsidy FFP', and update the Title XIX begin date simultaneously to reflect when fund "05" begins.

During the time children received out-of-home care services, they may have been eligible for a SSI grant. Upon adoption, they may be determined eligible for a limited SSI grant, or ineligible for SSI because of this program's requirements and parental income.

A child, Title IV-E or non IV-E, covered by an Adoption Subsidy Agreement, who is eligible for SSI is also eligible for MO HealthNet- FFP. In this case, fund category "05" is reported on the Alternative Care Client Information screen/SS-61 in FACES. If the child becomes ineligible for SSI, the child's fund category shall be changed to "03-Adoption Subsidy HDN (state only)" or "04-Adoption Subsidy IV-E" depending on the child's eligibility for IV-E prior to the final adoption.

A child, who is not Title IV-E eligible, but has a state-funded adoption assistance Agreement, has been determined by the state to have special medical, mental health or rehabilitative needs and cannot be placed for adoption without medical assistance, is eligible for MO HealthNet-FFP (fund code 05) for adoption.

OASDI benefits used for the cost of the child's care while in other types of out-of-home care can be received by the child after adoption. Adoptive parent(s) are encouraged to make application for these benefits with the SSA office before making use of either of the Division's IV-E or HDN funding resources for a child's subsidy. Workers should make prospective adoptive parent(s) aware of this resource and assist them in making application when indicated.

A subsidy Agreement can be developed using Title IV-E or HDN funds along with the OASDI grant if needed.

Prior to final adoption, staff must assure that the child's KIDS account, if any, does not exceed \$999.99. If it exceeds this amount, the fund category must be changed to "03" until the amount is below \$999.99.

As required by the Adoption Subsidy Agreement, CD AD, adoptive parent(s) have the responsibility for reporting changes of income and/or resources to the Social Security office. In addition to this, staff should confirm if the child remains SSI eligible whenever in contact with the family.

Adoptive parents should be advised that the Children's Division Revenue Maximization unit will notify the Social Security Administration when final adoption occurs. This will result in the immediate termination of the Children's Division as payee for SSI/OASDI. *To avoid a lapse in payment, application by the adoptive parent(s) should be made promptly.*

- D. The date Adoption Subsidy Agreements are signed is important in relationship to the court's adoption proceedings. **Adoption subsidy must be in place before**

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finalization of the adoption, meaning the adoption Agreement must be signed by both the adoptive parent(s) and Children's Division Director prior to finalization.

- E. Prior to adoption subsidy funding being utilized a referral must be made to the IV-E Eligibility Specialist to determine the fund code for subsidy. A child's placement type must be changed just before the referral to the Eligibility Specialist for determination of the subsidy fund code is made. At the time of the placement change to ADF, ADO, ADR or FAH the fund code should be changed to 12 for the placement change to be accepted. These changes must be indicated on the child's Alternative Care Client Information screen in FACES for the Eligibility Specialist to make a determination. In addition, the adoption subsidy contract must be approved and in the contracting system. Termination of Parental Rights (TPR) of at least two parents must be shown on the Alternative Care Client Information screen and the adoption petition must have been filed. Within 5 days of this placement type change, the referral must be made to the Eligibility Specialist.

At this point the child's plan is adoption, the necessary steps have been taken for adoption subsidy funding, and foster care funds and Professional Parent incentives are no longer appropriate.

Prior to the subsidy funding determination, the worker may have indicated the pre-adoptive placement on the Alternative Care Client Information screen without changing the placement type.

The Eligibility Specialist needs the following information in order to complete a determination. **If the child is from a private agency, the worker from the private agency is to obtain this information for the CD's referring worker:**

- A copy of the Title IV-E/FFP Referral, (CS-IV-E-FFP-1) is to be filed in the family's subsidy record to provide documentation of the eligibility determination.
- Information about the home from which the child was removed;
- Removal petition;
- Court order that placed the child in the agency's custody;
- Date the adoption petition was filed;
- Date TPR occurred;
- Date adoptive placement began; and

- Begin date on the adoption subsidy contract.

The Eligibility Specialist (ES) may determine fund code eligibility and authorize payment from adoption subsidy fund codes (fund codes 03, 04 and 05) and are the only staff that have authority to change adoption subsidy fund codes and may only do so **after the following criteria have been met:**

1. Termination of Parental Rights has been granted on at least 2 parents or the parents are deceased;
 2. The family has been identified as the adoptive placement as shown in the placement information section of the Alternative Care Client Information screen/SS-61.
 3. An adoption petition has been filed with the court; and
 4. An Adoption Subsidy Agreement has been approved and entered into the contract management system.
- F. Subsidy Agreements may be reassessed at the request of the adoptive parent(s) when changes in the needs of the child or the circumstances of the family are indicated.
- G. Adoptive parent(s) are expected and required to cooperate in the review process for services that expire and need to be re-authorized. Such cooperation includes supplying information regarding the family and the eligible child's circumstances as determined by the Division to be needed. This information will be used to establish the services and amount of payment for the services included in the agreement. This information must be supplied to the Division within 30 days of the request.
- H. Relatives, with the exception of a biological parent or step-parent, are eligible for an adoption subsidy. Such subsidies are to be handled as if an unrelated family was adopting the child.
- I. To meet costs for a service that may be needed anytime after the final decree, but before the child's 18th birthday, adoption subsidy Agreements including only MO HealthNet should be completed prior to the granting of the final decree. These are considered deferred Agreements and are intended to serve those children with a guarded prognosis because of drug exposure, familial history of mental illness or other genetic predisposition, for whom an adoptive family may need future assistance in meeting the cost of special needs, but who may not require such assistance at the time of placement or adoption completion. **It is important that the condition or special needs or the circumstances of the guarded prognosis of the child exist at the time the child is placed with the family, and are well documented on the Application for Adoption Subsidy,**

CD APP AD. An amendment to the Agreement must be processed to authorize payment for additional services when/if they are needed.

Upon a change in the subsidy Agreement via an amendment, the worker shall note the change and negotiation around the change in the narrative section of the subsidy file.

- J. For confidentiality purposes, the child's name used in all business and record keeping transactions should be the name stipulated in the final decree of adoption. This includes the records of the Children's Division as well as the records used by vendors from whom we are purchasing a service as a part of the Adoption Subsidy Agreement. All records should be changed after the final decree except for the first Application for Adoption Subsidy, CD APP AD, and the Adoption Subsidy Agreement, CD AD. When preparing a new amendment there is space indicated to include the adopted name as well as a new DCN (Departmental Client Number).
- K. When reviewing an Agreement after the final decree of adoption is granted, information from other treatment and rehabilitative service providers may be required by the Division. This information must be obtained by the adoptive parent(s) and provided to the Division within 30 days of the request being made as indicated in the Agreement.
- L. Agency staff should refer adoptive parents who request information regarding reporting adoption subsidy payments for income tax purposes to the Internal Revenue Service or their individual tax preparer.

30.3.2 Negotiating a New 18+ Adoption Subsidy Agreement

- A. Six months prior to a youth's, (who is covered by a subsidy agreement), 18th birthday, a determination should be made as to whether or not the youth has a documented physical, dental or mental health need that requires care through a subsidy Agreement beyond the age of 18.
- B. Complete the 18+ Adoption Subsidy Agreement, CD AD 18, and attach the documentation of need from the youth's physician, psychiatrist, etc.
- C. Discuss with the adoptive family the need to transition the youth from adoption subsidy to adult community services to meet the youth's needs and provide referral information and assistance with obtaining these services as needed.

In addition, the family should be advised they are required to apply for and participate in all such programs and services as may be reasonably necessary to meet the needs of the youth as indicated in the contract.

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- D. Submit the 18+ Adoption Subsidy, CD AD 18, for approval at least 30 days prior to the expiration date of the Adoption Subsidy Agreement, CD AD, so no lapse in services occurs.

30.3.3 Negotiating a New Subsidized Guardianship Agreement

- A. When approaching the negotiation of a new Subsidized Guardianship Agreement, CD SG, with guardian(s) or prospective guardian(s), they are to be given the Adoption Subsidy Program Brochure, CD-350, and given an opportunity to ask questions about the subsidy program. They are then to be asked to complete the Application for Subsidized Guardianship, CD APP SG. With the assistance of the worker; the physical, mental health, dental and emotional needs of the child are to be fully documented on the Application for Subsidized Guardianship, CD APP SG, and, subsequent to the meeting, in the narrative portion of the subsidy record for present and future reference.

Private child-placing agencies that are approaching the negotiation of a new guardianship Agreement are to forward the application for guardianship subsidy to their local Children's Division staff for review of eligibility. The Children's Division should then send back a letter, within 10 working days, approving the child's eligibility and approval to proceed with negotiation of the Subsidized Guardianship Agreement, CD SG, or a letter denying the child's eligibility. A copy of the letter as well as the Application for Subsidized Guardianship, CD APP SG, is to be kept in a subsidy file in the local Children's Division office.

Children's Division staff, foster care case management staff and private child-placing agencies that have been given approval to proceed with the negotiation of the Subsidized Guardianship Agreement, CD SG, should then discuss with the family the needs for which the family feels they can assume responsibility. It is not necessary for staff to document the detailed income and expenses of the guardian(s) nor shall a means test be used. Staff should fully discuss with the family their many resources; emotional, physical and financial, and encourage them to utilize these resources. Staff should also review with families the community resources available to meet the child's needs and make referrals as appropriate. The goal of the negotiation should be to review with the family the current and anticipated needs of the child to prepare the family for what lies ahead. These needs are to be fully documented on the Application for Subsidized Guardianship, CD APP SG, and in the record for present and future reference.

At the time of the initial negotiation of the Subsidized Guardianship Agreement, the guardian(s) should be advised that a Subsidized Guardianship Agreement, CD SG, may be approved to continue up to age 18 only. **There will be no legal guardianship Agreements approved beyond the last day of the month of the 18th birthday under any circumstances.**

- B. Subsidized Guardianship Agreements are legally binding contracts. Contact should be made at least annually to ensure that the best services to children and families are being provided, however no change will be necessary to the Agreement if no request is made by the guardian(s).

If approved services beyond the basic subsidy package expire on the Agreement, an amendment must be developed between the family and the agency for payment for services to continue.

Upon a change in the subsidy Agreement via an amendment, the worker shall note the change and negotiation around the change in the narrative section of the subsidy file.

- C. The legal guardian(s) should be encouraged to make application for SSI with the local SSA office for any potentially eligible children.

During the time children received out-of-home care services, they may have been eligible for a SSI grant. Upon subsidized guardianship being granted, they may be determined eligible for a limited SSI grant, or ineligible for SSI because of this program's requirements.

A child that has a Subsidized Guardianship Agreement, has been determined by the state to have special medical, mental health or rehabilitative needs, and cannot be placed for guardianship without medical assistance and is eligible for MO HealthNet.

As required by the Subsidized Guardianship Agreement, subsidized guardians have responsibility for reporting changes of income and/or resources to the Social Security office. In addition to this, staff should confirm if the child remains SSI eligible when conducting the annual review.

The guardian(s) should be advised that the Children's Division Revenue Maximization Unit will notify the Social Security Administration when guardianship occurs or when they are advised of the guardianship. This will result in the immediate termination of the Children's Division as payee for SSI/OASDI. *To avoid a lapse in payment, application by the guardian(s) should be made promptly.*

- D. Subsidized Guardianship Agreements shall be completed and approved prior to the court proceeding to award guardianship, meaning that the Guardianship Agreement must be signed by both the guardian(s) and Children's Director prior to final award of Guardianship. **The Agreement, however, cannot go into effect until after the guardianship is awarded and the fund code "06" has been entered by the worker in FACES.** A copy of the order of legal guardianship shall be sent to CMU when the Alternative Care Client Information screen is changed. The legal guardianship begin date on the Alternative Care Client Information screen shall be the date the guardianship was awarded. The

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fund code will be determined by the eligibility specialist in cases of subsidized guardianship.

Expenses to be paid under the Subsidized Guardianship Agreement will only occur after the legal guardianship has been granted by the probate court to a qualified relative as defined by Missouri Statute 453.072.

- E. Prior to Guardianship funding being utilized a referral must be made to the IV-E Eligibility Specialist to determine the fund code for subsidy. The Guardianship Subsidy contract must be approved and in the contracting system. The petition pursuing guardianship must be filed. Within five days of their placement type change, the referral must be made to the Eligibility Specialist.

At this point the child's plan is Legal Guardianship, the necessary steps have been taken for Guardianship funding, and foster care funds and Professional Parent incentives are no longer appropriate.

The Eligibility Specialist needs the following information in order to complete a determination. **If the child is from a private agency, the worker from the private agency is to obtain this information for the CD's referring worker:**

- A copy of the Title IV-E/FFP Referral, (CS-IV-E-FFP-1) is to be filed in the family's subsidy record to provide documentation of the eligibility determination.
- Information about the home from which the child was removed;
- Removal petition;
- Court order that placed the child in the agency's custody;
- Date the guardianship petition was filed;
- Date guardianship placement began;
- Begin date on the guardianship subsidy contract.

The Eligibility Specialist (ES) may determine fund code eligibility and authorize payment from subsidy fund codes, fund code 06 for state only funded guardianships and fund code 16 for Title IV-E eligible guardianship subsidy, and are the only staff that have authority to change subsidy fund codes and may only do so **after the following criteria have been met:**

1. The family has been identified as the guardianship placement as shown in the placement information section of the Alternative Care Client Information screen/SS-61.

2. A Legal Guardianship petition has been filed with the court; and
 3. A Legal Guardianship Agreement has been approved and entered into the contract management system.
- F. Subsidy Agreements may be reassessed at the request of the legal guardian(s) when changes in the needs of the child or the circumstances of the family are indicated.
- G. Legal Guardian(s) are expected and required to cooperate in the review process for services that expire and need to be re-authorized. Such cooperation includes supplying information regarding the family and the eligible child's circumstances as determined by the Division to be needed. This information will be used to establish the services and amount of payment for the services included in the Agreement. This information must be supplied to the Division within 30 days of the request.
- H. For legal guardianship subsidy, a great-grandparent, grandparent, great-aunt, great-uncle, aunt, uncle, adult sibling or adult first cousin must have obtained legal guardianship of the eligible child.
- .
- I. When reviewing an Agreement after the legal guardianship has been obtained, information from other treatment and rehabilitative service providers may be required by the Division. This information may be obtained by the guardian(s) and provided to the Division within 30 days of the request being made as indicated in the Agreement.
- J. Agency staff should refer legal guardians who request information regarding reporting subsidized guardianship payments for income tax purposes to the Internal Revenue Service or their individual tax preparer.

[Forms and Instructions](#)

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[CS03-33](#), [CD04-17](#), [CD04-77](#), [CD06-79](#)

Memoranda History:

CD08-17; CD09-28; CD10-101; CD11-27

30.4 Child's Eligibility Criteria for Adoption or Legal Guardianship Subsidy

30.4.1 Eligibility Criteria for Adoption Subsidy

- A. The child must be under the age of 18 at the time of adoptive placement.
- B. At the time of planning for adoption the child must meet one of the following circumstances:
1. Be in the custody of the Children's Division. Children in the care and custody of the Children's Division are considered special needs, and are in turn automatically eligible for Missouri Adoption Subsidy;
- or**
2. Be in the custody of a child-placing agency licensed in accordance with sections 210.481-210.531 RSMo, the Division of Youth Services (DYS), or the Department of Mental Health (DMH);

and

A "child with special needs": as defined by the characteristics listed below:

- The child cannot or should not be returned to the home of his/her parents.
- It has been determined there exists, with respect to the child, a specific factor or condition (such as his/her ethnic background, age, membership in a minority or sibling group, or the presence of factors such as medical conditions or physical, mental, or emotional handicaps) because of which it is reasonable to conclude that such child cannot be placed with adoptive parents without providing adoption assistance.

The private agency must document in each child's case record, as well as on the application/plan, the specific factor(s) that make the child difficult to place and describe the efforts to place the child without providing assistance.

- A single child, who is a member of a sibling group but is being placed as a single child, must meet the subsidy eligibility criteria as a single child. This applies in any subsequent replacements for adoption as a result of a disrupted adoption placement.

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- That, except where it would be against the best interest of the child because of such factors as the existence of significant emotional ties with prospective adoptive parents while in the care of such parents as a foster child, a reasonable, but unsuccessful, effort has been made to place the child with appropriate adoptive parents without providing subsidy assistance.

These efforts must be summarized and the summary documentation attached to the application/plan for subsidy.

- Has a condition (i.e., a state of health or behavior) which results in a guarded prognosis (although the child may appear normal) due to mental illness or retardation, drug usage by, or venereal disease of the parents.
- Has a history, which includes circumstances such as long-term out-of-home care, incest, or social or genetic complications in the family background, which provide other impediments to adoption.
- **Each special need must be documented on the adoption application/plan and intellectual and/or emotional limitations must be documented through a professional evaluation before subsidy can be approved. (Reference 13 CSR 40-38.020).**
- Recruitment efforts must have not produced appropriate adoptive parent(s) who could care for the child without the assistance of an adoption subsidy.
- An adoptive family is not "readily available" meaning a family who is willing to accept the child and appropriate to meet the child's needs without a subsidy.

If the agency has determined that the child cannot or should not return home, and the child meets the statutory definition of special needs with regard to specific factors or conditions, then the agency can pose the question of whether the prospective adoptive parents are willing to adopt without assistance. If they say they cannot adopt the child without adoption assistance, the requirement for a reasonable, but unsuccessful effort to place the child without providing adoption assistance has been met. (As defined in Section 473c of the Social Security Act);

or

3. Special needs child placed in Missouri through a private child-placing agency and is Title IV-E. Missouri is required by federal rule to provide adoption subsidy to these children.

A Missouri IV-E Eligibility Specialist must determine the fund code eligibility. It is the responsibility of the private agency to obtain the necessary documentation for the Eligibility Specialist. If the child is not IV-E eligible, Missouri is not responsible for subsidy coverage.

or:

4. Children who have a subsequent adoption because of the dissolution of their adoption or the death of their adoptive parents continue to be eligible for assistance under Title IV-E or Missouri funded subsidy in a subsequent adoption if they were previously eligible.

30.4.2 Eligibility Criteria for Subsidized Guardianship:

- A. The child must be under the age of 18 at the time of guardianship placement.
- B. At the time of planning for guardianship the child must meet one of the following circumstances:
 1. Be in the custody of the Children's Division: Children in the care and custody of the Children's Division are considered special needs, and are in turn automatically eligible for Missouri Guardianship Subsidy.

or;

2. Be in the custody of a child-placing agency licensed in accordance with sections 210.481-210.531 RSMo, the Division of Youth Services (DYS), or the Department of Mental Health (DMH).

and

A "child with special needs" as defined by the characteristics listed below:

- The child cannot or should not be returned to the home of his/her parents.
- It has been determined there exists, with respect to the child, a specific factor or condition (such as his/her ethnic background, age, membership in a minority or sibling group, or the presence of factors

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such as medical conditions or physical, mental, or emotional handicaps) because of which it is reasonable to conclude that such child cannot be placed with guardianship parents without providing guardianship assistance.

The private agency must document in each child's case record, as well as on the application/plan, the specific factor(s) that make the child difficult to place and the needs for guardianship subsidy.

- A single child who is a member of a sibling group, but is being placed as a single child, must meet the subsidy eligibility criteria as a single child. In accordance with Federal Title IV-E funding, if any child in a sibling group is determined to be IV-E eligible the remaining siblings are also to be found IV-E eligible.
- Children who are eligible for IV-E guardianship are also IV-E eligible in any subsequent replacements for guardianship as a result of a disrupted guardianship placement.
- Has a condition (i.e., a state of health or behavior) which results in a guarded prognosis (although the child may appear normal) due to mental illness or retardation, drug usage by, or venereal disease of the parents.
- Has a history, which includes circumstances such as long-term out-of-home care, incest, or social or genetic complications in the family background.

Each special need must be documented on the guardianship application/plan and intellectual and/or emotional limitations must be documented through a professional evaluation before guardianship subsidy may be approved.

or,

3. Children who have a subsequent guardianship because of the dissolution of their guardianship or the death of their guardians continue to be eligible for assistance through Missouri funded subsidy in a subsequent guardianship if they were previously eligible.

Ineligible Children for Missouri Adoption and Legal Guardianship Subsidy

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The following children are ineligible for Missouri Adoption and Legal Guardianship Subsidy:

- Children being adopted internationally or children adopted from other states who are not IV-E eligible and in the custody of a private child-placing agency;
- Children in the custody of Missouri juvenile courts even though they may receive a payment while in other types of out-of-home care;
- Step-parent adoptions.

Ineligible Placements for Missouri Adoption and Legal Guardianship Subsidy

Felony Convictions

Staff may not approve the adoption or guardianship subsidy application of any person in which a record check has revealed a felony conviction for child abuse or neglect, spousal abuse, a crime against children (including child pornography), or a crime involving violence, including rape, sexual assault, or homicide, but not including other physical assault or battery was determined by a court of competent jurisdiction.

Staff may also not approve the application of any person who in the past five years has had a court of competent jurisdiction determine a felony conviction for physical assault, battery, or a drug-related offense.

For the purpose of this policy, a "felony conviction by a court of competent jurisdiction" is defined as a criminal court conviction for a felony offense as defined by law in the jurisdiction that the offense took place.

In the unlikely event that it is determined that the best interest of a child would be served by providing subsidy in this placement setting, written approval must be obtained through supervisory lines to the Regional Office. The Regional Office must review the request and, if in agreement, forward with their recommendation to the Deputy Director for Children's Division for final consideration. Written requests should include a thorough description of the applicant's situation and why it would be in the child's best interest for an exception to be granted. If approved by the Deputy Director, IV-E funding may not be used for the adoption subsidy and the Children's Service Worker will be responsible for notifying the Eligibility Specialist who will ensure that state-only funds are used. Federal funds may not be used for adoption assistance payments if any of the aforementioned conditions exist. It is imperative that in those circumstances the Children's Service Worker notify the Eligibility Specialist who will enter the correct fund code for state-only funding. (Reference Section 471 (a) (20) (A) of the Social Security Act.)

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30.5 Case Manager, Private Child-Placing Agency and Foster Care Case Management Contractor Responsibilities

- A. Children's Division Staff and Private Child-Placing Agency Staff Who Have Had the Child's Eligibility Approved for Negotiation of an Adoption or Legal Guardianship Subsidy Agreement:
1. The adoptive or guardianship Children's Service Worker (i.e., case manager) is responsible for negotiating and completing the subsidy forms with the family. The child's case manager and service worker, if applicable, shall cooperate by providing information necessary to complete the adoption or legal guardianship subsidy application and Agreement.
 2. In cases when the **basic subsidy package** is being requested, the family signs the Agreement and the Agreement is sent directly to Contract Management for the Director's approval and entry into the contracting system.
 3. When services **above the basic package of standard maintenance, MO HealthNet and childcare** are requested in the subsidy Agreement, the Circuit Manager/Program Manager and Regional Office, to which case manager's county/circuit is responsible, will have the responsibility for reviewing the adoption or legal guardianship subsidy application and Agreement. **The local staff, Circuit Manager/Program Manager and Regional Office should indicate their agreement or disagreement with the application/Agreement on the subsidy clearance form only, which will accompany the Agreement to Central Office for consideration by the Director.** The only signature necessary on the subsidy Agreement are the signature(s) of the adoptive parent(s) or guardian(s) and the Division Director.
 4. The worker who completes all the payment authorizations for contracted/purchased service will always be located in the county/circuit of the child's residence or the last residence county of the child if the child is out of state. The payment designee will always be the individual with that role in the authorizing county.
- B. Foster Care Case Management Contractors, Negotiation/Completion of the First Adoption or Legal Guardianship Subsidy Agreement
1. The adoptive or guardianship service worker (i.e., case manager) is responsible for negotiating with and completing the subsidy forms with the family. The child's case manager and service worker, if applicable, shall

cooperate by providing information necessary to complete the adoption or legal guardianship subsidy application and Agreement.

2. In cases where the **basic subsidy package** is being requested, the family signs the Agreement and the Agreement is sent directly to Contract Management for the Director's approval and entry into the contracting system.
3. When in the negotiation stage, services **above the basic package of standard maintenance, MO HealthNet and childcare** are requested by the family, the foster care case management contract staff must discuss this request with the Children's Division representative and written approval must be given by the Children's Division prior to the service being added to the subsidy and the family's signatures obtained.
4. Once the family's signature(s) are obtained, the Agreement should be sent back to the Children's Division. The Circuit Manager and Regional Office to which the family's case manager county is responsible, will have the responsibility for reviewing the adoption or legal guardianship subsidy application and Agreement. **The local staff, Circuit Manager/Program Manager and Regional Office should indicate their agreement or disagreement with the application/Agreement on the subsidy clearance form only, which will accompany the Agreement to Central Office for consideration by the Director.** The only signatures necessary on the subsidy Agreement are the signature(s) of the adoptive parent(s) or guardian(s) and the Division Director.
5. After the subsidy is approved and the criteria for subsidy payments have been met, the contracted worker will complete all the payment authorizations for contracted/purchased services until such time that the record is transferred back to the Children's Division worker.

Ongoing Maintenance of an Adoption or Legal Guardianship Subsidy Agreement:

1. Case management responsibility for the annual review and any needed renegotiation of the Agreement is the responsibility of the county/circuit office where the family resides.
2. Case management responsibility also includes any case activity needed to support the terms of the Agreement.
3. Case management responsibility also includes assisting youth, adoptive parents, and legal guardians with the referral process to the Older Youth Program (OYP), if the youth meets the qualifying criteria of exiting care to

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Adoption or Legal Guardianship after the age of 16 and the youth, adoptive parents and legal guardians' desire services through the OYP. Participation in the OYP is not mandatory.

- Case managers will be responsible for ensuring that youth, prospective adoptive parents, and prospective legal guardians are made aware of the Older Youth Program (OYP) and the youth's ability to receive services through the OYP and Chafee Services.
- Case managers will be responsible for assisting the youth, adoptive parents, legal guardians with the completion of the necessary tools and assessments needed for an Older Youth Program Referral.
- Case managers will have the responsibility to ensure that youth enrolled in the Older Youth Program prior to adoption or legal guardianship continue to receive services through the OYP if desired, or if a new referral has been completed that the youth receives services through the OYP.
- Case managers will have the responsibility to receive the Individual Life Skills Progress Form, CD-95 and notify the Older Youth Transition Specialist and Chafee Provider if the desire for services changes.

Related Subject: [Section 4 Chapter 21 – Older Youth Program \(OYP\)](#)

Chapter Memoranda History: (prior to 01-31-07)

[CS03-33](#), [CD04-17](#), [CD04-77](#), [CD06-79](#)

Memoranda History:

[CD08-17](#), [CD-09-28](#), CD09-109

30.6 Approval Process

1. Process the completed subsidy forms. When exceptions to the basic subsidy package are involved, route them through supervisory lines: the Circuit Manager/Program Manager, or his/her designee, and Regional Office for review, as indicated in this section and according to the forms instructions. If the basic package is requested, send directly to the Contract Management Unit (CMU) in Central Office.
2. Staff should maintain a copy of the completed subsidy forms with family signatures in their local file. Staff should also maintain copies of all associated documentation for above standard services as well as a copy of the Subsidy Application in the local file.
3. CMU will return a copy of the signed Agreement to the managing county/circuit indicated on the Agreement. Upon receipt of the signed copies back from the CMU, Children's Service/Performance Based Contract (PBC) staff are to forward one (1) copy signed by the Director to the adoptive parent(s)/guardian(s) with a **cover letter** which includes the following information:
 - a) While not required of adoptive parent(s) or guardian(s), if a family carries private insurance for the child, the physician must first use the family's own private medical/dental insurance as primary, using MO HealthNet as the secondary insurance. The Division will not supplement the payment made by private insurance. Any exceptional services not covered by private insurance or MO HealthNet must be requested and approved before payment may be made. Appropriate documentation is required with the request. Payment for emergency care not covered by MO HealthNet may be authorized, if necessary, at the discretion of the Division after the service has been provided as indicated in the Agreement.
 - b) Prices of services specified in the Agreement attachment are fixed. Changes in the Agreement attachment may be requested by adoptive parent(s)/guardian(s), but will require the renegotiation through an amendment to the contract.
 - c) The right to appeal the terms of the Agreement as specified in the Agreement. The following statement should be included;

"If you disagree with this decision to reject, reduce benefits or to close your case, you have the right to request a hearing within 10 days of this letter. If you request a hearing, you may present your information yourself or you may be represented by your own attorney or by other persons who have knowledge of your situation. You have the right to present witnesses on your own behalf and to question witnesses who appear at the request of the Children's Division."

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- d) Responsibility to keep the Division informed of changes in circumstances of the adoptive parent(s) or guardian(s) or the child(ren) as listed in the contract and relating to the receipt of a subsidy;
 - e. Encouragement and support for the continued success of the placement.
 - f. The Division's willingness to assist them in renegotiating via amendment to the Agreement as necessary and at their request; and
 - g. The Division's availability to answer any questions regarding the subsidy.
4. Update the Alternative Care Client screen, SS-61, and Vendor Licensure/Placement Resource form, SS-60, consistent with the subsidy Agreement, to begin payment for maintenance and other services effective with the effective date of the Agreement/date of Director's signature.
5. Report availability of third-party medical/dental insurance via use of the Third Party Resource Form, TPL-1, if the child is covered through the family's policy. The TPL-1 is to be sent to the MO HealthNet Division by the adoption/guardianship worker with a copy placed in the subsidy file.

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[CS03-33](#), [CD04-17](#), [CD04-77](#), [CD06-79](#)

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30.7 Maintenance of the Agreement

1. Provide case activity to assure payment for services covered by the agreement.
2. Authorize necessary contracted services using SEAS Request and Eligibility Form, CS-67, and SEAS Authorization Form, CS-67A, (fund code 03-HDN or 04-IV-E), after obtaining clearance and the signature of the authorizing designee:

According to your Regional practices, completed CS-67 and CS-67A for residential treatment with a contracted provider are to be entered into the SEAS system. Out-of-state providers must have a child-specific contract with the Children's Division in order to receive payment. The provider must submit a child-specific contract to the Contract Management Unit (CMU) for negotiation. Upon authorization of the CS-67A to a contracted provider, a Services Eligibility and Authorization Provider Invoice, CS-65A, will be generated automatically on a monthly basis. The provider will submit invoices for payment to the payment designee.

3. Authorize payment, via the Children's Services Integrated Payment System Invoice, CS-65, for payment of services provided by a non-contracted provider to the adoptive parent(s)/guardian(s). A "paid" receipt must be attached to the CS-65 for reimbursement to the adoptive parent(s)/guardian(s). Requests for reimbursements must be received within six months of the service being provided to ensure payment.
4. Adoptive parent(s)/guardian(s) may request renegotiation of the Agreement via an amendment to the contract at any time.
5. Notify the adoptive parent(s)/guardian(s) when the county/circuit office address changes, via a letter to insure the family can make timely contact for updates/service requests.
6. There are certain circumstances that may occur and call for a new Agreement/contract to be developed for the child. These are:
 - a. If an adoptive parent or guardian changes their name, a new contract with their new name is necessary. A copy of a new Social Security Card, driver's license/state identification card, or their new marriage certificate with their new last name indicated, is required to accompany the new contract with the new name change.
 - b. If there is a marriage and the new spouse adopts or obtains guardianship of the child, a copy of the adoption decree/guardianship order is required to accompany the new contract with both names added.
 - c. If a divorce occurs and one adoptive parent in a divorce or the qualifying relative in a guardianship case is assigned physical custody or is ordered

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by the divorce decree to receive the subsidy, a new agreement must be developed. A copy of the court order is required to accompany the new contract with the custodial parents' name included.

- d. If an adoptive parent or guardian dies, a new contract is needed in the name of the remaining parent. If a guardian dies and the spouse is also a guardian and a qualified relative, a new contract in only the name of the surviving qualified relative is required. A copy of the death certificate is also required to accompany the new contract.

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30.8 Review Process

1. Within the calendar year make contact with each adoptive/guardianship family via phone or letter to insure that best services are being provided to families and children. Document contact in the narrative section of the subsidy file. Otherwise, subsidy Agreements will terminate on the last day of the month of the youth's 18th birthday.
2. On adoption cases, six months prior to the expiration date of the Agreement make contact with the adoptive parent(s) to determine if a physical, dental or mental health need exists that requires care beyond the age of 18. An 18+ Adoption Subsidy Agreement, CD AD 18, may be negotiated with the adoptive parent(s) when documentation of the need by appropriate treatment professionals is provided. These Agreements may only be approved for one year at a time.
 - a. Approval via an 18+ Adoption Subsidy Agreement should be initiated six months prior to and approved 30 days before the youth's 18th birthday to prevent any lapse in service.
3. If a specific contracted provider used for a special service is changed, complete and enter a new SEAS Authorization Form, CS-67A. Changes in residential treatment services must also be reported to the Regional Residential Care Screening Team (RCST) Coordinator.
4. Complete contract amendment(s) if one of the following events occurs:
 - a. Adoptive parent(s) or guardian(s) request changes; as a result of the child's needs or family's situation changing;
 - b. Upon notification by the adoptive parent(s)/guardian(s) of OASDI benefits due to the disability of the adoptive parent(s)/guardian(s) indicates a change is needed in the subsidy services and payment amounts;
 - c. Child requires residential care services. Additionally, update the Alternative Care Client Information screen changing the date of placement and showing a sub placement type of "s" leaving the adoptive parent(s) or guardian(s) in the placement field.
5. Send written notice to the adoptive parent(s) or guardian(s) utilizing the Notification Letter for Adoption and Guardianship Subsidy Denials form, CD-87, if all or any portion of the proposed Agreement (at initial application or by amendment) to the contract is not approved by the Director.
6. Utilize the Notification Letter for Adoption and Guardianship Subsidy Denials form, CD-87, to insure that the following information is included in the event that an appeal is filed:

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- a. Reason(s) why the proposed Agreement, or any portion of a proposed Agreement, has not been approved making reference to the policy used in arriving at this decision;
 - b. Information regarding the right of the adoptive parent(s)/guardian(s) to appeal the decision through a fair hearing;
 - c. Method for requesting an appeal through the Application for Fair Hearing, CD-53; and
 - d. Request they contact the worker to make any necessary adjustments in the Agreement or to file the appeal.
7. If an Application for Fair Hearing, CD-53, request is received, a copy is to be sent to the Division of Legal Services' (DLS) Litigation Unit as well as to the DLS Hearing Unit within one (1) working day of the parent's request.

[Forms and Instructions](#)

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Memoranda History:

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30.9 Termination of the Subsidy Agreement

1. Close subsidy via the Alternative Care Client Information screen in FACES, if any of the following events occur:
 - a. The child reaches age 18 or age 21, if an 18+ Adoption Subsidy Agreement, CD AD 18, has been in place; or
 - The date of closing is the first day of the month following the month the child reaches age 18 or 21, if applicable.
 - b. At the request/notification of the family; or
 - The date of closing is the date of the request. The worker is to document in the narrative section, the parent(s)/guardian(s)' request to terminate subsidy and if known, the reason.
 - In the event that a youth leaves the adoptive/guardianship home and the Division is notified by the family, the contract should be left open for a period of six months. The Alternative Care Client Information screen/SS-61 in FACES should be updated to **indicate no maintenance**. If the youth returns within six months, the maintenance may be re-instated. If the youth does not return within 5 months, a 30-day closing notice should be sent to the parent(s)/guardian(s) and the contract should be closed. The contract will not be re-opened at a later date without the request being denied and the parent(s)/guardian(s) completing the appeal process.
 - c. Upon determination that the child is no longer receiving any financial support from the adoptive parent(s)/guardian(s); or
 - The date of closing is the date the child is determined as no longer receiving financial support. **Extensive supportive documentation must be present in the file. Some examples include:**
 - **The child is placed out of the adoptive or guardianship home. Obtain documentation from the current and/or past caregivers detailing the parent(s)' or guardian(s)' lack of support by not providing for the child (i.e., clothing, gifts, daily essentials, school supplies, etc.)**
 - **The child applies for assistance through the Family Support Division (FSD) as they are no longer living in the adoptive or guardianship home, or receiving**

support from the subsidy. Utilize the FSD records as documentation.

- d. Upon determination that the adoptive parent(s)/guardian(s) are no longer legally responsible for the support of the child (TPR has occurred or the guardianship has been revoked); or
 - The date of closing is the date the adoptive parent(s)/guardian(s) is no longer legally responsible for the support of this child. This can include divorce or a court's action of terminating parental rights or revocation of the guardianship.
 - e. In the event of the death of the subsidized child; or
 - The date of closing is the date of the child's death.
 - f. In the event of the death of both adoptive parent(s) or guardian(s) or the death of a single adoptive parent or guardian, if the subsidy was granted to a single adoptive parent or guardian.
 - The date of closing is the date of the death of the adoptive parent(s)/guardian(s).
2. Update the Vendor Licensure/Placement Resource Form, SS-60, and Alternative Care Client screen, SS-61, in FACES appropriately at closing.
 3. Close the SEAS Request and Eligibility Form, CS-67, and SEAS Authorization Form, CS-67A, as appropriate:

Notifications from the SEAS system will be sent to both adoptive family or guardian(s) and provider, giving at least a ten (10) day notification prior to closing, based on the closing date identified on the CS-67 and CS-67A.
 4. Send written notice of closing to the adoptive parent(s)/guardian(s) 30 calendar days prior to closing:
 - a. Include in the written notice:
 - The reason(s) why the agreement is terminated; and
 - The child's name, DCN, and actual date of closing.
 - b. Send written notice to the family caring for child or executor of estate, if adoptive parent(s)/guardian(s) are deceased.

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5. Receive notice from the Contract Management Unit (CMU) that the Agreement will be terminated in the contract system 15 days from the date CMU received a notification from the Children's Division county/circuit office.

Report to CMU immediately, if the Agreement was terminated in error and make necessary corrections in the Alternative Care Tracking System (ACTS).

6. Record all activities as needed, but at a minimum, any contact with the family, renegotiation through amendment to the contract and within 10 working days of a signed Agreement being received from CMU and the Agreement being sent to the family.

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30.10 Miscellaneous

30.10.1 Appeals

The adoptive parent(s) and legal guardian(s) have the right to appeal any decision of the Children's Division related to an Adoption or Subsidized Guardianship Agreement through the process of a fair hearing. The family must complete the Application for Fair Hearing, CD-53, within 30 calendar days of their written notice by the agency of the adverse action regarding the denied subsidy request. The CD-53 will be included at the mailing of the CD-87.

Upon request, the worker shall complete the form, CD-53. The family does not need to sign the form prior to the request being forwarded on to the Division of Legal Services (DLS) Hearings Unit. Signature must simply be obtained prior to the hearing. The worker must automatically send the family's request for a fair hearing, CD-53, to the Hearings Unit for their area within one (1) working day of the date of the parent(s)' or guardian(s)' request.

If the worker completes the CD-53, be specific as to what the parent's request is, reading it to the parent or guardian for accuracy before sending it to the DLS Hearings Unit.

When an adoptive family or guardian is unhappy with a decision regarding a subsidy request made by them, the worker is to arrange an administrative review within (10) working days of receipt of the request if one was requested. Participants in the meeting should include the resource provider, Circuit Manager/Designee, appropriate Regional Director/Designee and Supervisor. If the negotiations resolve the issues, inform the Hearing Unit of any resolutions. DLS Hearing Unit will require the county office to obtain a signed Withdrawal of Request for Hearing, CD-54, from the household before the matter can be withdrawn.

When a hearing is scheduled, send a Hearing packet that includes supporting documents prior to the hearing to the DLS Hearing Unit. These documents could include, but are not limited to denial letter, the subsidy Agreement and previous amendments, previous decisions, policy that supports the Children's Division decision, changes in policy via memos that support the decision, and a list of services the adoptive family or guardian has been approved for in the past.

All hearing requests shall be referred to the Division of Legal Services, Litigation Unit, for representation.

The Children's Division will not pay for the parent(s)/guardian(s)' attorney fees at this stage of the appeal and proceedings.

Related Subject: Section 6 Chapter 7.1 Children's Services Fair Hearing Process

30.10.2 Deceased Adoptive Parent(s) or Guardian(s)

Eligibility for adoption or legal guardianship subsidy payments ceases with the death of both adoptive parent(s) or guardian(s), or in the case of a single parent adoption or guardianship, with the death of that adoptive parent or guardian. If resources from the parent(s) or guardian(s) estate or survivors' benefits, such as insurance or OASDI, are insufficient to provide for the child, application could be made for Temporary Assistance for Needy Families (TANF) or Supplemental Security Income (SSI). Should the child have a subsequent adoption/guardianship, they may be eligible for subsidy in their new placement, if the placement was an eligible placement for subsidy.

Upon the death of one adoptive parent a contract is to be completed for the surviving parent. Upon the death of one guardian a new contract may only be completed if the surviving guardian is a qualified relative.

When it is determined that a single guardian is deceased, the Children's Division should close the guardianship contract and ensure the safety of the child. Alternate placement with another relative should be sought or a referral made to the juvenile court for placement in Children's Division custody after consultation with supervisory staff; and if possible, a Family Support team meeting. If a subsequent guardianship is awarded to a qualified relative, a subsidy contract may be negotiated with that relative on behalf of the eligible child.

30.10.3 Divorcing Adoptive Parents or Guardians

When adoptive parents or guardians enter into a legal separation or divorce situation, it often becomes necessary to take one of the parents/guardians off the subsidy contract. Encourage the parent/guardian to address the subsidy directly with their attorney so that the court can perhaps order one parent/guardian to receive the subsidy. The Division does not have the authority to remove one parent/guardian from the contract without supporting documentation and a court order. In order to do this, one of the following must occur:

1. There must be an order from the court, assigning one of the parents/guardians physical custody of the child covered under subsidy. This order could be a full child order of protection or a custody order; or
 - a. If the order is a full child order of protection, the worker may take the non-caretaking parent's/guardian's name off the Vendor Licensure/Placement Resource Form, SS-60, once a copy of that order is received so that the subsidy payment will be made to the parent/guardian caring for the child. A full child order of protection is valid for up to 180 days. Therefore, the caretaking parent/guardian should provide the agency with a custody order within six months, or

- an extended child order of protection in order to continue the subsidy in this way.
- b. The parent/guardian caring for the child will be expected to obtain a custody order, in order to take the non-caretaking parent/guardian off the subsidy contract.
 - c. Once the custody order is received, a new Agreement or contract and attachment are to be completed with only the custodial parent/guardian included.
2. The adoptive parent or guardian who is not caring for the child agrees to be taken off the subsidy contract; or
 - a. The parent or guardian caring for the child must provide a written request to the Division, requesting that the non-caretaking parent or guardian be removed from the subsidy contract.
 - b. The non-caretaking parent or guardian must provide a notarized statement regarding their agreement to this action, to be placed in the file.
 3. If the parent/guardian receiving the subsidy payment is not financially supporting the subsidized child with the subsidy, specific documentation of this must be utilized to close the subsidy due to the lack of financial support and a new subsidy Agreement may be opened under the parent/guardian who is caring for the child. If this action is taken, the following steps must occur:
 - a. Write the adoptive parent(s) or guardian(s) a letter stating that the subsidy will be closed within 30 days due to the lack of financial support of the child. Document the evidence on which this decision has been based.
 - b. Wait 30 days for a response. The parent/guardian who has been receiving the subsidy may decide to begin forwarding financial support to the care-taking parent/guardian. If so, document this information in the case dictation. If after 30 days, the care-taking parent/guardian reports continued lack of financial support from the parent/guardian who has been receiving the subsidy payment, proceed to step 3.c.
 - c. Close the old Vendor Licensure/Placement Resource Form, SS-60, and the old subsidy contract.
 - d. Open a new SS-60 in the name of the parent/guardian caring for the child.

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- e. Complete new subsidy paperwork, including a new Adoption Subsidy Agreement, CD AD, or Subsidized Guardianship Agreement, CD SG, with the parent/guardian caring for the child.
- f. Update the Alternative Care Client screen, SS-61, in FACES to reflect the new vender number.

If both parent(s)/guardian(s) continue to disagree on the subsidy, it is not the responsibility of the Division staff to make any decisions or take any actions without a court order. Division staff are to encourage the parent(s) or guardian(s) to work with their attorneys with regard to this matter.

In the event that a divorce occurs with a guardianship couple, the guardianship subsidy may only remain in effect with the qualified relative retaining physical custody.

[Forms and Instructions](#)

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Attachment A: Subsidy Coverage Limitations

Basic Subsidy Coverage Limitations

The Division has placed certain limitations on those services for which it will pay or which it will provide.

A. General:

1. Contact should be made with the adoptive parent(s) or guardian(s) at least annually to ensure the best services are being provided to families and children. However, Agreements approved to age 18 will continue until the last day of the month of the child's 18th birthday, if the family requests no changes in the terms of the Agreement via amendment and no previously authorized services have expired.
2. All families must sign an Agreement, which is legally binding. These Agreements will only be signed by the family and the Division Director.
3. All services, including MO HealthNet, for which the Children's Division has agreed to pay, must be documented in the service section of the Agreement.
4. Payment will not exceed the authorized amount for the service included in the service section of the Agreement.
5. For the Division to make payment for those services authorized through a subsidy Agreement, the Division must have a contract with the provider or make payment to the adoptive parent(s) or guardian(s) who then will pay the provider for the non-contracted service. "Paid" receipts or an invoice from the provider must be provided to the Division monthly, or as necessary, by the adoptive parent(s) or guardian(s) for any service provided by a non-contracted provider. The adoptive parent(s) or guardian(s) must provide "paid" receipts to the Division after payment for the services and within two (2) weeks, if payment was made based on an invoice. The Division will pay services provided by a contracted provider directly to the provider. The use of contracted providers is required when a contract may be established. All receipts submitted for reimbursement must be submitted within 6 months of the service being provided.
6. Payment for nonrecurring adoption expenses is made after the adoption is final. However, these expenses must have been included in the Agreement before final adoption. These expenses are not eligible for payment if applied for after final adoption. However, in the event that

expenses exceed the amount approved prior to finalization an amendment may be completed to request payment of the excess amount.

7. All expenses paid under the legal guardianship Agreement will only be paid after legal guardianship has been granted by the probate court to a qualified relative as defined by Missouri Statute 453.072.
8. Use must be made of a contracted provider, if available, for any service through children's treatment services, and residential treatment services unless prior authorization is given to use a non-contracted provider. Subsidy will not reimburse the adoptive/guardianship family for payment for services provided by an immediate member of the household.
9. The resources of the family, other state, national and community agencies must be reviewed and plans made for the use of these resources before use of subsidy funds may be authorized in the Agreement. The Division will not make payment for services that are a duplication of other available services.
10. The original copy of the Adoption Subsidy Agreement, CD AD, or the Subsidized Guardianship Agreement, CD SG, must be submitted to the Contract Management Unit (CMU), in Central Office, at the time of the initial agreement. Each time an Agreement needs to be amended, an amendment section should be completed and the **entire** Agreement submitted to CMU.
11. If a determination has been made by Regional staff that subsidy is needed to complete an adoption/guardianship and no other family is available, arrangements may be made to transfer the child to the custody of the Children's Division at the time adoption/guardianship becomes the plan and/or a family has given a firm indication by filing an adoption/guardianship petition that they wish to adopt or obtain guardianship of such a child. The child must meet all appropriate subsidy eligibility criteria.

B. Maintenance:

1. At the time of placement, no payment may exceed the maintenance rate paid if the child had remained in out-of-home care, even when used in combination with other benefits available to the child. Standard maintenance Agreements should be written to expire on the last day of the month of the child's 18th birthday. Medical and Youth with Elevated Needs-Level A maintenance are approved according to the Above Base Maintenance Section in this chapter.

2. At the time of placement, the amount paid is determined by information obtained from the family as to what financial assistance they need to meet the needs of the child and the resources available to the child such as OASDI, VA or SSI, etc.
3. The purpose of maintenance is to contribute toward those items as defined in Section 4 Chapter 11 (room and board, clothing and incidentals). The definition of maintenance should be explained to the adoptive or guardianship family at the time of negotiation of a new subsidy.
4. In the event that a child becomes eligible for OASDI due to the adoptive parent's/guardian's disability after adoption or guardianship, the family may receive both.

C. Medical and Dental Care:

1. A child, eligible for adoption subsidy IV-E, adoption subsidy-HDN, SSI, or guardianship subsidy is automatically eligible for MO HealthNet within the policy and procedural requirements of this program. This eligibility is included in the Agreement. Services covered by MO HealthNet do not require special approval in the service section of the Agreement.

In the MO HealthNet program, a child who has an adoption/legal guardianship subsidy monthly maintenance payment may be eligible for a MO HealthNet vendor payment (which includes daily living expenses and an allowance for personal incidentals). Vendor payments are made to a facility providing 24-hour care, such as a regional diagnostic center, nursing home, convalescent center, etc. If so, the maintenance payment from adoption/legal guardianship subsidy will be counted against the MO HealthNet vendor payment on a dollar-for-dollar basis. It is to the family's advantage to allow MO HealthNet to use the entire vendor payment and drop maintenance from the Agreement. Families may have expenses relating to support of a child's placement in a MO HealthNet contracted facility. These may be negotiated and included in the Adoption Subsidy Agreement, CD AD, or the Subsidized Guardianship Agreement, CD SG, as a special expense to support the family relationship.

2. Payment will not be made from Division funds to supplement payment made from MO HealthNet, except in certain extreme circumstances, determined on a case-by-case basis.
3. Important MO HealthNet procedural requirements include:

A Third Party Resource Form, TPL-1, must be submitted to MO HealthNet Division (MHD) by the worker as soon as the child is eligible for coverage under the adoptive parent(s) or guardian(s)' private insurance. The information needed for this form is located on the family's insurance card.

The child's inclusion in the family's private insurance will usually occur at the time of the final decree of adoption or granting of the guardianship. Some policies may exclude eligibility for the child with a pre-existing condition. In this instance, the child's needs will be covered by MO HealthNet within the limitations of this program.

Families are not required to add their adopted or guardianship children to their private insurance, although it is encouraged. Payment for an insurance deductible as prescribed by their private health insurance plan is the responsibility of the adoptive parent(s)/guardian(s), as private insurance is not a requirement for subsidy.

If a family has added the adopted or guardianship child to their private health insurance, they must use their private health insurance, if the child is covered in their policy, before using MO HealthNet. However, the family must indicate to the provider that the child is also eligible for MO HealthNet. Showing the card and informing the provider of MO HealthNet eligibility should prevent the provider from charging for services above the MO HealthNet rates.

Providers will bill the adoptive parent(s)' or guardian(s)' insurance company for payment before they bill MO HealthNet for payment. If full payment is not made by the private insurer, MO HealthNet may be billed. MO HealthNet will then pay any balance of service charges within their allowable rates for the specific service. If a balance of charges remains, the provider may not bill the adoptive parent(s)/guardian(s) for the service, except in certain allowable circumstances.

Adoptive parent(s) and guardian(s) should be made aware of the HIPP-Health Insurance Premium Payment Program through the MO HealthNet Division. This program pays the cost of health insurance premiums, coinsurances and deductibles. The program pays for health insurance for MO HealthNet eligible persons when it is cost effective for the state. Information about this program or the **HIPP-1 application** may be obtained from Family Support Division, or by calling the HIPP Unit at (573) 751-2005. You may write to them at:

Third Party Liability Unit
HIPP Section PO Box 6500
Jefferson City, MO 65102-6500

4. MO HealthNet providers must be utilized whenever possible. The Division acknowledges that specific circumstances/conditions may arise that require payment to be made for care not covered by MO HealthNet.

However, adoptive parent(s) or guardian(s) who elect not to use MO HealthNet providers should understand that **the Children's Division will not pay for any medical/dental services in whole or in part received from non MO HealthNet providers without prior approval by signature of the Division Director to the subsidy Agreement or amendment.**

The following circumstances may be considered for payment not covered under MO HealthNet:

- a. **Medically necessary orthodontic services when a MO HealthNet provider is not geographically accessible** (over 100 miles round trip), or not paid entirely by private insurance may be included in an Agreement and approved up to the amount MO HealthNet would pay for the same service. These approvals are obtained through a **prior approval process** through the MO HealthNet Division and a MO HealthNet consultant. The MO HealthNet consultant must review and certify requested services as eligible for prior approval to be given. If prior approval is not obtained prior to the orthodontic treatment being completed the family will be financially responsible for treatment costs.

The following information is required for prior approval through a MO HealthNet consultant in the approval of orthodontia:

1. A statement from the Orthodontist recommending the procedure and providing the following information:
 - a. Orthodontic records that consist of cephalometric x-ray, panoramic x-ray or full-mouth survey in addition to dental study models, properly occluded and trimmed; and
 - b. A diagnosis and prognosis which includes an itemized listing with the procedural codes and an estimate of the number of months treatment will be required;

2. Documentation regarding the lack of accessible MO HealthNet orthodontic providers within the area where the family resides;
3. A letter from a **Physician** which indicates the treatment is medically necessary; and
4. Documentation of all other sources explored: the family's insurance and community resources.

This information should be sent to the Adoption/Guardianship Program Development Specialist in Central Office, who will review the packet of required information and if all required documentation has been submitted, will forward the packet to MO HealthNet Division. If the required documents are not enclosed, the packet will be returned to the worker.

The MO HealthNet Division will have the information reviewed by the State Orthodontic Consultant, who will determine if the procedure is medically necessary and would be reimbursable through MO HealthNet, if a MO HealthNet provider were available. Notice of this review and the consultant's worksheet, will be sent back to local staff

If the request for orthodontics is denied, the orthodontist may bill for an office visit, x-rays, and diagnostic casts. These costs may be approved for reimbursement by amendment to the subsidy Agreement.

If the request for orthodontics is approved, the amount indicated as acceptable through the [MO HealthNet](#) program and as indicated on the consultant's worksheet may be added to the subsidy Agreement by amendment.

Families should be advised that "Orthodontics is only for the most handicapping malocclusions. A handicapping malocclusion is a condition that constitutes a hazard to the maintenance of oral health and interferes with the well-being of the patient by causing impaired mastication, dysfunction of the temporomandibular articulation, susceptibility to periodontal disease, susceptibility to dental caries and impaired speech due to malposition of the teeth."

"Assessment of the most handicapping malocclusion is determined by the magnitude of the following variables: degree of malalignment, missing teeth, angle classification, overjet, overbite, openbite and crossbite."

Requests for services for cosmetic purposes will not receive approval.

- b. **Emergency care not covered under MO HealthNet or private insurance which is less than \$500.00** may be included on an amendment to the contract without prior authorization.

The evaluation and recommendation of MO HealthNet Division must be secured for charges over \$500.00. This approval is obtained by submitting the invoice and treatment summary to the Adoption/Guardianship Program Development Specialist in Central Office who will forward the information to the MO HealthNet Division for review, evaluation and recommendation. Upon receipt of the recommendation, the local office will be notified and if approved the amount may be included on an amendment to the Agreement and approved by the Division Director.

D. Childcare

Child Care Services are Regulated by Early Childhood and Prevention Services
Child care policy is available at the [Child Care Policy Manual](#) Website on the Children's Division Intranet.

1. A subsidy Agreement may include childcare services as a part of the basic subsidy package for children up to age thirteen (13) when both parent(s)/guardian(s) are working. Childcare is to be included on the Adoption Subsidy or Subsidized Guardianship Agreement as service code DAYC. In the maximum amount box the words, "State Contracted Rate" are to be entered. In the explanation section the statement, "Childcare may be approved at the state contracted rate to age 13 when both parents/guardians are working. Payment may only be made to licensed/contracted or registered providers" is to be included.
 - a. Due to the extreme needs of some children covered by subsidy agreements, exceptions may be made for childcare payment authorizations for children over age 13, and outside the eligibility of approval for childcare through the Office of Early Childhood and Prevention Services. These requests will be considered on a case-by-case basis. Requests for exceptions must be sent to the Adoption/Guardianship Program Development Specialist in Central Office accompanied by verification of the special need, which includes

a statement from a physician or mental health professional explaining why childcare is required. A statement regarding the parent(s)/guardian(s) inability to locate community programs to assist with supervision of the child, a statement including the hours of care needed per day/week, and anticipated duration of care shall be included in these requests.

2. Contracted childcare facilities receive financial incentives for providing care to special needs children. These incentives are automatically generated to the provider when a child is authorized through the SEAS system, or when a Children's Services Integrated Payment System Invoice, CS-65, is entered using childcare service codes. These incentives and their service codes are as follows:
 - a. **SPND - Special Needs.** This incentive is paid whenever a child has been in the custody of the Division. All children who are adopted/under a guardianship Agreement qualify for this incentive payment if they are being cared for by a licensed/contracted or registered provider. The payment system automatically generates a payment which is 25% over the total cost for the month the child was in childcare. For instance, if the child's total childcare bill is \$300.00, the provider will automatically receive a payment of \$75.00 in addition to the \$300.00 they charged.
 - b. Other incentives may be available to the childcare facility based on their qualifications. These incentives will be automatically calculated into the "State contracted rate."
3. Contracted services are authorized using the SEAS Request and Eligibility Form, CS-67, and SEAS Authorization Form, CS-67A, completed in the county/circuit of the child's residence by the authorizing worker. Approval from the authorizing designee must be received.
 - a. The CS-67 and CS-67A will be completed and entered into SEAS after a provider is located and a referral completed. After entry of the CS-67 and CS-67A, both the provider and the adoptive or guardianship family will receive system-generated notifications detailing the childcare authorized.
 - b. The Services Eligibility and Authorization Provider Invoice, CS-65A, will be generated by the system directly to the provider(s) for all authorized services.
 - c. Upon receipt of the Services Eligibility and Authorization Provider Invoice, CS-65A, it will be the responsibility of the county payment

designee to check the invoice for completeness, reasonableness, and accuracy.

- d. The system will not allow payment for rates that exceed those specified in the provider's contract.
- e. Childcare expenses reimbursed on a Children's Services Integrated Payment System Invoice, CS-65, for registered childcare must use the service codes ASDC (Adoption Subsidy childcare) and LGDC (Legal Guardianship Childcare) and will not be affected by the incentive payments, DISP and ACRD.
 - 1) When reimbursing families for childcare expenses paid to a registered provider, the childcare provider's taxpayer identification number and the dates and hours the services provided, as well as proof of payment must be on the receipt and attached to the CS-65 being submitted for payment.

E. Nonrecurring Adoption or Legal Guardianship Expenses

- 1. These different types of nonrecurring expenses should be **listed individually**. The expenses should be reasonable and customary. All receipts submitted for reimbursement must be submitted **within 6 months** of the service being provided:
 - A. Nonrecurring placement related expenses (NROT) may be reimbursed up to \$1,000.00 and are limited to:
 - 1. Pre-placement transportation: This expense is paid at the current customary rate established by the Children's Division for use of a personal automobile, or the charge of air or ground transportation; and
 - 2. Lodging and food: Reimbursed using Division travel guidelines for both in-state and out-of-state travel.
 - B. Attorney fees at \$100.00 per hour and court feeds. In adoption cases, the maximums are up to \$1500.00 in non-contested cases, and \$3,000.00 in contested cases. In guardianship cases, the maximum legal expense per guardianship is \$2000 in non-contested as well as contested cases.

According to 453.020 RSMo, the GAL may be awarded a reasonable fee for such services to be sent by the court. The court, in its discretion, may award such fees as a judgment to be paid by any

party to the proceedings or from public funds. Such an award of GAL fees shall constitute a final judgment in favor of the GAL.

- C. Private agency fee reimbursement up to \$3,500.00 is allowed. Such costs may include the adoption study, including health and psychological examination, and supervision of the placement prior to adoption finalization.

Payment for nonrecurring expenses does not include those paid for or provided through resources available to the adoptive parent(s) or guardian(s), court or the agency facilitating the placement. Examples of these resources include:

- A private agency waives the cost of the family assessment (home study) or the placement support services;
- The family claimed the Missouri adoption tax credit for nonrecurring adoption expenses;
- The family has private insurance providing payment for certain services included in an adoption/guardianship; and
- A service provider has waived the cost for the service.

Additional Services

A. Above Base Maintenance:

1. In the case of Medical or Youth with Elevated Needs-Level A payments, the child must meet the criteria set forth in Section 4 Chapters 14 and 15 of this manual in the same manner as a child in alternative care. The worker shall arrange a team meeting and obtain the required documentation according to policy for children in care. Staff is encouraged to utilize the behavioral consultants to assist in determining eligibility:

Children in foster care, who receive Level A or Medical maintenance, are required to have regular six-month reviews. If a regular review is overdue, or if a review is due within 60 days, the review must be completed within one month upon the determination that adoption or guardianship is the goal for the child. **The purpose of this staffing is to verify a continued need for above base maintenance.** The child must then be staffed every six months until adoption or guardianship is finalized. The subsidy worker must submit the approved staffing results with the request for above base maintenance, in order for the child to be approved for and receive Level A or medical maintenance.

- a. The Medical Foster Care Assessment, CS-10, serves as a referral for medical foster care. Children who are referred for Level A maintenance will follow the local procedures that apply when foster children are referred to this program. These forms are to be completed by the adoptive/guardianship family, with help from staff if needed, and signed by a supervisor. The Division Director will need to approve all above standard maintenance payments via the subsidy Agreement, prior to any payment being authorized.
- b. When children need a Level A maintenance rate to meet their special needs, the adoptive parent(s)/guardian(s) are required to attend Level A foster parenting classes. Training must be completed prior to payment of the above standard rate. **No back payments to the date of placement will be approved.**

For families who live out of state, 18 hours of equivalent training may be substituted. The family will need to provide the worker with the curriculum from the training they plan to receive. The worker will review this information with their supervisor to determine the appropriateness of the training.

Adoption/guardianship subsidy will reimburse the out-of-state adoptive parent(s)/guardian(s) for training up to \$90.00 per hour if there is a charge. This charge must be approved on the subsidy Agreement prior to reimbursement and a receipt provided.

Children receiving above base maintenance rates are not eligible for the incentive payment for charting that is provided through the Youth with Elevated Needs-Level A foster care program.

- c. Families of children receiving the medical maintenance rate must undergo individualized medical training by the child's health care provider, which is individualized to the child's specific health care needs. The health care provider who provides the training must provide documentation of this training.
- d. As of July 31, 2002, Youth with Elevated Needs-Level B rates were no longer approved in new subsidy Agreements. Families who are currently receiving Level B maintenance on their subsidy contract as approved prior to July 31, 2002, are not required to undergo yearly reviews, and may be automatically approved to age 18, unless the parent/guardian agrees to reduce the maintenance amount.

2. Above Base Maintenance may be approved for up to two years at a time **or** up to the child's 18th birthday, if it is determined that the child's condition will not improve and/**or** that the adoptive/guardianship family will not be in agreement to lowering the maintenance amount as the maintenance rate may not be reduced without the consent of the adoptive parent(s)/guardian(s).

In the case of medical subsidy where the medical condition of the child is permanent as indicated by documentation from medical professionals, medical subsidy should be approved to age 18 as the condition is not expected to improve.

B. Intensive In-Home Services (IIS)

Intensive In-Home Services (IIS) may be offered to the family who is in need of intervention that may reduce the risk of the child entering out-of-home care. Referrals are to be made according to the guidelines set forth in Section 3 Chapter 7 of this manual.

C. Residential Care Services (All Levels):

1. An amendment to the subsidy Agreement must be completed if the adoptive parent(s) or guardian(s) request residential services. The amendment must be signed by the Division Director **before** residential services may begin and payment for such services made.
2. Any time the subsidy worker receives a request to place a child in residential treatment, the worker shall make a referral to IIS as an attempt to divert placement out of the home. This is to be treated as any other IIS case, and to be paid for out of county funds. If the IIS intervention is unsuccessful, or the parent(s)/guardian(s) refuse to use IIS, the worker is to begin working with the family towards other alternatives such as the use of community resources or residential treatment.
3. Community resources are to be researched by the parent/guardian, with assistance from the worker, and efforts documented, prior to making a residential treatment referral. The worker shall notify the parent(s)/guardian(s) of services that are available within the community which might prevent the child from being removed from their community and being placed in residential treatment. The worker shall ensure the parent(s)/guardian(s) tried to access these services before seeking residential care.
4. The parent(s)/guardian(s) must complete the Residential Treatment Referral, CS-9, with the assistance of the worker. Documentation of the child's

condition from appropriate professionals (psychological, psychiatric, etc.) is required and must be obtained by the parent(s)/guardian(s).

The CS-9 must be sent through the appropriate channels to the Regional Office Residential Care Screening Team (RCST) Coordinator. The RCST Coordinator will determine the child's need for residential treatment; the level of care needed, and assist the parent(s)/guardian(s) in obtaining a residential treatment facility for the child in close proximity to their home to allow involvement by the parent(s)/guardian(s) in the child's treatment. **The parent should be provided with a letter of approval indicating the amount which will be paid. The parent/guardian is responsible for making arrangements for actual placement into the residential facility.** The letter to the parent(s)/guardian(s) should also include information as a reminder that:

- a. Residential level changes require a new approval.
 - b. Documentation provided by the facility on behalf of the parent/guardian must support the level being requested and be no more than 90 days old and include an estimated discharge date and prognosis, a monthly treatment summary, why a continued need for residential respite exists, and a description of parental involvement with the facility/treatment plan.
5. Once a child has been approved for residential treatment, the family shall be referred to the out-of-home care program. A voluntary Family Centered Services (FCS) case is to be opened, and services will be offered to work towards reintegration. Counties may use their discretion in selecting a case manager dependent upon program specialization. However, the subsidy worker shall be a member of the Family Support Team (FST).
 6. **If the family is unwilling to be a part of this process and has no desire for the child to be returned to their home, residential treatment may not be authorized through subsidy and the subsidy worker is to discuss other permanency options with the family.** If the child enters the custody of the Children's Division, the Division will pursue child support from the adoptive parent(s)/guardian(s).

The worker shall implement a FST meeting with the family, child, adoption/guardianship specialist, community representative, and the facility either prior to or upon placement of the child in residential treatment. The team must complete a plan for reintegration. If the facility holds an initial treatment staffing, the staffing may count as the FST meeting, if the worker and family are involved in the team meeting. Subsequent FST meetings are to be held on the same time schedule as children in the custody of the

Children's Division. This applies to all children entering residential care as well as all children currently in residential care.

If, after placement, the parent(s)/guardian(s) refuse to be involved in the treatment of the child and in the FST meetings, agency staff must work with other FST members to develop another permanency plan for the child. The need for this plan must be discussed with the family. If the parent(s)/guardian(s) have withdrawn from the child and this is, for all intents and purposes, a disruption, the FST should recommend to the court that the child be placed in the custody of the Children's Division (CD). This would then put the child under ASFA (Adoption and Safe Families Act) requirements.

7. Subsidy may be authorized for the cost of residential treatment at the level determined by the RCST Coordinator. As with all services, payment for residential treatment will not be made until the service has been approved by the CD Director and shall not be backdated.

Payment for these services must be made under the terms of the contracts the Division has with Missouri providers. Whether in state or out of Missouri, the Missouri contract rate will apply. ***Placements for children who are residents of Missouri will only be sought with Missouri residential facilities or facilities in bordering states because of the proximity to the adoptive home, or when the necessary treatment cannot be provided by a Missouri facility.***

8. Residential placements may be authorized for only six months at a time. Upon the sixth month, the documentation supporting the need for placement and level of care must be reviewed in a FST meeting and the documentation provided to the RCST coordinator. The review team should consist of the family, child, worker, supervisor, facility and any other persons involved in the treatment of the child. These reviews, along with the approval of the RCST, are to be submitted to Central Office with the amendment indicating a continued need for funding for residential treatment. No payment should be made until the amendment is approved by signature of the Division Director and approval should be given at least 30 days prior to expiration of the prior amendment to avoid any interruption in services.
9. Requests for out-of-state residential treatment are to be reviewed by the Regional Office RCST in consultation with Central Office, if necessary. The RCST Coordinator must have already determined a level of care. Residential treatment will be reimbursed at the rates of contracted providers located within Missouri.
When using out-of-state residential or Missouri non-contracted facilities, the worker is to contact Contract Management in order to request that a child-

specific contract be sent to the vendor. The worker and Regional Office designee are to work together with the vendor in order to negotiate the monthly rate. Contract Management Unit (CMU) is available for technical assistance while completing this process.

10. According to your regional practices, the completed CS-67 and CS-67A for residential treatment with a contracted provider are to be entered into the SEAS system. Out-of-state providers being utilized for families who reside out of state must have a child-specific contract with the Division in order to receive payment. The provider must submit a child-specific contract to the CMU for negotiation.
11. Update the Alternative Care Client Information screen in FACES new placement by leaving the adoptive parent(s)/guardian(s) Departmental Vendor Number (DVN) and placement type, but entering the sub-placement code of "S", and changing the maintenance code to no maintenance. In the sub-placement type indicate the residential facility where the child is residing.
12. In certain circumstances use may be made of residential treatment services which are not currently covered by a contract with the Division. A contract must be developed between the facility and the Division by the facility, proposing a child-specific contract regarding the proposed care for the child. **Payment shall not be made directly to the adoptive parent(s) or guardian(s).**
13. A CS-65A will be generated automatically to contracted providers. The CS-65A will then be submitted by the provider to the RCST Coordinator requesting payment.
14. In the case of children attending different school districts, the school district where the parent(s)/guardian(s) reside should be charged for any special education services needed.
15. The subsidy worker shall meet with the adoptive or guardianship family to discuss the child's needs while in residential treatment, and explore the possibility of reducing the maintenance payment while the child is in treatment determining only the amount necessary while the child is in residential care (i.e. toiletries, clothing, and travel for visitation and therapy.) If the family agrees to suspend maintenance while the child is in the facility, this should be indicated in the narrative of the subsidy file and the maintenance code should be changed to no maintenance.

According to federal policy (ACYF-CB-PA-O1-01) the agency cannot lower an adoptive family's amount of maintenance without the family's concurrence. If the family does agree to lower their maintenance, this is to be documented in

the narrative section of the subsidy record and the reduced amount indicated on the alternative care client information record.

16. Day treatment services may be considered on a child-specific, time-limited basis. Adequate documentation must support the need for day treatment. The adoptive or guardianship family must first inquire as to the ability of their private insurance to pay for all or part of this treatment prior to the agency approving this service through subsidy. In addition, a self-referral to the Department of Mental Health (DMH) may be appropriate to determine if they can assist in funding any or all of the day treatment services. Based upon their assessment, DMH may be able to provide services to the family which are not available through the Division. Services may only be approved for up to six months at a time, and the use of the FST must occur.

D. Level B Foster Care Placement:

1. Although Level B payments cannot be approved to be paid to the adoptive parent(s)/guardian(s), a child may be placed in a Level B Foster Home if this treatment is determined necessary for the child. The Level B foster care program is for the purpose of treating a child's behavioral issues so they can be successfully placed in a permanent home. If a child enters a Level B Foster Home, the family is to be referred to the out-of-home care program, a voluntary case is to be opened, and services are to be offered in order to work towards reintegration into the adoptive or guardianship home. Case opening and the use of the Family Support Team are to be used as described above.

The CD-137 is to serve as the referral form for placement in Level B Foster Care. Supporting documentation from appropriate professionals is also required. The parent(s)/guardian(s) are to complete the CD-137 and provide documentation, obtaining assistance from the worker as needed.

2. Level B Foster Care placements may be authorized for **only six months** at a time. Upon the sixth month, the need for placement and level of care must be reviewed in a FST meeting. The review team should consist of the family, child, worker, supervisor, Level B resource providers and any other persons involved in the treatment of the child. These reviews are to be submitted to Central Office with an amendment requesting funding for Level B Foster Care. This funding will be approved by signature of the Division Director. No payments should be made until approval is given.
3. Update the Alternative Care Client Information screen in FACES for the new placement leaving the adoptive parent(s)/guardian(s) DVN and placement type, but entering the sub-placement code of "S" and entering the Level B placement as the sub placement, as well as changing the maintenance code

to no maintenance, if the parent(s)/guardian(s) agree to suspend their maintenance payments.

With regard to agency liability of an adopted/guardianship child voluntarily placed in a Level B foster home, any legally recognized parent (biological or adopted/guardianship) is liable for the actions of his/her child as long as that parent/guardian has not been relieved of legal custody. If the Division does not have legal custody of a child, we are not liable for the child. The Level B home may be liable for the actions of the child, at least in the negligent supervision area.

4. Payment must be made to the Level B foster home via a CS-65 each month. When changing the amendment to Level B Foster Care, use the service code, "MAIN". The adoptive/guardianship family's maintenance code of „MAIN' will remain on the amendment. If the adoptive/guardianship family refuses to suspend their payment, the maintenance code will remain the same, however, if they agree to suspend their payment, the maintenance code will be „3' indicating no maintenance. All of these actions should be documented in the narrative section of the subsidy record.

The subsidy worker shall meet with the adoptive/guardianship family to discuss the child's needs while in Level B Foster Care and explore the possibility of reducing the maintenance payment while the child is in treatment (i.e. toiletries, clothing, and travel for visitation and therapy.) Update the Alternative Care Client Information screen in FACES regarding change in maintenance and document all changes in the narrative section of the subsidy file remembering that the maintenance amount cannot be reduced without the concurrence of the adoptive/guardianship family.

E. Respite:

1. Adoptive or guardianship families may receive respite as a special service on a case-by-case basis through subsidy when a documented need exists. Documentation for this need requires a letter requesting this service by the adoptive or guardianship family, stating the child's need for respite. A letter supporting this need must also be completed by the worker and be submitted with the subsidy amendment. All paid receipts submitted for reimbursement must be submitted within 6 months of the service being provided.
2. Respite units may only be approved according to the child's level of maintenance. One unit is a time period of between 12 – 24 hours. The following eligibility rates apply:
 - a. Base Maintenance = 12 units at \$20.00 per unit.

- b. Above Base Maintenance = 19 units at approximately \$21.00 per unit.
(The daily rate of maintenance they receive.)
3. Respite may be approved in accordance with maintenance approval, if a child receives traditional maintenance to age 18; respite can be approved to age 18 as well. If a child receives medical or Level A maintenance to age 18 due to their condition being such that they are not expected to improve, respite may also be approved to age 18. However, if medical or Level A maintenance is only approved for a two year time period, respite should only be approved for two years.

Level B respite units may only be approved for contracts that have Level B maintenance that was approved prior to July 31, 2002. Respite on these contracts is approved for 24 units at \$40.00 per unit. There are no two-week vacations approved through subsidy as are available to Level B Resource Providers. Level B respite will not be approved as a new service.

F. Integrative Expenses:

1. Only under extreme circumstances will an integrative expense be considered under subsidy. Extreme circumstances include situations where the adoptive parent(s)/guardian(s) home or vehicle may need to be adapted to meet the Americans with Disabilities Act (ADA) requirements in order to meet the needs of the child with a disabling condition. The adoptive parent(s)/guardian(s) are expected to seek other community resources in obtaining the needed service prior to the subsidy request and provide documentation regarding their findings. Subsidy **may assist** in the cost of the service. No payments will be made for expenses incurred prior to approval by the Division Director to the agreement.

EXPENSES NOT ELIGIBLE FOR APPROVAL THROUGH SUBSIDY

Housing additions, vehicles, clothing allowances, integrative expenses such as furniture and linens, special education services, sports/dance/music/art lessons, tutoring, private school tuition, diapers, day-to-day transportation, child care above locally contracted rate, mentoring, computers, home schooling materials, extracurricular activities, club memberships, summer camp/day camps, school expenses, telephone calls, attachment therapy centers not covered by MO HealthNet, insurance premiums, or deductibles in states that are ICAMA member states.

Providers will be reimbursed directly if they have a contract with the Division. Adoptive parent(s) or guardian(s) will be paid for the service after an invoice or a "paid" receipt has been submitted. All receipts submitted for

reimbursement must be submitted within 6 months of the service being provided.

G. Special Education Services Costs:

1. The responsibility of providing for special education costs remains with the local school districts. Staff should assist adoptive parent(s) or guardian(s) and school officials in obtaining the assistance of the Missouri Department of Elementary and Secondary Education (DESE) in meeting the cost of a child's special education needs.
2. Special education services must be met by the local school district except for:
 - a. Tutorial plans which are intended to support a child's special education plan (must be met by the parent/guardian or community resources); or
 - b. Payment for special education services for a child in residential placement is authorized as follows:
 - The Adoption or Subsidized Guardianship Agreement provides for payment of residential treatment services;
 - The residential placement is outside the domicile school district of the adoptive parent(s) or guardian(s);
 - The child requires special education services; and
 - There are no other resources available to meet the costs of these services.
3. H.R. 6893: Fostering Connections and Increasing Adoptions Act of 2008 allows youth who exit foster care for adoption or guardianship after the age of 16 to receive independent living services and education and training vouchers under the John H. Chafee Foster Care Independence Program. Receipt of services through the Older Youth Program and Chafee Services are to be monitored by case managers.

Related Subject: [Section 4 Chapter 21 – Older Youth Program \(OYP\)](#)

H. Continuing Subsidy beyond the Child's 18th Birthday Utilizing an 18+ Agreement:

ONLY ADOPTION SUBSIDY YOUTH MAY BE CONSIDERED FOR AN 18+ AGREEMENT. NO GUARDIANSHIP AGREEMENT WILL BE CONTINUED BEYOND AGE 18 UNDER ANY CIRCUMSTANCE.

1. The child's physical, dental or mental health condition must be of such a degree that the child continues to require extraordinary specialized care beyond the age of 18. Documentation of the degree of the child's condition and the recommended treatment is required. Often, MO HealthNet may be all that is necessary to meet the child's needs. Maintenance does not automatically continue if it is not identified as a need:
 - a. The 18+ Adoption Subsidy Agreement, CD AD 18, may only be approved for one year. The subsidy must be renegotiated and a new Agreement signed every year in the case of a child over the age of 18 that continues to have a documented need for subsidy to continue. Each year Children's Division staff should be working with the parents to make referrals to allow the family to access services to transition the youth to adult services, reducing the need for subsidy each year between ages 18 and 21.
 - b. Documentation of the need to extend the subsidy due to the child's physical, mental health or dental needs must accompany the Agreement to Central Office for approval. Such documentation must come from a physician, dentist, therapist or other professional involved in the ongoing treatment of the youth. Documentation should include a long-term plan for the child when subsidy is no longer available (i.e. MO HealthNet, Department of Mental Health services, Social Security Disability, etc.). Documentation must always be placed in the case file and be written into the case plan.
 - c. Approval must be obtained from the Division Director by signature to the 18+ Adoption Subsidy Agreement at least 30 days prior to the end of the month of the child's 18th birthday.
 - d. The authorized funding category must be adoption subsidy-HDN when an 18+ Adoption Subsidy Agreement is in place.
 - e. **Subsidy shall not be continued for a child who is able to work after graduation, or who has enrolled in college; nor does subsidy assist with college tuition or books.**

[Forms and Instructions](#)

Chapter Memoranda History: (prior to 01-31-07)

[CS03-33](#), [CD04-17](#), [CD04-79](#)

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Section 4: Out-of-Home Care
Chapter 30: Subsidizing an Adoption/Legal Guardianship
Attachment A: Subsidy Coverage Limitations
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Page: 21

[CD08-17](#), [CD09-26](#), [CD09-28](#), [CD10-08](#); CD10-101

Attachment B: Interstate Medicaid Guidelines

This attachment provides guidelines for Interstate Medicaid through ICPC or ICAMA.

Interstate Compact on the Placement of Children (ICPC)

Missouri as the Sending State

The Eligibility Specialist must make a determination whether the child is/is not IV-E eligible. The child must be determined to be eligible for Title IV-E in order to qualify for Medicaid outside of Missouri.

In order for the placement resource to be federally reimbursable, the child must be IV-E eligible, **and** the placement resource must:

1. Meet the receiving state's home study standards, and
2. Receive a maintenance payment by the Children's Division.

If a child is non IV-E eligible, Medicaid is not received automatically. The placement resource can apply for Medicaid through public assistance, such as Temporary Assistance for Needy Families (TANF). If the child does not qualify for Medicaid, the sending state is responsible for the child's medical expenses.

Missouri as the Receiving State

To determine whether a child will be eligible for Medicaid, the following proper documentation is necessary:

1. The child must be determined to be IV-E eligible;
2. The resource provider has been licensed by the Children's Division; and
3. The resource provider is receiving a maintenance payment on behalf of the child from the sending state.

If the child is non IV-E eligible, the placement resource will be directed to the Family Support Division (FSD) to apply for MO HealthNet. If they do not qualify, the sending agency must be notified that they will be financially responsible for the child's medical needs.

Interstate Compact on Adoption and Medical Assistance (ICAMA):

- Reciprocity provision: A child is eligible for federal Medicaid coverage nationwide based upon the child's receipt of Adoption Subsidy through a state which is a member of the Interstate Compact on Adoption and Medical Assistance (ICAMA);

- When a family plans to move away from the state which granted the Adoption Subsidy Agreement, the child's Adoption Subsidy worker in that state should be notified by the parents regarding the moving date;
- The Adoption Subsidy worker should inform the family that Medicaid through ICAMA will be handled by the worker and the ICAMA Coordinators in the sending and receiving states. Families should not contact the local family support office in the state to which they are moving, as this office is not able to open Medicaid coverage thru ICAMA;
- The Adoption Subsidy worker then contacts his/her ICAMA Coordinator in the worker's state in order to initiate the process of continuing Medicaid coverage in the planned state of residence. The ICAMA Coordinator will work with the adoption subsidy worker to gather required information and update the Alternative Care Client form, SS-61, for the child;
- The ICAMA Coordinators from the current state of residence and the planned state of residence will exchange required information in order to complete the Medicaid transfer between states;
- The state which carries the subsidy agreement with the family is always the responsible state for the ICAMA information-sharing throughout the length of the subsidy (no matter how many times the family moves, the original subsidy state shares information with the most current state of residence);
- The state which carries the adoption subsidy agreement will always be responsible for payment of the maintenance to the family, and the state of residence will be the state which is responsible for Medicaid coverage.

If there are questions or concerns throughout this process, please contact your ICAMA Coordinator in Central Office.

[Forms and Instructions](#)

Chapter Memoranda History: (prior to 01-31-07)

[CS03-33](#)

Memoranda History:

CD07-44, CD07-45, CD08-17

Attachment C: Other Agency Use of Adoption Subsidy

In addition to children in the custody of the Children's Division, children in custody of the following agencies are eligible to receive benefits through the Missouri Adoption Subsidy Program:

- Division of Youth Services (DYS);
- Department of Mental Health (DMH); and
- Private child-placing agencies, licensed in accordance with Sections 210.481 - 210.536 RSMo.

In situations where a Missouri child is being adopted through a Missouri private child-placing agency, and the adoptive parent's state of residence is not Missouri, it is the adoptive parents' state of residence where the adoption assistance application should be made. In that event, the public child welfare agency in the adoptive parents' state of residence is responsible for determining whether the child meets the definition of special needs, entering into the adoption assistance agreement and paying the subsidy, consistent with the way public benefits are paid in other programs, (ACYF-CB-PA-01-01/January 23, 2001).

If this child is not determined to be IV-E eligible, this policy does not apply, and the Missouri Children's Division will be responsible for assisting in the adoption subsidy process.

Children adopted internationally are not eligible for the Missouri Adoption Subsidy Program or for the payment of nonrecurring expenses.

All requirements in this procedure apply in the use of the program for a child in the custody of one of the above three agencies. The Division approves the agreement and administers payment according to the terms of the agreement. Coordination between these agencies and the Division will be needed to assure the eligible child receives all appropriate services.

Special needs children, known to other agencies, who are not eligible for the Missouri Adoption Subsidy Program, may be eligible for payment of nonrecurring adoption expenses.

In the coordination needed to make this service available, it is generally expected that, except for the Division's final approval, the other agency will carry out, with families approved by them, all interpretation of the program and processing of forms related to the program and any prior authorizations required for the expenditure of funds. County/circuit offices will be expected to provide assistance, as needed, to the agency and to approve, as required, the expenditure of adoption subsidy funds. In making this

program accessible to children in the custody of these agencies, Division county/circuit offices should apply the following guidelines:

A. Other agencies shall have the responsibility for:

1. Interpretation of the program including its benefits and limitations to adoptive families approved by them;
2. Processing the Application for Adoption Subsidy, CD APP AD, and the Adoption Subsidy Agreement, CD AD, except for the required Division signatures and approval process;
3. Interpreting the requirements for payment of nonrecurring adoption expenses when a special needs child is not eligible for the Missouri Adoption Subsidy Program (MASP);
4. Processing the Application and Agreement for Payment of Nonrecurring Adoption Expenses, CS-SA-4, and forwarding to the Division for the required signatures;
5. Yearly contact with the families to insure the best services are being provided to families and children; as well as completing any amendments to the subsidy agreement for the addition of new services.
6. Bringing to the attention of the Division county/circuit office any information which could result in a change in the payment amount or type of benefit;
7. Maintenance of records regarding the use of the program; and
8. Working with the county/circuit office located in the residence of the adoptive family.

B. County/Circuit offices will be responsible for:

1. Approval and use of any subsidy made for a child in the custody of another agency;
2. Approval of the CS-SA-4 if the child and adoptive parent(s) are eligible only for payment of nonrecurring adoption expenses;
3. Assisting, as needed, in the completion of the Adoption Subsidy Agreement, CD AD, and any necessary amendments and the Application and Agreement for Payment of Nonrecurring Adoption Expenses, CS-SA-4;

4. Completion of the Alternative Care Client Information screen in FACES for the adopted child and the Vendor Licensure/Placement Resource Form, SS-60, for the adoptive parent(s) when the CS-SA-4 is used;

It is not necessary to complete these forms when the child is eligible only for nonrecurring adoption expenses.

For children eligible only for nonrecurring adoption expenses, the completed Children's Services Integrated Payment System (CSIPS), CS-65, must be submitted to the Children's Services Payment Unit (CSPU) to authorize payment.

5. Maintenance of records regarding the use of the Missouri Adoption Subsidy Program and the use of nonrecurring adoption expenses when the child is only eligible for these expenses;
6. Assisting, as needed, in the completion of forms authorizing payment of benefits (CS-65 and Alternative Care Information screen in FACES);
7. Assisting, as needed, in the completion of forms related to the authorization of contracted services (SEAS Request and Eligibility Form, CS-67 and SEAS Authorization Form, CS-67A), and assuring correctness of Services Eligibility and Authorization Provider Invoice (CS-65A) for payment submitted by providers and submitting the CS-65A to the local Children's Division office responsible for processing payments;
8. Assisting, as needed, in the interpretation of the program to the staff of the other agency and the adoptive families making use of the Missouri Adoption Subsidy Program (MASP) or payment of nonrecurring adoption expenses only;
9. Review of the material submitted by the other agency to assure eligibility of the child and compliance with requirements for:
 - a. MASP; and
 - b. Payment of nonrecurring adoption expenses only.

Additional information should be obtained from the agency when needed.

10. Entry of appropriate data in the automated payment systems according to the terms of the Agreement and assurance that receipts, as required, have been submitted.

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11. Insuring that children in the custody of private child-placing agencies have their eligibility for IV-E Adoption Subsidy funds determined by an Eligibility Specialist within the Children's Division.

Payment for children eligible for MASP is authorized through the use of the Alternative Care Client Information screen in FACES and the Children's Services Integrated Payment System Invoice (CS-65). Contracted services are authorized and payment made through the CS-67 and CS-67A. Payment for nonrecurring expenses approved in a CS-SA-4 is authorized through the use of the CS-65, Children's Services Integrated Payment Invoice. The instructions for these forms include action to take for children in the custody of private child-placing agencies, DYS, DMH, and those eligible only for payment on nonrecurring adoption expenses.

Should an eligible MASP child, in the custody of DYS, DMH, or a private agency, be placed with a Division approved adoptive family, processing the initial agreement should be a cooperative effort. The review and subsequent renegotiation of the agreement is the responsibility of the Division's county/circuit office in the county/circuit of the adoptive parent(s)'s residence.

Related Subject: Section 4 Chapter 11 Financial Support Planning
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[Forms and Instructions](#)

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Attachment D: Nonrecurring Adoption Expense for Special Needs Children not Eligible for the Missouri Adoption Subsidy

Introduction

The U.S. Tax Reform Act of 1986 (P.L. 99-514) requires states to assist adoptive parent(s) with payment of nonrecurring adoption expenses of up to \$2000.00 related to the adoption of a special needs child. This attachment provides staff with procedures to follow for children not eligible for the Missouri Adoption Subsidy Program (MASP). This attachment will primarily be used for independent or inter-state adoptions. It is not necessary for the child to have been in the custody of the Children's Division (CD), Department of Mental Health (DMH), Division of Youth Services (DYS) or a child-placing agency to qualify for payment of nonrecurring adoption expenses. If the child is eligible for MASP, refer to this chapter and Attachments A and B for instructions. **As in MASP, stepparent and international adoptions are not eligible for this service.**

Payment of nonrecurring adoption expenses only for eligible children can be made when the following criteria are met:

- The adoptive parent(s) must apply for payment and sign an agreement with the Division. The agreement must be approved by the Director before the adoption is final;
- The child must meet all the eligibility requirements (as described in this attachment);
- The adoptive parent(s) must provide documentation that the expenses claimed were incurred by the adoptive parent(s);
- The adoptive parent(s) must not have received payment or credit from other sources for these expenses; i.e., employee benefits, the Missouri Adoption Tax Credit, and other public or private funds; and
- The Division will not pay nonrecurring expenses which exceed \$2000.00 per child. The amount exceeding the limit for which the Division makes payment may be eligible for the Missouri Adoption Tax Credit. The adoptive parent(s) should be referred to the Missouri Internal Revenue Service for this determination.

Related Subject: Section 4 Chapter 30 Attachment F Missouri Special Needs Adoption Tax Credit

Juvenile and Circuit Courts are expected to refer the adoptive parent(s) to the Children's Division office in the adoptive parents' county/circuit of residence. This referral should occur immediately after the petition is filed. This will allow time for approval before the adoption is final.

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A Missouri child going to another state may be eligible for payment of these expenses in the receiving state. Contact the ICPC Coordinator, if necessary, for assistance in determining the receiving state's requirements.

Eligibility Criteria

To be determined eligible for payment of nonrecurring adoption expenses, all of the following conditions must be met: (Also, see the Application and Agreement for Payment of Nonrecurring Adoption Expenses, CS-SA-4, and its instructions.)

1. The state has determined that the child should not or cannot be returned to the home of the parents;

Documentation: The adoptive parent(s) must provide a copy of the adoption decree. This decree affirms that all appropriate legal steps have been taken and that the adoption was completed according to Missouri law.

NOTE: The decree will not be available until after the agreement is signed and the adoption is granted. Staff should explain that this copy will be needed when the family submits the request for payment (2nd page of the CS-SA-4). It must be received before any payment is made.

2. The state has determined that:
 - a. A specific factor (special need) exists for the child and because of this it is reasonable to conclude the child cannot be placed without a subsidy;

Documentation: The child meets this eligibility factor if the child meets any of the MASP special needs criteria. When the child's special need or condition is not readily observable, documentation must be provided via a statement from the child's physician, and/or an educational, psychological or psychiatric evaluation.

- b. A reasonable but unsuccessful effort has been made to place the child without a subsidy:
 - An effort to locate a family who would not need a subsidy was unsuccessful and there was no "readily available family." A family is "readily available" when the agency or person responsible for the child's adoptive placement did not need to make an effort to locate a family who would adopt without financial assistance. Efforts to locate a family who would not need financial assistance do not include those situations in which a child is "found" for a family; i.e., a family is ready to accept a child recruited for them. For example, most foreign children entering this country for adoption must have a family ready to accept them. Applying this

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principle makes the child ineligible although the child meets the other eligibility requirements.

Documentation: The family must provide documentation through a written description of the efforts made by an intermediary to locate a family who would not need a subsidy. This written description must be signed by the intermediary or a representative of the agency or organization acting as an intermediary.

An intermediary is a person or agency who arranges the child's placement between the birth parents and the prospective adoptive parent(s).

- A reasonable, but unsuccessful, search for a family who would not need a subsidy is not required if the adoptive parent(s) was a licensed resource provider for the child and it is in the best interest of the child to be adopted by this family.

Documentation: The family must provide documentation that they provided foster/kinship care to the child immediately before filing the adoption petition.

3. The placement and the adoption are in accordance with state adoption laws.

Documentation: The family must provide a copy of the decree of adoption after the adoption is granted.

Payment Criteria

The Application and Agreement for Payment of Nonrecurring Adoption Expenses, CS-SA-4, is used as the application and to obtain payment.

Upon determination that the child is eligible, the family is eligible for payment based on the following requirements:

1. Total payment for all nonrecurring adoption expenses shall not exceed \$2,000 per child. All expenses must be reasonable and customary for the services provided. If expenses included in the application appear extraordinary, staff should obtain Regional Office approval for any of these expenses.
2. Nonrecurring adoption expenses are defined as:
 - a. Court filing fees;
 - b. Publication fee;

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- c. Attorney fee;
 - d. Guardian ad Litem fee; according to 453.020 RSMo, the GAL may be awarded a reasonable fee for such services to be sent by the court. The court, in its discretion, may award such fees as a judgment to be paid by any party to the proceedings or from public funds. Such an award of GAL fees shall constitute a final judgment in favor of the GAL.
 - e. Other expenses incurred by the adoptive parent(s) which are directly related to the child's adoption and limited to:
 - The adoptive family assessment (adoptive home study), including health and psychological examinations, if necessary for the assessment and required by the private agency;
 - Placement supervision before final adoption; and
 - Transportation, food and lodging for the adoptive parent(s) and the child when necessary to complete a child's placement or adoption.
3. Documentation must be provided by the adoptive parent(s) through a stamped "paid receipt," a cancelled check, or money order receipt, invoice or other material, which verifies he/she incurred and has paid the expense.
4. Limitations:
- a. Transportation: This expense is paid at the current rate established by the Children's Division for use of a personal automobile, or the actual charge of air or ground transportation.
 - b. Lodging and food: Reimbursed at the amount paid for by the adoptive parent(s). The state travel guidelines should be used to judge the reasonableness of the costs.
 - c. Legal (attorney, court, publication and GAL fees): This expense is paid at the rate paid by the adoptive parent(s). Attorney fees up to \$100.00 per hour may be reimbursed to the family with the maximum reimbursement amount being \$1,500.00 per child in uncontested and up to \$3,000 in contested matters.
 - d. Health or psychological examinations, if required for the adoptive family assessment by the private agency. This will be paid at a reasonable and customary rate.

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- e. Adoption Agency Fees: This expense will be included at the amount paid.
- f. Eligible nonrecurring adoption expenses do not include those paid for or provided through resources available to the adoptive parent(s), court or the agency facilitating the placement. Examples of these resources include:
 - A private agency waives the cost of the adoptive family assessment (home study) or the placement support services;
 - The family claimed the Missouri Adoption Tax Credit for nonrecurring adoption expenses;
 - The family has private insurance providing payment for certain services included in an adoption; and
 - A service provider has waived the cost for the service.

Procedure

1. Receive a referral from the court or inquiry from the family;
2. Explain the program to the family and provide a CS-SA-4;
3. Receive the CS-SA-4 from the adoptive parent(s);
4. Receive a completed CS-SA-4 from the private adoption agency, DYS, or DMH;
5. Set up the case record in the name of the adoptive parent(s);
6. Assist the applicant(s) or the other agency in obtaining any required documentation, if necessary;
7. Follow the CS-SA-4 instructions to review and approve or reject the application:
 - a. For court referrals, provide the adoptive parent(s) an opportunity to correct or add any information;
 - b. If the application is rejected, inform the family verbally and in writing utilizing the Notification Letter for Adoption and Guardianship Subsidy Denials, CD-87, which includes the following:
 - The reasons for the rejection;
 - The right to appeal the decision through a fair hearing; and

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- Instructions on how to file an appeal.
8. If a fair hearing request is received a copy is to be sent to Division of Legal Services.
 9. Submit approved CS-SA-4 to the Contract Management Unit (CMU);
 10. CMU will obtain the Division Director's signature and approval, enter the contract number, and return the original to the county/circuit office;
 11. After the adoption is final, the adoptive parent(s) must complete the "Request for Payment of Nonrecurring Adoption Expenses" section of the CS-SA-4 and submit it to the county/circuit office for approval. Once approved, the worker will assure appropriate receipts and invoices are received and then complete a CS-65 sending it and an Inter Office Communication (IOC) to the Children's Services Payment Unit (CSPU) indicating that a copy of the final adoption decree is on file in the county/circuit office. Staff will complete the Children's Services Integrated Payment System Invoice, CS-65, for these services as indicated in the CS-65 instructions. At no time should the "Other" code be used. CSIPS will automatically pay nonrecurring expenses through the Title IV-E fund category;

When making a payment to a vendor other than the adoptive parent(s), it is necessary to use that vendor's Departmental Vendor Number (DVN) or assign a DVN to such vendors.
 12. Briefly record all action related to processing the CS-SA-4 in the narrative section of the subsidy file;
 13. File copies of the CS-65s, which indicate payment was made, in the case record or the county/circuit office's business files when received;
 14. Contact the adoptive parent(s) or the other agency to inform them that payment has been made or will be made;
 15. Close the record when all necessary action is complete;
 16. File the record in a designated section in the closed files and retain for five (5) years after the date payment is authorized.

[Forms and Instructions](#)

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Attachment E: Overpayment of Subsidy

Overpayment of Adoption and Legal Guardianship Subsidy

Overpayment for maintenance or special expenses (includes any service under contract or with prior authorization) may occur for any number of reasons. **Recoupment must occur and must be made using this procedure:**

A. Reasons overpayment may occur:

1. Adoptive parent(s)/guardian(s) have not properly notified the Division of changes in their or the eligible child's circumstances;
2. Child is no longer eligible because of age or is no longer the legal responsibility of the adoptive parent(s)/guardian(s);
3. Adoptive parent(s)/guardian(s) have received payment for services authorized in the Agreement (includes the attachment), which have not been obtained;
4. Adoptive parent(s)/guardian(s) received payment for services which did not have prior authorization; i.e., services were not authorized in the Adoption Subsidy Agreement, CD AD, or Subsidized Guardianship Agreement, CD SG;
5. A contracted provider received payment for services not delivered or before or after the dates specified in the Adoption Subsidy or Subsidized Guardianship Agreement. If payment was made directly to a contracted provider, repayment will be secured from that provider. Use the debiting procedure described in Section 4 Chapter 11 Attachment E Overpayment of Maintenance. Contact the Payment Unit in Central Office to initiate the debiting procedure.

B. Procedure for repayment from adoptive parent(s)/guardian(s):

1. Notify the adoptive parent(s)/guardian(s), in writing, that an overpayment has been made. Include in the notification, the amount of the overpayment, the time period of the overpayment, and the service(s) for which overpayment has been made. Also, include a request that the adoptive parent(s)/guardian(s) contact the worker to discuss the matter to arrive at a plan for repaying the Division for any overpayments.
2. Arrange a repayment plan with the adoptive parent(s)/guardian(s); obtain supervisory approval; and confirm the repayment plan in writing.
3. Repayment process:

- a. Contact the Payment Unit in Central Office to initiate this debiting process;
- b. If it appears that the adoptive parent(s)/guardian(s) will continue to receive payment for some type of service, use the debiting process described in Section 4 Chapter 11 Attachment E Overpayment of Maintenance; or
- c. If the adoptive parent(s)/guardian(s) will no longer receive a payment, they are to pay the agreed upon amount via check or money order, addressing it to "Missouri Children's Division". The adoptive parent(s)/guardian(s) give the check or money order to their worker. The worker is to print out the ZPAY screen, highlight the amount of the overpayment, and send the check or money order and the ZPAY printout to the Payment Unit in Central Office. The Payment Unit will then send the payment to Budget and Finance.

C. Procedure for repayment from a contracted provider:

1. Notify contracted provider of overpayment using the CS-65, Children's Services Integrated Payment System Invoice Instructions; and
2. Initiate contact with the Payment Unit to debit the contracted provider.

D. Procedure for repayment from a non-contracted provider.

Since payment to the provider was initially the responsibility of the adoptive parent(s)/guardian(s), repayment will be secured from the adoptive parent(s)/guardian(s). Use the procedures under "B" for obtaining repayment. Providers, who indicate to the Division that they have not been paid, when Division records indicate payment for a service has been made, should be directed to the adoptive parent(s)/guardian(s). The worker should also make immediate referral to the Welfare Investigation Unit (WIU) to initiate action for repayment.

E. Procedure for any refusal to repay. If the adoptive parent(s)/guardian(s) refuse to make repayment, the following steps must be taken:

1. Confirm refusal in writing;
2. Inform the Circuit Manager/Program Manager of refusal and the amount due as repayment to the Division;

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3. The Circuit Manager/Program Manager shall write to the adoptive parent(s)/guardian(s) identifying the repayment due the Division and request payment within 30 days from the date of the letter; and
4. If payment is not received within 30 days, refer to Welfare Fraud Unit via the Referral for Investigation, DOI-1, with notification to the Regional Director that such action has occurred.

F. Referral to the Welfare Fraud Unit:

1. Send DOI-1 to the appropriate Welfare Fraud Unit located in one of their five Family Support Division regional offices.; and
2. Cooperate with the Welfare Fraud Unit and update record in a timely manner.

Once the DOI-1 is sent, the matter of reimbursement to the Division is a Welfare Fraud Unit issue. **Children's Division staff shall not accept payments from adoptive parent(s)/guardian(s) or other providers at this time as the Welfare Fraud Unit's case will be jeopardized.**

When the Welfare Fraud Unit contracts with the adoptive parent(s)/guardian(s) or other providers for restitution payments, the adoptive parent(s)/guardian(s) is eligible for subsequent subsidy payments only if restitution payments are being made or have been made.

The Welfare Fraud Unit will send a Disposition of Fraud Referral form, DOI-6, to the referring county/circuit to establish the status of the case. Contact may be made with the Welfare Fraud Unit for information regarding repayment.

[Forms and Instructions](#)

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Attachment F: Missouri Special Needs Adoption Tax Credit

Missouri families adopting a special needs child may be eligible to receive a Missouri Adoption Tax Credit for nonrecurring adoption expenses. These expenses can be claimed up to \$10,000 if the adopting parent(s) has not been reimbursed by federal, state or local resources (sections 135.325 - 135.339, RSMo) or the expenses incurred by the family exceed those reimbursed by federal, state or local resources. The following material instructs staff in cooperating with the Missouri Department of Revenue in determining if a family may claim the tax credit.

Statutory Requirements

This tax relief law became effective January 1, 1988, (last revised August 28, 2004), and sets forth the following requirements:

A. Definitions:

1. Nonrecurring adoption expenses -- Reasonable and necessary adoption fees, court costs, attorney fees, and other expenses which are directly related to the legal adoption of a special needs child and which are not incurred in violation of federal, state, or local laws.
2. Children who are residents or wards of a resident of this state at the time the adoption is initiated. The child must reside in Missouri or be under the custody of a resident of Missouri at the time the adoption is initiated in order to qualify for a portion of the \$2 million of the available tax credit.

Internationally adopted and children adopted from another state do not meet this criterion, because they are not residents of this state at the time their adoption is initiated, regardless of where their adoption is finalized. If internationally adopted, or children adopted from another state meet special needs criteria they could qualify for a portion of the remaining \$2 million in tax credits allowed by the statute.

3. Handicap - A mental, physical, or emotional impairment that limits one or more major life activity, whether the impairment is congenital or acquired by accident, injury or disease, and is verified by medical findings.
4. Special needs child - A child who meets the following criteria:
 - a. Has a specific factor or condition such as ethnic background, age, membership in a minority or sibling group, medical condition, or handicap about which it is reasonable to conclude that the child cannot be easily placed for adoption;
 - b. Except where it would be against the best interest of the child because of significant emotional ties with the prospective adoptive

parent(s) while in their care as a foster child, a reasonable, but unsuccessful effort has been made to place the child; and

- c. The Children's Division, a child-placing agency, or the juvenile court has determined that the child cannot be returned to the parents.

Related Subject: Section 4 Chapter 30.4 Child's Eligibility Criteria for Adoption or Legal Guardianship Subsidy

B. Limitations - Adoptive parent(s) may **not** claim a tax credit if:

1. The nonrecurring adoption expenses were paid through funds received under a federal, state, or local program and their expenses did not exceed what was covered by those programs;
2. The child is over age 18 at the time of adoption unless the child has a condition which limits his ability to live independently; or
3. For any amount of the tax credit carried forward (for up to five (5) years as allowed in section 135.333, RSMo) if the juvenile court temporarily or finally relieves the adoptive parent(s) of custody of the child.

C. In administering this law, the Children's Division is responsible for the following activities:

1. Certifying a child's eligibility as a special needs child when the child was placed by the Division or into a Division adoptive home;
2. Certifying for all special needs adoptions that nonrecurring adoption expenses were not reimbursed by federal, state or local funds or the expenses incurred by the family exceed those reimbursed by federal, state or local resources;
3. Completing the appropriate parts (Part D – Certification that Nonrecurring expenses will not be Reimbursed and Part E – Verification of "Special Needs Child") of the Missouri Department of Revenue Adoption Tax Credit Claim (Form ATC) when presented by the adoptive parent(s); and
4. Develop an Adoption Tax Credit File for each tax year. This file is to be maintained by a designated staff person in each county/circuit office. This file is to be entitled, "Adoption Tax Credit FY__". A copy of the ATC Log is to be attached to the front, inside cover of the file. All signed ATC forms are to be logged onto this form, including forms that were submitted for children who have been in the custody of the Children's Division.

NOTE: The most current version of the Form ATC and its instructions can be found on the Internet on the [Missouri Department of Revenue Web site](#).

Procedural Requirements

The adoptive parent must have, with the exception of Part D and Part E, the entire ATC form completed prior to the Children's Division providing assurances and signatures.

A. Procedures for a child **in Children's Division custody** at the time of adoptive placement when the adoptive family chooses to receive the Adoption Tax Credit and chooses not to receive services through the Missouri Adoption Subsidy Program, or their nonrecurring expenses exceeded what was provided through subsidy. If their expenses did exceed what was provided in the subsidy, they can claim the amount that was in excess of what subsidy covered:

1. Determine that the child meets all the special needs eligibility criteria as defined in Section 4 Chapter 30.4 Child's Eligibility Criteria for Adoption or Legal Guardianship Subsidy.
2. Complete Part E of the ATC form if the child meets all the eligibility criteria. If the child does not meet the criteria, confirm this in writing and allow the adoptive parent(s) to provide additional information.
3. Review the expenses listed in Part C by the adoptive parent(s) to determine if any of these were paid through the Missouri Adoption Subsidy Program or any other source other than the adoptive parent(s). CD workers shall utilize the steps outlined in letter C under Children's Division responsibilities. If it is determined that some of the expenses were paid by one of the sources listed above, the adoptive parent(s) must adjust the expenses accordingly before the worker completes Part D. If the adoptive parent refuses to adjust the expenses, the worker need not complete the form and shall document, in writing to the adoptive parent, why the form was not completed. A copy of this documentation should be kept with the form by the worker, in the corresponding year's ATC file.

NOTE: Adoption subsidy funds are federal and state funds. Local funds used to offset nonrecurring expenses could include local government or private sources. Staff should explore with the adoptive family or the appropriate agency, if applicable, whether any local funds were used to offset the nonrecurring adoption expenses. Staff will need to review the Payment History screens in FACES to determine if the Children's Division previously paid any claimed funds through an Adoption Subsidy Agreement.

4. Complete Part D, if there are nonrecurring adoption expenses which are eligible for the tax credit.

5. Return:

- a. The completed form ATC to the adoptive parent(s); or
- b. The incomplete form ATC to the adoptive parent(s) with a written explanation of why the Children's Division cannot certify the child's special needs eligibility and/or that no federal, state or local funds were used to pay the claimed nonrecurring adoption expenses.

6. File a copy of form ATC with all supporting material and correspondence in the adoptive parent(s) case record.

7. Log this ATC form and the required information on the ATC Log, located in the front inside cover of the corresponding year's Adoption Tax Credit File.

B. Procedures for a child who was **not in Children's Division's custody** at the time of adoptive placement:

1. Refer:

- a. The adoptive parent(s) to the juvenile court for children independently placed for assistance in determining the child's special needs eligibility (Part E of the ATC form); or
- b. The adoptive parent(s) to the appropriate licensed child-placing agency, Division of Youth Services (DYS) or Department of Mental Health (DMH) for assistance in determining the child's special needs eligibility (Part E of the ATC form);

NOTE: If the licensed child-placing agency, or the court, which finalized the adoption, is not locally accessible to the family, it is not necessary to refer the adoptive family to one of these services. **The Division may complete Part E of the ATC form if the child meets the special needs eligibility criteria** in order to save the family from tracking down the agency or court. The family should provide some form of documentation supporting this, such as medical documentation, the child's birth certificate, the foreign adoption decree or papers from immigration.

2. Review the expenses listed in Part C by the adoptive parent(s) to determine if any of these were paid through the Missouri Adoption Subsidy Program or any other source other than the adoptive parent(s). If it is determined that some of the expenses were paid by one of the sources listed above, the adoptive parent(s) must adjust the expenses accordingly before the worker completes Part D. If the adoptive parent refuses to adjust the expenses, the worker need not complete the form

and shall document, in writing to the adoptive parent, why the form was not completed. A copy of this documentation should be kept with the form by the worker, in the corresponding year's ATC file.

NOTE: Workers will need to review the Payment screens in FACES to determine if the Children's Division previously made payment through an Adoption Subsidy Agreement, particularly for children previously in the custody of a licensed child-placing agency, DYS or DMH.

3. Complete Part D of the ATC form to certify that no federal, state or local funds were expended to meet the nonrecurring adoption expenses listed in Part C.
4. Make a copy of form ATC and retain for five (5) years with related correspondence in a file for "Adoption Tax Credit FY__" requests.
5. Log this ATC form and required information on the ATC Log, located in the front inside cover of the corresponding year's Adoption Tax Credit File.
6. Return:
 - a. The completed form ATC to the adoptive parent(s); or
 - b. The incomplete form ATC to the adoptive parent(s) with a written explanation of why the Children's Division cannot certify the child's eligibility and/or that no federal, state or local funds were used to pay for nonrecurring adoption expenses.
7. Retain individual case information for five (5) years from the date of certification in the "Adoption Tax Credit FY__" file. Destroy forms after five (5) years.

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