

---

**GENERAL  
INFORMATION**

Adoption medical subsidy is intended to assist with payment for necessary services related to the treatment of a physical, mental or emotional condition certified by the Adoption Subsidy Office of a child who has been placed for adoption [MCL 400.115f]. Related expenses may include therapies, prescriptions, medical supplies or laboratory expenses. The child must meet application and eligibility requirements of the program; see AAM 400 for application and eligibility policies.

**USE OF AVAILABLE  
RESOURCES**

The Department of Human Services must not make a medical subsidy payment unless all other available public money and third-party payment, such as Medicaid, Children's Special Health Care Services, Community Mental Health and private insurance, have been exhausted. The medical subsidy program is the payer of last resort [MCL 400.115h].

**Treatment  
Responsibility**

With the exception of out-of-home services, parents retain responsibility for making treatment arrangements for their child, seeking prior approval for services and making payment arrangements with providers. The quality of services is the responsibility of parents and the services provider. All mental health providers must be licensed and/or under contract with the department.

**Prior Authorization  
Requirement**

In order for the Adoption Subsidy Office to reimburse for services, the parent must obtain authorization from the Adoption Subsidy Office before the service is rendered. Most medical subsidy services must have prior approval of the Adoption Subsidy Office. Payment requires written authorization by the Adoption Subsidy Office before the service is initiated. The approval letter will specify the type of service, the extent of coverage, the rate of payment, the authorized provider, the approved time period, and the expiration date after which the family will be required to reapply for additional prior authorization.

Payment is made only for services provided during the approved time period and when the child is eligible for medical subsidy. The adoptive parent(s) and the provider should carefully review the approval letter.

### Provider Registration

Providers of services must register as vendors with the Michigan Department of Technology, Management and Budget (DTMB) at:

[http://michigan.gov/budget/0,1607,7-157-13404\\_37161-179392--,00.html](http://michigan.gov/budget/0,1607,7-157-13404_37161-179392--,00.html)

The adoptive parent payee is registered with DTMB when the subsidy case is opened and will be eligible for direct reimbursement of costs for the specific medical subsidy items as described in this policy. The adoption medical subsidy program does not reimburse an adoptive parent for providing treatment/services to his or her adopted child.

### COVERED SERVICES

The following policy sections refer to services that may be covered **after** the child's eligibility for medical subsidy has been approved by the Adoption Subsidy Office for specific condition(s) related to the requested services. An Adoption Medical Subsidy Agreement for the specific condition(s) must be signed by the adoption subsidy program manager or DHS designee and prior authorization approved by the Adoption Subsidy Office before payment can be processed through the medical subsidy program. The date of service must be on or after the effective date of the adoption medical subsidy agreement.

The adoption medical subsidy program does not reimburse an adoptive parent for providing treatment/services to his or her own adopted child.

### Dental

The adoption medical subsidy program does not cover routine dental care or cosmetic treatments. A request for prior approval may be made for dental conditions that existed prior to adoption, such as congenitally missing teeth or severely damaged teeth that were diagnosed prior to adoption finalization. Once approved, reimburse-

ment will be considered only after all other available public money and third-party payments are exhausted.

### ***Orthodontics***

Orthodontic treatment may be covered only when all of the following conditions are met:

- All other available public money and third-party payments, such as private insurance and Medicaid have been exhausted, and
- The service is necessary to treat a condition certified by the Adoption Subsidy Office, and
- The date of service must be on or after the effective date of the adoption medical subsidy agreement, and
- A treatment plan from the proposed orthodontic provider is submitted that includes the following:
  - The presenting dental condition.
  - How the treatment will correct the presenting condition.
  - Time line for treatment.
  - The expected treatment outcome.
  - Statement of total cost, including any required extractions.

For a certified orthodontic condition, total lifetime payments through the adoption medical subsidy program for this service will be limited to \$3,500.

In cases where payment for orthodontic services was processed through the foster care program prior to adoption, the medical subsidy program will cover the balance of orthodontic services up to a total of \$3,500. The medical subsidy application must be completed and adoption medical subsidy agreement signed by the adoptive parent(s) and the adoption subsidy program manager or DHS designee prior to requesting payment through the Adoption Subsidy Office. The effective date of coverage will be reflected on the agreement. Services prior to the effective date can not be covered.

### **Durable Medical Equipment**

Durable medical equipment are items that can stand repeated use, are primarily and customarily used to serve a medical purpose, are not useful to a person in the absence of illness or injury, and can be

used in the home. Durable medical equipment (for example, wheel-chairs, ramps or walkers) may be covered after authorization is obtained from the Adoption Subsidy Office based on the submission of the following documentation:

- Documentation from a physician verifying medical necessity, based on a medical condition/diagnosis certified by the Adoption Subsidy Office is required. The type and quantity of equipment and the frequency of usage must be included with the documentation, and
- A physician's prescription for the equipment to treat the certified condition/diagnosis, and
- Documentation that the equipment is the least expensive alternative, and
- Documentation that the parent's private health insurance, Medicaid, Children's Special Health Care Services and the Trust Fund for Children With Special Needs have been exhausted as resources.

### ***Adaptive Equipment***

Medical subsidy may assist with items or equipment designed specifically to assist children to compensate for their physical deficits within their environment. A professional evaluation and recommendation is required.

### ***Communication Aids***

Medical subsidy may assist with items and devices that enhance and augment communication, including computer software for a related condition certified by the Adoption Subsidy Office, up to a maximum of \$1,500, once every five years. Modification of an existing communication device is payable one time per year. A professional evaluation and recommendation is required.

### ***Van Lifts***

Up to \$5,000 may be provided for the cost of a van lift once every five years, for a related condition certified by the Adoption Subsidy Office.

***Excluded Items***

Structural changes, improvements to the home, computers or items that provide for the comfort, education or recreation of other family members cannot be approved for payment through this program (for example, stair lifts, elevators or whirlpools).

**Educational Services**

The Michigan Mandatory Special Education Act (Act 198, P.A. 1971) places responsibility for providing educational services to handicapped children with the Michigan Department of Education and local and intermediate school districts. Educational services are not covered through the adoption medical subsidy program, if the service is available from the public school system through the Michigan Mandatory Special Education Act. The subsidy program does not pay for private school tuition or services that can be provided by public school special education programs.

**Note:** The medical subsidy program will not purchase computers but will consider the costs of educational software for a medical condition certified by the Adoption Subsidy Office.

***Physical, Occupational and Speech Therapy***

Physical, occupational and speech therapy services are limited to the same level as the services stated in the child's current Individual Education Plan (IEP). Children attending home school or private schools must obtain an IEP document and services from the local or intermediate school district before medical subsidy will cover services.

Speech therapy, physical therapy and occupational therapy services must be provided by providers who are licensed to provide these services. Medical subsidy does not pay parents to provide these services to their children.

Physical, occupational and speech therapy services require prior approval by the Adoption Subsidy Office.

Before medical subsidy may authorize payment or reimbursement for physical, occupational and/or speech therapy, a request must be made and eligibility determined for coverage by the following:

- Private insurance (if available).
- Children's Special Health Care Services.

- Local public school district (IEP required).
- Medicaid.

Medical subsidy will not authorize payment or reimbursement when services are being provided by one of the above resources during the same time period.

Payment for these services through the Adoption Subsidy Office will not exceed the Medicaid payment rate. A condition which may require physical, occupational or speech therapy must be certified by the Adoption Subsidy Office.

For pre-primary children ages 0-2, the adoptive parent must apply to Early On before requesting prior approval from medical subsidy. Documentation of this request and the denial must be provided to the Adoption Subsidy Office. If the child is enrolled in Early On, medical subsidy will not pay for therapy services.

For pre-primary children ages 3-5, adoption medical subsidy may assist with the cost of physical, occupational or speech therapy if all other resources have been exhausted.

For school-age children ages 6-17, adoption medical subsidy may assist with the cost of physical, occupational or speech therapy if all other resources have been exhausted.

**Note:** Sensory integration therapy is a form of occupational therapy intended to help the patient regulate sensory responses. The medical subsidy program may cover up to six months of this specialized therapy for children who have a medical subsidy for a neurological condition and a physician's prescription, if all other resources for payment have been exhausted. The payments will not exceed the Medicaid payment rate for occupational therapy.

### ***Tutoring***

Limited payment for tutoring may be provided for the following children:

- Ages 7 and older, for the purpose of raising a failing grade (D or below) in a general education class, if related to a medical condition certified by the Adoption Subsidy Office.
- Children who are receiving educational services as part of their special education Individual Education Plan (IEP) or 504 plan, who require specific additional help beyond parental

assistance, if related to a condition certified by the Adoption Subsidy Office.

The tutoring must:

- Be recommended in writing by the child's teacher, and
- Include the teacher's identification of the subject(s) in which the student needs remedial assistance, and
- Include an estimate of the length of time the tutoring will be needed, and
- Occur outside of regular school hours, and
- Not be provided by a member of the adoptive household.

### **Tutoring Approvals**

- Tutoring payment requires prior approval by the Adoption Subsidy Office.
- Tutoring must not exceed five hours per week, with a maximum rate of \$30 per hour.
- Prior approval for tutoring will cover a maximum of one school term/semester or summer session.
- A written syllabus or tutoring plan and the tutor's credentials must be submitted with the tutoring request to the Adoption Subsidy Office prior to the commencement of the tutoring services.
- Additional tutoring will require prior approval from the Adoption Subsidy Office. A progress report from the child's teacher which evaluates the result of, and need for, continued tutoring must be provided to the Adoption Subsidy Office at the end of the tutoring authorization period. The teacher's progress report must indicate the need for continued remedial assistance and an estimate of the additional length of time needed.
- Tutoring payments will be made directly to the person providing the tutoring. The tutor must register as a vendor with the State of Michigan.

**Note:** Tutoring will not be reimbursed when provided by a member of the adoptive household.

***Academic Credit Recovery/Summer School***

Academic credit recovery/summer school courses may be reimbursed for high school students in public school districts that do not reimburse parents for successful completion of the courses. The courses must meet high school graduation requirements for the child and the child must have a medical subsidy condition certified by the Adoption Subsidy Office related to academic performance. Documentation from the school including the cost of the course, the successful completion of the course and the fact that it is required for high school graduation is required prior to approved authorization from the Adoption Subsidy Office.

**Glasses/Contact Lenses**

Reimbursement is available every 12 months for one pair of glasses or one year's worth of contact lenses, if medically prescribed and related to a condition certified by the Adoption Subsidy Office. Other resources, including the parent's private health insurance and Medicaid, must be exhausted before medical subsidy will assist with the cost of corrective lenses.

**Hearing Aids**

Medical subsidy will reimburse for medically prescribed hearing aids once every 12 months if related to a condition certified by the Adoption Subsidy Office. Private health insurance, Medicaid and Children's Special Health Care Services must be applied for and exhausted before medical subsidy will assist with the cost of hearing aids.

**Incontinence Supplies**

Medicaid and Children's Special Health Care Services and private insurance must be used for diapers and pull-ups, or other incontinence supplies. If there are no other resources for those items, adoption medical subsidy will reimburse for diapers, pull-ups, or other incontinence supplies only if they are related to a condition certified by the Adoption Subsidy Office and when there is written documentation of a medical need and the child is four years of age or older.



## Medical Supplies and Prescriptions

Medical supplies and prescriptions may be covered only when the supply or prescription is necessary to treat a condition certified by the Adoption Subsidy Office and the date of purchase is on or after the effective date of the adoption medical subsidy agreement. Medical subsidy will not pay for medications that have not been approved by the U.S. Food and Drug Administration.

Other resources including the parent's private health insurance, Medicaid, and Children's Special Health Care Services must be exhausted before the subsidy program will approve payment.

General over-the-counter medical/first aid supplies are not covered by the medical subsidy program. Non-covered items include, but are not limited to: aspirin, band-aids, general over-the-counter lotions, thermometers, vitamins, supplements and shampoos.

## Physical Care Services

Physical care services are assistance in caring for the special physical conditions of a child with complex and continuing medical maintenance issues, (examples are, quadriplegic, tube feedings, ostomy care, severe multiple impairments) while waiting until ongoing care and/or services can be obtained through Medicaid or Children's Special Health Care Services programs. Physical care services can also be used to prevent hospitalization or out-of-home care. Physical care services will not be authorized on an emergency basis. Coverage for physical care services will not extend beyond the child's 18th birthday.

Payment for physical care services is not approved if the child requires care because the adoptive parent works, goes to school, volunteers, runs errands, is providing care for foster children, or because the child cannot be left alone.

If a child's adoption support subsidy payment includes an exceptional rate (Determination of Care) for providing physical care services, the medical subsidy program will not approve payments for services.

Approval of physical care services requires:

- A written treatment plan from a physician, which determines the total amount of treatment and time needed.

- The services is related to a physical condition that has been certified by the Adoption Subsidy Office.
- A service provider who is qualified by education, training or experience, as determined by the Adoption Subsidy Office, and is not a member of the household.

Maximum payment is \$15 per hour, up to 8 hours per day for a period of six months. After six months, a review and current documentation of the continued need for physical care services is required by the Adoption Subsidy Office.

The caregiver for physical care services must be registered as a vendor for the State of Michigan in order to receive payment.

Parents must provide documentation that they have made application to, and received denial or partial assistance from, the following resources before requesting assistance through the medical subsidy program:

- Private health insurance.
- Medicaid.
- Children's Special Health Care Services.
- Home Help through the Department of Human Services (45-day approval process).

### Summer Camp

The medical subsidy program may cover up to \$500 per calendar year for the cost of summer camp. The camp program must be a **specialized treatment camp** that provides services related to a condition certified by the Adoption Subsidy Office. Overnight and day camps must be licensed in the state where they are located. Adoption medical subsidy will not cover the costs of transportation to or from the camp. Pre-approval must be obtained through the Adoption Subsidy Office.

### Travel Expenses

The medical subsidy program does not routinely pay for travel expenses. In order for payment to be made, the following criteria must be met:

- Medicaid and all other available public money and third-party payments have been exhausted.

- Written prior approval must be given from the Adoption Subsidy Office prior to the expenses being incurred. Approval may be granted only if travel meets all of the following:
  - In excess of 30 miles round trip.
  - Necessary for the treatment of a condition certified by the Adoption Subsidy Office.
  - Is not included in the child's DOC rate for adoption support subsidy.
- Reimbursement for travel expenses is limited to those family members whose presence is necessary for the treatment of the condition of the child that has been certified by the Adoption Subsidy Office.
- Lodging may be approved if it is determined that the family must be away from home overnight in order to obtain the medical care for the condition that has been certified by the Adoption Subsidy Office.

Payment for travel expenses will be based on state rates for meals, mileage, and room rates. Meals and lodging require receipts. No lodging or meals will be reimbursed within 50 miles of the family residence. Meals and lodging will not be paid for a child who receives an adoption support subsidy.

If services are available in the state in which the family resides, travel expenses will not be covered to obtain services in another state, unless the travel distance is less than the in-state service.

### **Mental Health Services-General Information**

Adoption medical subsidy assistance for psychological or mental health treatment may be approved for specific mental or emotional conditions that existed prior to the adoption or the cause of which existed prior to the adoption and that have been certified by the Adoption Subsidy Office.

The medical subsidy program assists with the following types of mental health services:

- In-home behavioral services.

- Counseling.
- Developmental assessments/evaluations.
- Out-of-home placements, including step-up, residential, and step-down placements.

### ***Requesting CMH, Medicaid and Private Insurance Services***

An adoptive parent must request mental health/developmental assessments and related services, such as counseling and psychiatric services, from CMH, Medicaid and private insurance providers. If those providers are unable to provide services to the child within 30 calendar days, the adoptive parent may contact the adoption subsidy worker to request an exception to use medical subsidy for the time period before the CMH, Medicaid and/or private insurance provider is available. The parent must continue to pursue services through CMH, Medicaid and private insurance, even while receiving alternately paid services through the medical subsidy program.

## **Mental Health Services**

### ***Mental Health/Developmental Assessment Evaluation***

The maximum allowable amount for an outpatient mental health or comprehensive developmental assessment evaluation is \$300. Medicaid and Community Mental Health (CMH) services must be requested and used, if available, prior to approval by the medical subsidy program. An exception to the \$300 maximum, up to \$500, may be granted by the Adoption Subsidy Office based on specific needs of the child.

### ***Outpatient Counseling***

Outpatient mental health and related services are those psychological, psychiatric, counseling, psychotherapy, or other similarly defined services for evaluation and/or treatment of emotional/mental conditions that have been certified eligible by the Adoption Subsidy Office.

Counseling services can be one of the following:

- Clinical counseling: A counselor meets with a child and/or family members and/or other person(s) significant to the client (if specified in the Adoption Subsidy Office approval)

at a confidential space in the counselor's usual place of business.

- Outreach counseling: A counselor meets with a child and/or family members and/or other person(s) significant to the client (if specified in the Adoption Subsidy Office approval) at the client's home or at a mutually agreed upon site.
- Group counseling: A counselor meets with a group of clients.

Mental health services do not include individual treatment for family members other than the eligible child unless approved on an individual case-by-case basis by the Adoption Subsidy Office.

Counseling services may be available through the local community mental health clinics, through private insurance providers and for Medicaid-eligible children, through qualified health plan providers, all of which must be used prior to medical subsidy.

For a child with an emotional/mental condition certified by the Adoption Subsidy Office, payment for outpatient therapy does not require prior approval from the Adoption Subsidy Office for the first 20 sessions or five months, whichever occurs first if:

- The child is transitioning from foster care to adoption and will continue to receive services from the same counselor used during foster care, or
- The child had not received counseling services in the past 12 months and the parent(s) are currently seeking services for the child.

**Note:** If the child has received counseling services in the last 12 months, pre-approval is required through the Adoption Subsidy Office before services may begin.

Any additional counseling sessions must be prior approved by the Adoption Subsidy Office. Approvals may be granted for up to 20 sessions or five months, whichever occurs first.

Progress reports from outpatient therapy providers are required every 90 calendar days during the approval coverage period. The frequency and duration of treatment will be reviewed by the Adoption Subsidy Office and additional information may be requested from the outpatient therapy provider. Based on the review, payment

may be limited or discontinued if it is determined that the service is not effective or is excessive on a case-by-case basis. Payments may be audited for accuracy.

Outpatient psychotherapy must be provided by one of the following professionals licensed by the Michigan Department of Community Health (MDCH) and/or under contract with the Department of Human Services to provide post-adoption counseling:

- Limited or fully licensed master's social worker.
- Limited or fully licensed marriage and family therapist.
- Limited or fully licensed psychologist.
- Limited or fully licensed professional counselor.
- Fully licensed medical doctor or osteopathic physician, for psychiatric services.

For services provided in another state, the therapist must be licensed by the appropriate public agency in that state.

### Counseling Rates

Providers are reimbursed at the following maximum rates:

Type of Service (Requires Face-to-Face Contact)	Maximum Rate
Medication review	\$24.00
Clinical diagnostic assessment - complete	\$81.00
Psychological testing with written report - per hour	\$47.00
Individual psychotherapy - 50 to 60 minutes	\$63.00
Family therapy- 50 to 60 minutes	\$63.00
Group psychotherapy - per person per 50 to 60 minute session	\$19.00
Missed appointment	\$0

### Private Insurance Payments

Private insurance payments will reduce the amount the adoption medical subsidy program will pay. Refer to the example below.

**Example:** The provider charges \$100 for a 50-60 minute session of individual psychotherapy.

\$63.00-approved rate (see maximum above)

-53.00-private insurance reimbursement

\$10.00-Adoption Subsidy Office payment

Note: \$10.00 is the difference between the maximum rate minus the amount the private insurance paid. The parent is responsible for the balance of the original \$100 charged by the provider.

## Behavioral Services

Behavioral services are short-term training (12 months or less) of the child and parent(s) to enhance the parent's skills and modify the child's behavior related to the child's mental or emotional condition that has been certified by the Adoption Subsidy Office.

This service is **not** approved for care of the child in the parent's absence or beyond a child's 18th birthday.

Payment for behavioral services will be made at a rate set by the Adoption Subsidy Office for a maximum 12-month period.

Prior authorization will be made based on the following submitted documentation:

- The behavioral services are a component of an ongoing treatment program developed by a qualified treatment specialist (such as a licensed physician, psychologist, or limited or fully licensed master social worker) and related to a mental or emotional condition that has been certified by the Adoption Subsidy Office.
- A written treatment plan is provided, including an assessment of the behavior problems, a statement of intervention techniques to be used, expectation of parental involvement/training and expected outcomes at the end of the treatment period. The treatment plan must include the credentials of the treatment specialist and service provider. The treatment plan must be signed by the treatment specialist, service provider, and adoptive parent(s).

- The treatment specialist (such as licensed physician, psychologist, limited or fully licensed master social worker) recommends the service provider and is responsible for training and supervision of the service provider. The training and supervision plan must be submitted with the request for behavioral services.

### ***Behavioral Services Rates***

For one child, the maximum payment is \$40 per hour for a maximum of \$1000 per calendar month not to exceed \$4,800 in a 12-month period.

For two or more children in the same family, the maximum payment is \$40 per hour with a maximum of \$1,400 per calendar month and not to exceed \$7,200 in a 12-month period.

### **Temporary Out-Of-Home Placement**

Payment requirements for temporary out-of-home placement are:

- Prior authorization by the Adoption Subsidy Office related to the child's mental or emotional condition that has been certified through the adoption subsidy program.
- The temporary out-of-home placement is consistent with a treatment plan developed for the child by one of the following professionals; a licensed physician, psychologist, or limited or fully licensed master social worker.
- The temporary out-of-home placement is not less than 24 or more than 72 consecutive hours. The placements are not to exceed 96 hours per month. The maximum number of hours in a 12-month period cannot exceed 384 hours (16 days).

Daily subsidy payment rates for temporary out-of-home placement are set by the department.

### ***Temporary Out-Of-Home Placement Rates***

The rates are as follows for temporary out-of-home placements:

- Child 0-12 is \$50.00 per day/per child maximum.
- Child 13 plus is \$60.00 per day/per child maximum.



**Note:** A day is 24 hours or less than 24 hours. The maximum is 384 hours (16 days) in a 12-month period.

### **Placement Outside of a Family Home**

The medical subsidy program is intended to assist the adoptive parents with the cost of treating emotional or mental conditions that existed or the cause of which existed prior to the adoption of a child who had been in foster care in Michigan.

### **Mental Health Treatment Limit**

State law (MCL 400.115h) limits payment for treatment of emotional or mental conditions to outpatient treatment unless one of the following applies:

- The child was certified eligible for an adoption support subsidy.
- The Adoption Subsidy Office approved certification for the emotional or mental condition before the date of the final order of adoption.
- The child was placed in foster care as a result of a finding of abuse or neglect by a Michigan family court before the petition for adoption was filed.

### ***Eligibility Timeframe***

Short-term treatment outside the family home can be covered as a last resort when treatment goals are not being achieved in the family setting. Adoption medical subsidy policy limits the amount of coverage to six months. Approvals may be granted for periods of up to three months at a time.

### ***Placement Goals***

The goals of placement outside the family home are to address the child's emotional and behavioral problems, strengthen the adoptive family, and to facilitate the reunification of the child with his/her adoptive family. In order to meet these goals, it is required that adoptive parents be actively engaged in the treatment of their child. Parental involvement may include participation in family therapy, family weekends, and home visits. The lack of family participation may result in discontinuation of funding for the out of home placement.

***Prior Authorization***

Payment for placement outside the family home for emotional or mental conditions requires prior authorization from the Adoption Subsidy Office. The adoption medical subsidy program will not provide coverage for placement outside the family home for children age 18 or older. The authorization is contingent on the determination made during a family team meeting. The authorization letter from the Adoption Subsidy Office will include the effective date of coverage. The medical subsidy program will not provide coverage prior to the effective date noted in the authorization letter. Continued authorization requires regularly scheduled case views using the Family Team meeting model and must include at a minimum: the adoptive parent(s), the out-of-home provider, the child's therapist, and an adoption subsidy representative.

***Monthly Support Subsidy***

When an adoptive family requests payment for placement outside the family home, they have an option to have the medical subsidy program pay for the service and suspend the monthly payment of the adoption support subsidy during the placement, or to continue receiving the adoption support subsidy payment and pay the out-of-home provider directly.

For children who are in a placement which is fully funded by another government funding source, the adoption support subsidy will be reduced to the standard rate. This will be in effect from 30 calendar days after placement until the child returns home.

**Step-Up Services**

Step-up services are used when a child requires temporary placement outside the family home in order to stabilize behaviors. Step-up services are used to de-escalate family conflicts, provide for a return home within a three-month period, and avoid a longer term placement in a more restricted environment. Requirements for a step-up placement are:

- Family provides a written request to the Adoption Subsidy Office.
- The child is under the age of 18.
- Prior authorization by the Adoption Subsidy Office.

- A result of a family team meeting that may include the local DHS/placement agency foster care and/or adoption worker, community partners, the family, the child and the adoption subsidy staff.
- Consistent with a treatment plan developed for the child by one of the following professionals: a licensed physician, psychologist, psychiatrist or limited or fully licensed master's social worker.
- Limited to three months.
- The step-up placement is in a licensed foster care home.
- Active involvement by the family with the treatment plan. Lack of family involvement may result in discontinuation of step-up services.
- A subsequent treatment plan must be submitted by one of the above listed professionals to the Adoption Subsidy Office within 30 calendar days of the child's step-up placement date.

### ***Payment***

Step-up services are paid at the following rates:

- Child 0-12 is \$50 per day/per child maximum.
- Child 13-plus is \$60 per day/per child maximum.

### **Residential Services**

Residential services are used as a last resort when a child needs short-term/temporary placement outside of the family home, due to severe emotional/behavioral concerns and treatment goals are not being achieved in the family setting. Coverage for residential services is limited to children under the age of 18.

### ***Supporting Documentation***

To request coverage through the adoption medical subsidy program, the parents must submit a request in writing and provide supporting documentation to the Adoption Subsidy Office detailing the following:

1. The placement must be for the purpose of supporting and maintaining the adoptive relationship. The parents must write a letter that includes:

- Information about family composition (for example, adults and children, including foster children and their placement dates).
  - A request for the placement outside the family home.
  - Their proposed involvement in the child's treatment while placed outside of the home.
  - Their proposed plan for the child when discharged from the program.
  - How they intend to maintain the parent-child relationship with their child if he/she is placed outside the home.
  - A statement that they agree to participate in the treatment plan as determined by the treatment facility.
  - A statement that they understand that they are responsible for making the actual placement outside the family home, and if approved, the Adoption Subsidy Office will authorize payment.
2. Professional documentation by one or more of the following professionals: a licensed physician, psychologist, psychiatrist or limited or fully licensed master's social worker to support the following:
- The child's condition cannot currently be treated in a less restrictive setting.
  - The child's behaviors must warrant a placement outside the family home. The memo must include specific behaviors and when the behaviors occurred, both within the home and the community.
  - The family's active participation in prior efforts to treat the child in his/her own home or in an in-patient setting. Supporting documentation of this participation must be provided to the Adoption Subsidy Office. Prior efforts must include at least two of the following with at least one in home service:
    - Outpatient psychotherapy, including family counseling.

- Inpatient psychotherapy, in addition to outpatient psychotherapy.
  - Behavioral services.
  - Wraparound services.
  - Families First services.
  - Aftercare services following a previous placement outside the family home.
  - Step-Up services.
  - Other in-home services.
3. The child will be placed in the state where the parent resides, or within 200 miles of the parent's residence.
  4. A detailed description of the in-home services that were provided to the family (for example, Wraparound services, behavioral services or Families First), and the outcome of the interventions and participation by all family members.
  5. A school report supporting the contention that a serious school problem exists.
  6. Documentation that the child is demonstrating difficulties within the community. Examples may be dysfunctional peer relationships within the school or neighborhood setting and/or involvement with law enforcement agencies.
  7. Documentation that the child's need for a placement outside the family home is not due primarily to the adoptive family's functioning.
  8. Copies of the child's treatment reports (for example, progress notes, psychological or psychiatric evaluations) dated within the last six months.

**Note:** Payment will not be made for psychiatric hospitalization through the Adoption Subsidy Office.

The family is required to provide the documentation above, within 90 calendar days of their written request for residential treatment being received by the Adoption Subsidy Office. If the documentation is not received within 90 calendar days the request will be denied.

### ***Role of the Adoption Subsidy Office***

The Adoption Subsidy Office or during the adoption supervision period, the placing adoption agency must supervise the placement of the child outside the family home. If the criteria have not been met, the Adoption Subsidy Office or placing adoption agency shall assist the family with obtaining treatment in a less restrictive setting.

### ***Parent Responsibilities***

Parents must:

- Provide information about past treatment efforts to the Adoption Subsidy Office.
- Participate in the child's treatment as required by the treatment plan. Parent(s) non-compliance with a child's treatment plan may result in a loss of funding.
- Make an application for SSI on behalf of the child.
- Cover the cost of clothing and arrange for payment of routine medical costs.

### ***Payment for Placement Outside the Family Home***

After approval from the Adoption Subsidy Office, payment will be made directly to the facility based on monthly billings submitted by the facility. Payment will be limited to approved state rates, and will not include payment for routine medical or dental care, medical treatment for conditions that have not been certified by the Adoption Subsidy Office, clothing, gifts, or independent living costs. All approvals require a treatment plan within 30 calendar days from the placement date.

### ***Visitation and payment to facility***

When regularly scheduled **overnight** home visits are a part of the child's treatment plan, the Adoption Subsidy Office will make payment to the **facility** as follows:

- If five or fewer overnight visits occur during the month, payment will be made at the full per diem rate for the month. **(Example:** During June, four visits occurred. The Adoption Subsidy Office will pay the facility for 30 calendar days of care.)

- If six or more overnight visits occur during the month, payment will be made for five days at the full per diem rate, and the remaining visitation days at one-half the per diem rate. (**Example:** During June, seven visits occurred. The adoption subsidy program will pay the facility for 28 calendar days at full rate and two days at half rate.)
- Within three months of the anticipated discharge date, payment will be made at the full per diem rate for up to 10 overnight visits during the month.

### ***Visitation and adoption support subsidy payment***

When regularly scheduled overnight home visits are a part of a child's treatment plan and the child is eligible for adoption support subsidy, the Adoption Subsidy Office will make adoption support subsidy payments as follows to the **adoptive parent(s)**:

- If six or more overnight home visits occur during the month, the full support subsidy per diem rate will be paid to the family beginning the sixth day and each day thereafter that the child is at home. (**Example:** During June, 10 visits occurred. The adoption subsidy program will pay full support subsidy to the family for five days.)
- When less than six overnight home visits occur in a month, support subsidy payments **will not** be made.

### ***Extension Requests***

Adoption medical subsidy payment cannot be made for placements outside the family home in excess of six months unless an extension is granted by the Adoption Subsidy Office. Extensions are limited to situations where the child's emotional problems are so severe that placement outside the family home cannot be concluded in less than six months.

Before requesting an extension, the following must be determined by the Adoption Subsidy Office:

- That the adoptive parents participated in the treatment of the child as required by the treatment plan.
- That the adoptive relationship is still viable.

***Extension Request Criteria***

In order to obtain an extension, the residential provider and the family must submit the following to the Adoption Subsidy Office:

1. Documentation from the residential provider that includes all of the following:
  - A memo outlining the reasons more time is required to achieve the treatment objectives and the progress of the child and the family.
  - Documentation of the specific efforts that are being made to return the child to his/her family.
  - Copies of the treatment plans and progress notes from the placement facility.
  - Any additional documentation to support the need for continued placement outside the family home.
2. A letter from the adoptive family which includes **all** of the following:
  - Their involvement in their child's treatment thus far.
  - Their planned involvement if their child remains out of the home.
  - Their proposed plan for their child when discharged from the program.
  - How they intend to maintain the parent-child relationship with their child.
  - Their request for continuation of the placement outside the family home.
  - The parents must agree to participate in the treatment plan as determined by the treatment facility.
3. Documentation that a Family Team Meeting was held with all interested parties and the results of the meeting.

Documentation must be received 14 calendar days prior to the end of the authorization period to prevent a lapse of service.



## Step-Down Services

Step-down services are used when a child needs a temporary placement to transition from a residential setting back to the family home. This placement will assist a child in the adjustment from the more restricted residential environment back to community living and the family home. Requirements for a step-down placement are:

- Consistent with a treatment plan developed for the child by one of the following professionals; a licensed physician, psychologist, psychiatrist or limited or fully licensed master's social worker.
- Provided in a licensed foster care home.
- Result of a family team meeting that includes the residential staff, community partners, the family, the child and the adoption subsidy staff.
- The child is under the age of 18.
- Prior authorization by the Adoption Subsidy office.
- Limited to three months.
- Continued, active involvement by the family in the treatment plan. Lack of family involvement may result in discontinuation of step-down services.
- A subsequent treatment plan must be submitted by one of the following professionals; a licensed physician, psychologist, psychiatrist or limited or fully licensed master's social worker to the Adoption Subsidy Office within 30 calendar days of the child's step-down placement date.

## BILLING PROCEDURES

Adoption medical subsidy payments are made in response to specific bills submitted by the parents or by the service provider. Payments are made at the rates approved by the department and sent directly to the service provider or parent. Frequency and duration of treatment are subject to review by the Adoption Subsidy Office. Payments may be audited for accuracy.

Payment is approved only if **all** of the following are met:

- The service is **necessary** to treat a condition that has been certified by the Adoption Subsidy Office, and
- A medical subsidy agreement is signed by the adoption subsidy program manager or DHS designee, and
- The service has prior authorization by the Adoption Subsidy Office, and
- The date of service is on or after the effective date of the adoption medical subsidy agreement, and
- Service providers are appropriately licensed or certified by the state agency responsible for regulating professionals in the state where the services are provided. In Michigan, the agency responsible for regulating professional service providers is the Michigan Department of Community Health. Residential placement facilities are licensed as child caring institutions by the state where the child is placed. In Michigan, the DHS Bureau of Children and Adult Licensing (BCAL) is responsible for licensing child caring institutions, and
- All other payment resources have been exhausted to their maximum benefit. Before payment can be authorized, parents must use all other available resources to their maximum, including:
  - Private health insurance.
  - Medicaid.
  - Children's Special Health Care Services.
  - Local and intermediate school districts.
  - Children's Trust Fund.
  - Other public resources.

The adoption medical subsidy program does not reimburse an adoptive parent for providing treatment / services to his or her own adopted child.

Medical subsidy payments may be modified based on items already included in the child's adoption support subsidy payment; for example, special food, medication, supplies, services, or transportation.

Claims are to include the following information:

- Child's name and date of birth.
- Parent(s) name(s) and address.
- The condition for which services were provided.
- A list of the services provided.
- Date(s) and time(s) of service(s).
- Name and address of the service provider.
- Federal identification number or Social Security number of the service provider requesting payment.
- License or certification number of the individual therapist who actually provided the services, if applicable.
- If services have been rejected for coverage by a private insurance carrier or by Medicaid, a copy of the rejection statement must be attached to the billing.
- If no other resources are available to assist with the cost of services, the billing statement must state, "No other resources available."
- A parent signature verifying receipt of services. This must include the following statement: "I have reviewed this bill for accuracy and by my signature I am verifying that the services were provided and the times and dates of services billed are accurate."
- Provider signature verifying that services were rendered on the dates and times indicated on the bill.

Whenever possible, the family is to have the service provider bill the department for services covered by a medical subsidy certification. These bills are to be sent to:

Michigan Department of Human Services  
Adoption Subsidy Office  
235 S. Grand Ave., Suite 612  
P.O. Box 30037  
Lansing, Michigan 48909

When a child is not covered by the parent's private health insurance, and the family obtained prior authorization from the

Adoption Subsidy Office, bills must be submitted within four months after services are provided.

When a child is covered by the parent's private health insurance, bills must be submitted to the Adoption Subsidy Office within three months of the parent or provider receiving documentation of partial payment or rejection of payment by the insurance company.

Waivers to the above time limits may be given on a case-by-case basis.

Medicaid-enrolled providers must bill Medicaid prior to billing the adoption subsidy program and must accept Medicaid payment as payment-in-full for any covered services.

Warrants will only be issued when the reimbursement amount totals \$10 or more. Claims or bills submitted in the amount of \$9.99 or less will not be reimbursed; they should be held and submitted with additional bills when the combined total reaches \$10 or more.

Example: The parent or provider submits a request for reimbursement in the amount of \$9; the program will not issue a payment. If a parent or provider submits a bill, or multiple bills, at one time equaling \$10 or more, the Adoption Subsidy Office will issue payment.

\$9.00 - Prescription co-pay

\$1.00 - Psychotherapy co-pay

\$10.00-Adoption medical subsidy program issues payment as the \$10.00 threshold was reached by submitting two bills.

## EXCLUDED COSTS

- The adoption medical subsidy program does not reimburse an adoptive parent for providing treatment/services to his or her own adopted child.
- Adoption medical subsidy does not pay for missed appointments.
- Payment for physical care, behavioral care, and out-of-home services will not be extended beyond the child's 18th birthday.

- Services are not paid if the service is available from the public school system under the Michigan Mandatory Special Education Act [Act 198, P.A. 1971].