
OVERVIEW

Adoption medical subsidy is intended to assist with payment for necessary services related to the treatment of a physical, mental health, or emotional condition certified by the Adoption and Guardianship Assistance Office (AGAO) 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, Medical Subsidy Eligibility](#).

USE OF AVAILABLE RESOURCES

The Michigan Department of Health and Human Services (MDHHS) 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, and private insurance, have been exhausted. The medical subsidy program is the payer of last resort MCL 400.115h.

TREATMENT RESPONSIBILITY

The adoptive parent(s)/guardian(s) retains 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 the adoptive parent(s)/guardian(s) and the service provider. All mental health providers must be licensed.

Note: The department reserves the right to deny payment for services with a provider who does not meet the licensing or practice standards set by the State of Michigan.

Prior Authorization Requirement

In order for the AGAO to reimburse for covered services, the adoptive parent(s)/guardian(s) must obtain **prior** written authorization for **most** services from the AGAO before the services are rendered.

Exception: Orthodontics, glasses/contacts, hearing aids, dental, medical, medical supplies, prescriptions, and camp do not require prior written authorization up to the maximum eligible rate; see specific policy sections in this item for further information. The

AGAO may authorize payment for a service when prior authorization is not obtained if **all** eligibility criteria for the covered service has been met.

The prior authorization letter will specify the type of service, extent of coverage, rate of payment, the authorized provider, approved time period, and 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 for services related to a certified condition; see [AAM 400, Medical Subsidy Eligibility](#), for certification criteria. The adoptive parent(s)/guardian(s) and provider should carefully review the prior authorization letter.

Provider Registration

In order for a provider of services or an adoptive parent/guardian to receive reimbursement, registration as a vendor is required with the Michigan Department of Technology, Management and Budget (DTMB) at: www.michigan.gov/sigmavss.

COVERED SERVICES

The following policy sections refer to services that may be covered **after** the child's eligibility for medical subsidy has been certified by the AGAO for specific condition(s) related to the requested services. A DHS-3013, Adoption Medical Subsidy Agreement, or the DHS 3013-G, Adoption Medical Subsidy Guardian Agreement, for the specific condition(s) must be signed by the adoption and guardianship assistance program manager or MDHHS designee and, when applicable, prior authorization must be approved by the AGAO 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 and during the approved time period on the authorization letter.

Note: The adoption medical subsidy program does not reimburse adoptive parent(s)/guardian(s) or a member of the household for providing treatment/services to their own adopted child.

If the adoption medical subsidy agreement is signed by all parties on or before the court's signature on the PCA-320, Order Placing

Child After Consent, the effective date of the agreement will be the date of the PCA-320, Order Placing Child After Consent.

If the adoption medical subsidy agreement is signed after the PCA-320, Order Placing Child After Consent, or the PCA-321, Order of Adoption, the effective date per [AAM 400, Medical Subsidy Eligibility](#), will be listed on the agreement issued by the AGAO.

Medical and Dental Services

Dental

The adoption medical subsidy program does not cover routine dental care and cosmetic treatments.

Dental services include but are not limited to fillings, root canals, crowns, and excavations.

The maximum lifetime dental coverage is \$5,000.

Note: If the child's dental needs are part of an orthodontic treatment plan, the service would fall under the orthodontics service reimbursement criteria.

Medical

The adoption medical subsidy program does not cover routine medical care.

Medical services include but are not limited to x-rays, blood draws/lab work, and medical procedures such as inpatient/outpatient surgeries.

The maximum lifetime medical care coverage is \$5,000.

Physical Care Services

Physical care services provide assistance in caring for special physical conditions of a child with complex and continuing medical maintenance issues, (examples: quadriplegic, tube feedings, ostomy care, severe multiple impairments).

The AGAO will cover physical care services until ongoing care and/or services can be obtained through Medicaid or Children's Special Health Care Services (CSHCS) programs. If physical care services are denied by Medicaid and CSHCS, the AGAO will

continue covering physical care services. Prior authorization is required for physical care services 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.

Note: Payment for physical care services is not approved if the child requires care because adoptive parent(s)/guardian(s) works, goes to school, volunteers, is providing care for foster children, or because the child cannot be left alone.

Prior authorization of physical care services requires:

- A prescription or letter from a physician, which must include the total amount needed and duration of treatment.
- A service provider who is qualified by education, training, or experience, as determined by the AGAO and is not a member of the household.

Maximum payment is \$15 per hour, up to eight 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 AGAO.

Adoptive parent(s)/guardian(s) must provide documentation they have submitted an 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 MDHHS (45-day approval process).

Note: This service cannot be used due to the incapacity of the adoptive parent(s)/guardian(s) to care for the child.

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 AGAO. Medical subsidy will not pay for medications that have

not been approved by the U.S. Food and Drug Administration (FDA).

Reimbursement request must include a receipt from the pharmacy demonstrating the cost derived from a prescription for the eligible child.

Note: Non-covered items include but are **not limited to** general over-the-counter medical/first aid supplies such as aspirin, band-aids, general over-the-counter lotions, thermometers, vitamins, supplements, and shampoos.

Orthodontics

Orthodontic treatment may be covered when a treatment plan from the proposed orthodontic provider is submitted that includes the following:

- The presenting orthodontic condition.
- Initial fee for appliances and/or treatment to include projected monthly billing payment.
- Timeline for treatment.
- Statement of total cost, including any required extractions for orthodontic purposes only.
- Adoptive parent(s)/guardian(s) **and** provider signature.

For a certified orthodontic condition, total lifetime payments through the adoption medical subsidy program for this service will be limited to \$5,000.

In cases where payment for orthodontic services were processed through the foster care program prior to adoption, the medical subsidy program will cover the remainder of orthodontic services up to a total of \$5,000.

Note: Service authorizations prior to 04/01/2021 are only eligible for the lifetime maximum of \$3,500.

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 prior authorization is obtained from the AGAO based on the submission of documentation:

- Documentation from a physician verifying medical necessity, based on a medical condition/diagnosis certified by the AGAO. The type and quantity of equipment and the frequency of usage must be included with the documentation.
- A physician's prescription or professional evaluation dated within 12 months recommending the equipment to treat the certified condition/diagnosis.

Durable medical equipment payments through the adoption medical subsidy program may be reimbursed up to a maximum \$5,000 every 5 years.

Note: Costs for communication aids and van lifts are not included in this amount; see *Van Lifts and Communication Aids* in this policy.

Adaptive Equipment

Adaptive equipment is a tool or device that is intended to assist with daily living tasks such as enhanced keyboard or special eating utensils. The equipment must be necessary to treat or compensate a physical condition certified by the AGAO. Adaptive equipment may be covered by the AGAO based on the submission of a physician's prescription or professional evaluation dated within the last 12 months recommending the equipment to treat the certified condition/diagnosis. Adaptive equipment is included in the \$5000 maximum reimbursement every 5-years.

Van Lifts

Medical subsidy may assist with the cost of a van lift up to a maximum of \$5,000 every five years. Prior authorization from the AGAO is required.

Communication Aids

Medical subsidy may assist with items and devices that enhance and augment communication, including computer software up to a maximum of \$1,500 every two years. Modification of an existing communication device is payable one time per year.

Communication aids may be covered by the AGAO based on the submission of a physician's prescription or professional evaluation dated within the last 12-months recommending the equipment to treat the certified condition/diagnosis.

Glasses/Contact Lenses

Reimbursement is available every 12-months for one pair of glasses or one year's worth of contact lenses. Prior authorization by the AGAO is not required.

Reimbursement request must include a prescription by a physician/ophthalmologist.

Hearing Aids

Reimbursement is available for medically prescribed hearing aids once every 12-months. Prior authorization by the AGAO is not required.

Reimbursement request must include a prescription from a physician/audiologist.

Incontinence Supplies

Reimbursement is available for diapers, pull-ups, or other incontinence supplies **only** if they are related to a condition certified by the AGAO and when there is written documentation of a medical need from a physician/physician assistant **and** the child is four years of age or older.

EXCLUDED ITEMS

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

MENTAL HEALTH SERVICES- GENERAL INFORMATION

Mental health treatment may be approved for payment for a mental or emotional condition certified by the AGAO.

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

- In-home behavioral services.
- Counseling.
- Developmental assessments/evaluations.
- Medication reviews.
- Out-of-home treatment services, including step-up, residential, and step-down placements.

Mental Health Services

Mental Health/Developmental Assessment Evaluation

The maximum allowable amount for an outpatient mental health or comprehensive developmental assessment evaluation is \$500. This service requires written prior authorization by the AGAO.

The AGAO will assist the family with the certification process for the diagnosis identified in the assessment per [AAM 400, Medical Subsidy Eligibility](#).

Trauma Assessment Evaluation

Prior to requesting a pre-authorization for a trauma assessment from the AGAO, the adoptive parent(s)/guardian(s) must obtain a pre-screening assessment through their local Post Adoption Resource Center (PARC) region. The AGAO will assist the family with the certification process for the diagnosis identified in the assessment per [AAM 400, Medical Subsidy Eligibility](#).

Trauma assessments funded by the adoption medical subsidy program must be conducted by a trauma assessment program contracted by MDHHS. Following completion of the trauma assessment, the contractor must submit their bill directly to the AGAO, which will be paid at the current contracted amount.

Medication Reviews

Medication reviews may be covered through the AGAO for medication related to an emotional/mental health conditions that has been certified by the AGAO. This service requires written prior authorization by the AGAO.

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 health conditions that have been certified eligible by the AGAO.

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

Note: The outpatient counseling type must be consistent with the treatment plan for the child.

Mental health services do not include individual treatment for family members other than the eligible child unless the treatment is relevant to the child's treatment.

For a child with an emotional/mental health condition certified by the AGAO, payment for outpatient therapy does not require prior authorization from the AGAO for the first six months, with a maximum of three times a week for each type of counseling service if either:

- The child is transitioning from foster care to adoption and will continue to receive services from the same counselor used during foster care.
- 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, prior authorization is required from the AGAO.

Prior authorization from the AGAO is required for additional counseling sessions. Approvals may be granted for up to six

months with a maximum of three times a week for each type of counseling service, for reimbursement by the AGAO. Additional sessions may be authorized for children with severe need. Services through CMH must be accessed for Medicaid eligible for children prior to additional sessions being authorized.

Progress reports from outpatient therapy providers are required every 90-calendar days during the authorized coverage period. The frequency and duration of treatment will be reviewed by the AGAO, and additional information may be requested from the outpatient therapy provider. Based on the review, authorization may be limited or discontinued if it is determined that the service is not effective or is excessive. Outpatient psychotherapy must be provided by one of the following professionals licensed by Licensing and Regulatory Affairs (LARA) and/or under contract with MDHHS:

- 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 provider must be licensed by the appropriate public agency in that state.

Rates

Adoptive parent(s)/guardians or providers are reimbursed at the following maximum rates:

Type of Service (Requires Face-to-Face Contact)	Maximum Rate
Medication review	\$24.00
Individual psychotherapy: 50-to-60-minutes	\$63.00
Family therapy: 50-to-60-minutes	\$81.81
Group psychotherapy: per person per 50-to-60-minute session	\$19.00
Missed appointment	\$0

Payments

Medical subsidy will provide reimbursement to adoptive parent(s)/guardian(s) or service providers up to the maximum rates above following any private insurance or Medicaid coverage; see example below.

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

\$100.00 provider charges
\$63.00 insurance coverage
\$37.00-Adoption and Guardianship Assistance Office payment.

Example: The provider charges \$150 for a 50-60-minute session of individual psychotherapy.

\$150.00 provider charges
\$63.00 insurance coverage
\$63.00-AGAO payment, see maximum rate in this item.

Total annual maximum reimbursement amount per child is \$5000.00.

Behavioral Services

Behavioral services are educational and behavioral services (12-months or less) for the child and adoptive parent(s)/guardian(s) to enhance the adoptive parent(s)/guardian(s) skills and modify the child's behavior related to their emotional or mental health condition that has been certified by the AGAO.

This service is not approved for care of the child in the absence of the adoptive parent(s)/guardian(s) or beyond a child's 18th birthday.

Payment for behavioral services will be made at a rate set by the AGAO 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, limited or fully licensed professional counselor, and limited or fully licensed master social worker).
- A written treatment plan is provided, including an assessment of the child's behavior, a statement of intervention techniques to be used, expectation of parental involvement, 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)/guardian(s).
- The treatment specialist (such as licensed physician, psychologist, limited or fully licensed professional counselor and 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.

When two or more children from the same family are being provided services at the same time, the maximum payment is \$50 per hour with a maximum of \$1,400 per calendar month not to exceed \$7,200 in a 12-month period.

When children within one family have needs that are individual, and services are being rendered separately, the maximum rate will be used for one child to cover each child's behavioral services.

Step-Up Placement

Step-up placements are used when a child requires temporary placement outside the family home in order to stabilize behavior, de-escalate family conflicts, provide for a return home, or to an alternate care provider within a 90-day period, unless an extension is granted. Step-up placements require prior written approval by the AGAO. Requirements for a step-up placement are:

- Family provides an application signed by adoptive parent(s)/guardian(s) to the AGAO.
- The child is under the age of 18.
- Prior authorization by the AGAO. There is no exception to this requirement.
- A result of an FTM that may include the local MDHHS, placement agency foster care (PAFC) case manager and/or adoption case manager, community partners, the family, the child, and the AGAO.
- Be recommended in the step-up application which must be signed by a licensed physician, psychologist, psychiatrist, limited or fully licensed master's social worker or limited or fully licensed professional counselor.
- There must be a plan for the following:
 - Continued counseling plan for the child.
 - Adoptive parent(s)/guardian(s) continued active participation in counseling.
 - A regular ongoing visitation plan.
 - Expected outcomes of the step-up placement.

- Limited to a maximum of 90 days unless an extension is granted by the AGAO.
- The step-up placement is in a licensed foster care home or an identified relative that is included in the therapeutic treatment plan.
- Active continued involvement by the family with the treatment plan. Lack of family involvement will result in discontinuation of coverage of step-up placement through the AGAO.
- An FTM must be held within 30-calendar days of the child's step-up placement date to discuss the child's progress and appropriateness of continued placement.

Note: The step-up placement cannot be provided by the child's adoptive parent(s)/guardian(s) or individuals currently living in the adoptive home or the biological parent(s) of the child. The adoptive parent(s)/guardian(s) is solely responsible for the selection of the step-up provider and making placement arrangements.

Extension of Step-up Placements

When a child has not met the treatment goals within the 90-day approval period, the AGAO may grant a one-time exception for an additional period up to 30 days. The need for continued placement must be consistent with the child's treatment plan and must be requested in writing by the adoptive parent(s)/guardian(s) at least 15 days prior to the original authorization ending.

Step-up Payment and Adoption Assistance Payment

Monthly adoption assistance payments are suspended while the child is receiving payment for the step-up placement.

Step-up placements are paid at the following rates:

- Child ages 0-12 is up to \$50 per day/per child.
- Child ages 13-17 is up to \$60 per day/per child.

Short-Term Residential Treatment Services

The AGAO may provide limited funding through the adoption medical subsidy program for short-term residential treatment outside the family home. Short-term residential treatment through a

Child Caring Institution (CCI) should be used as a last resort when emotional/behavioral concerns and treatment goals are not being achieved in the home and community setting. The purpose of this treatment is intended to reunify a child with their family and/or ensure the child can be placed in a community setting.

Funding for residential treatment services is limited to children under the age of 18 who are not temporary court wards and do not have a delinquency case pending.

Note: Placement in a CCI is not to provide for the safety of children in the home who are in foster care as those children should be moved if there is a safety risk.

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 180-days unless an extension is granted. Approvals may be granted for periods of up to 90-days at a time.

Treatment Goals

The goals of treatment 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 their adoptive family or other community placement as identified in the treatment plan. To meet these goals, it is required the adoptive parent(s)/guardian(s) and alternate care provider(s), when applicable, be actively engaged in the treatment of the child. Parental involvement must include participation in family therapy, family weekends, phone calls, and home visits. The lack of family participation will result in discontinuation of funding for the out-of-home treatment by the AGAO.

Prior Authorization

Funding for treatment outside the family home for emotional or mental health conditions requires prior authorization from the AGAO. The adoption medical subsidy program will not provide coverage for treatment outside the family home for children aged 18-years or older. The authorization is contingent on the determination made during a family team meeting (FTM). The prior authorization letter from the AGAO will include the effective date of coverage. The medical subsidy program will only provide coverage during the effective dates noted in the prior authorization letter and

requires regularly scheduled case reviews using the FTM model and must include at a minimum, the adoptive parent(s)/guardian(s), alternate caregiver(s) when applicable, the out-of-home provider, the child's therapist, and an AGAO representative.

Application Process

To request coverage through the adoption medical subsidy program the adoptive parent(s)/guardian(s) must submit a signed CCI placement application and provide supporting documentation to the AGAO. The following is required:

- Signed CCI placement application.
- The placement must be for the purpose of supporting and maintaining the adoptive relationship.
- Copies of the child's treatment reports (for example, progress reports, psychological or psychiatric evaluations) dated within the last 12 months.
- The AGAO will conduct an FTM with the adoptive parent(s)/guardian(s) and services providers. During the FTM the AGAO will verify the following:
 - Information about family composition (for example, adults and children, including foster children and their placement dates).
 - The proposed reunification plan for the child to return home, which includes the adoptive parent(s)/guardian(s) involvement in parent/family therapy and the proposed visitation plan with the child while the child is out of their care.
 - The proposed after care plan for the child when discharged from the program.
 - That the parent(s)/guardian(s) understand that they are responsible for choosing a facility and making the actual placement outside the family home, and if approved, the AGAO will authorize payment.
 - The child's need for a placement outside the family home is not due primarily to the functioning of the adoptive family.

- Signature on the CCI placement application from one of the following professionals is required: a licensed physician, psychologist, psychiatrist or limited or fully licensed master's social worker or limited or fully licensed professional counselor. On the application, the professional will indicate the following:
 - The child requires a higher level of care than they are currently receiving in the community.
 - The child's behaviors warrant treatment outside the family home.
- The treatment professional should recommend the treatment services needed based on the following:
 - The age-appropriate needs of the child.
 - The developmental needs of the child.
 - The child's mental health/emotional diagnosis.
 - The child's behavioral needs.
 - The child's medical needs, if applicable.
- How the child would benefit from residential treatment services.
- The family's active participation in prior efforts to treat the child in the child's own home or in an in-patient setting. Supporting documentation of this participation must be provided to the AGAO. Prior efforts must include active engagement and full utilization of community-based services in the family's region. Examples of services include:
 - Outpatient psychotherapy and family counseling.
 - Inpatient psychiatric hospitalization.
 - Behavioral services.
 - Wraparound services.
 - Families First services.
 - Aftercare services following a previous placement outside the family home.
 - Step-up placements.
 - Intensive in-home services.
 - Day treatment, if available and covered under the child's insurance plan.
 - Early intervention services.

The family is required to provide the above documentation within 90 calendar days of the AGAO receiving the application for residential treatment. If the documentation is not received within 90 calendar days, the request will be denied.

Monthly Adoption Assistance

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

CCI Selection and Payment Authorization

Upon approval of the CCI application, the parent(s)/guardian(s) are responsible for selecting an appropriate CCI with the assistance of the child's treating mental health professional. Whenever possible, the CCI should be located within 200 miles of the family home to allow for frequent in person visitation and home visits. If a CCI placement appropriate to meet the child's needs cannot be secured within 200-miles of the family home, funding may be approved for a CCI further away, including in another state. The facility must be licensed by the state in which it is located, and the license must be in good standing.

When the child is accepted for placement at the CCI selected by the parent(s)/guardian(s), the AGAO must verify that the license is in good standing in the state where the facility is located. The AGAO must not authorize payment for a CCI that has a license that is not in good standing. After verifying the license, the AGAO will issue a payment authorization letter to the CCI and parent(s)/guardian(s). The funding authorization will include the name of the CCI, the dates approved, the daily per diem rate, and the enrollment fee, if applicable. The authorization will also include authorization for travel reimbursement in accordance with the Travel Expenses section of this policy. The AGAO does not cover any other expenses, including but not limited to medical, clothing, school supplies, and field trips.

The AGAO will issue payment authorizations for periods up to 90 days at a time. When treatment goals have not been met within the first 90-day authorization period, an additional 90-day authorization will be issued upon written request from the child's therapist at the CCI and the parent(s)/guardian(s). There may be times when a

child's treatment cannot be completed within 90 to 180 days. To ensure children are able to complete necessary treatment before returning to the community, a special circumstance request may be submitted by the child's treating therapist at the CCI and parent(s)/guardian(s). The request must include the timeframe requested and be supported by a treatment plan detailing the child's treatment goals, a family therapy plan, in-person onsite visits and overnight home visits between the child and parent(s)/guardian(s) and the reunification plan.

Parent(s)/guardian(s) are responsible for making arrangements to place their child, signing any required authorizations required by the facility, including payment for any expenses that are not authorized by the AGAO. The AGAO does not cover any fees related to the child's placement other than the daily per diem rate and applicable enrollment fee.

The CCI must provide the AGAO with a copy of all treatment plans, including the discharge report.

Note: The parent(s)/guardian(s) are responsible for picking up their child upon discharge from the CCI. Parent(s)/guardian(s) may disenroll their child from the CCI prior to the completion of treatment if they believe it is in their child's best interest.

Note: Payment will not be made for psychiatric hospitalization through the AGAO.

Role of the AGAO

The AGAO must monitor the placement of the child outside the family home for continued funding through the AGAO. If the criteria have not been met, the AGAO may discontinue funding.

Payment to CCI During Temporary Absence

Children who are Absent Without Legal Permission (AWOLP) from the CCI placement or hospitalized may be granted a five-day hold on their placement when the facility is willing to accept the child back into placement. After the five-day hold, funding through the AGAO will end.

Visitation and Payment to the Facility

When regularly scheduled overnight home visits are a part of the child's treatment plan, the AGAO 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 AGAO 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 AGAO will pay the facility for 28-calendar days at the full rate and two days at the 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 Assistance Payment

When regularly scheduled overnight home visits are part of a child's treatment plan and the child is eligible for adoption assistance, the AGAO will make adoption assistance payments as follows to the **adoptive parent(s)/guardian(s)**:

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

Subsequent CCI Placement Requests

Once the child leaves the CCI placement, a subsequent request for coverage of residential services through the AGAO may not be made until one year from the child's discharge date (regardless of the recommendation from the placement facility) and may only be for 90-calendar days. New requests must meet policy requirements, including exhausting all community resources and the family must provide proof that the discharge recommendations were followed from the previous CCI placement.

Step-Down Placements

Step-down placements are used when a child needs a temporary placement to transition from a CCI or psychiatric hospitalization setting back to the family home, regardless of funding source. This placement will assist a child's adjustment from the more restricted CCI or hospital environment to community living and the family home. Step-down placements requires prior written approval by the AGAO. A request for Step-down placements requires the following:

- A signed step-down application from adoptive parent(s)/guardian(s).
- A recommendation for step-down placement in the child's discharge plan from the CCI or hospitalization completed by one of the following professionals: a licensed physician, psychologist, psychiatrist, limited or fully licensed professional counselor, or limited or fully licensed master's social worker.
- Step-down placements must be provided in a licensed foster care home, licensed CCI, or an identified relative that is included in the therapeutic treatment plan.
- Result of an FTM meeting that includes the CCI/hospital staff, community partners, the family, the child (when appropriate) and the AGAO staff.
- The child is under the age of 18.
- Prior authorization by the AGAO.
- Limited to 90 days.
- Continued, active involvement by the family in the treatment plan. Lack of family involvement will result in discontinuation of coverage of step-down placement through the AGAO.

Note: The step-down placements cannot be provided by the child's adoptive parent(s)/guardian(s) or individuals currently living in the adoptive/guardian home or the biological parent(s) of the child. The adoptive parent(s)/guardian(s) is solely responsible for the selection of the step-down provider and making placement arrangements.

A progress report must be submitted by one of the following professionals, a licensed physician, psychologist, psychiatrist or limited or fully licensed master's social worker or limited or fully

licensed professional counselors to the AGAO within 30-calendar days of the child's step-down placement date. The progress report must include at a minimum, the adoptive parent(s)/guardian(s) participation, progress of the child's treatment and plans to address any additional needs discovered during the placement.

Step-down Payment and Adoption Assistance Payment

Monthly adoption assistance payments are suspended while the child is receiving payment for step-down placement.

Step-down placements are paid at the following rates:

- Child ages 0-12, \$50 per day/per child to the provider/foster parent(s) and the relevant administrative rate to the supervising agency, if applicable; or the daily rate to the CCI or transitional placement program home.
- Child ages 13-17, \$60 per day/per child to the provider/foster parent(s) and the relevant administrative rate to the supervising agency, if applicable; or the daily rate to the CCI or transitional placement program home.

Respite Services

The adoption medical subsidy program assists with respite services for a child who has been certified for a physical, mental health or emotional condition by the AGAO. Respite is intended to provide the adoptive parent(s)/guardian(s) with restorative time away and the adoptive child a break from their routine schedule to support the well-being of the family. Respite requires written prior approval by the AGAO.

Each adoptive child is eligible for 12 units of respite per child, per quarter. A single unit of use is equivalent to any part of one calendar day. Any amount of time used less than a full day equates to one unit. Overnight respite service is allowed and equates to one unit when the child is returning home the next day, within a 24-hour time frame. An exception for additional units of respite may be requested for a child with severe emotional or behavioral needs. Exception requests must be submitted to the ongoing analyst. Exceptions will be reviewed and approved by the AGAO program manager.

Note: A quarter is defined as a 3-month period.

Respite cannot be provided by the child's adoptive parent(s)/guardian(s) or individuals currently living in the adoptive home or the biological parent(s) of the child. The adoptive parent(s)/guardian(s) is solely responsible for the selection of the respite provider and making placement arrangements. The adoptive parent(s)/guardian(s) may select a licensed respite provider through the contracted agency located in their region or a non-licensed respite provider.

Payment

Respite services are paid at the following rates:

- Child ages 0-12, \$67.37 per day/per child to the provider.
- Child ages 13-17, \$80.48 per day/per child to the provider.

Note: Adoption assistance payments will continue while a child is receiving respite.

Educational Services

The Michigan Mandatory Special Education Act (Act 451, P.A. 1976) places responsibility for providing educational services with the Michigan Department of Education (MDE) 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 adoption medical subsidy program does not pay for private school tuition or services that can be provided through 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 AGAO.

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) or 504 Plan. 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 assist with services.

Physical, occupational, and speech therapy services must be provided by providers who are licensed to provide these services.

If a child needs services over and above what is provided by the child's school district, a recommendation from an appropriate professional in the area of physical, occupational and speech therapy is required.

Physical, occupational, and speech therapy services require prior authorization by the AGAO.

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.
- Medicaid.
- Local public school district (IEP/504 plan required) for children three years of age or older.
- Proof of Early On application/assessment for children 0-2 years of age.

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 AGAO will not exceed the Medicaid payment rate.

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

For pre-primary children ages 3-5 and for school-age children ages 6-17, adoption medical subsidy may assist with the cost of physical, occupational, or speech therapy.

Sensory Integration

Sensory integration therapy is a form of occupational therapy intended to help the patient regulate sensory responses. Sensory integration therapy requires prior authorization. The medical

subsidy program may authorize up to six months of this specialized therapy for children who have a medical subsidy agreement for a neurological condition, a physician's prescription, and all other payment resources have been exhausted. If the child needs additional therapy beyond six months, a new prior authorization is required.

Payments for sensory integration therapy will not exceed the Medicaid payment rate. Services must be approved by the AGAO.

Tutoring

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

- Ages seven and older, for the purpose of raising a failing grade (C or below) in a general education class or required elective for high school students or support for a child who has below average standardized test scores.
- Children who are receiving educational services as part of their special education IEP or 504 plans, who require specific additional help beyond parental assistance

The tutoring request must include **one** of the following:

- Most recent report card or progress report.
- Most recent standardized test scores.
- IEP Plan.
- 504 Plan.

Additionally, the tutoring request must:

- Occur outside of regular school hours.
- Include documentation that free tutoring is not offered by the school.
- Documentation that verifies the tutor is qualified to tutor the child in the subject area(s) (example: honors student in that particular subject, high school graduate, college student, certified teacher) must be submitted with the tutoring request to the AGAO prior to commencement of tutoring services.

Tutoring Approvals

- Tutoring payment requires prior authorization by the AGAO.

- Tutoring must not exceed \$150 per week.
- Prior authorization for tutoring may cover a maximum of 12 months.
- Request for additional tutoring requires a new prior authorization from the AGAO.
- Tutoring payments will be made directly to the tutor. The tutor must register as a vendor with the State of Michigan.

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 completion of the courses. The courses must meet high school graduation requirements and the child must have a medical subsidy condition certified by the AGAO related to academic performance. Documentation from the school verifying the course is required for high school graduation and the cost of the course is required for prior authorization by the AGAO. Documentation verifying regular attendance and completion of the course is required for reimbursement of the course.

Camp

The medical subsidy program may cover up to \$500 for day camp or \$800 for overnight camp per calendar year. A letter from the adoptive parent(s)/guardian(s) indicating how the child will benefit from the camp based on the certified condition is required.

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. Prior authorization through the AGAO is not required.

Note: To ensure payment, adoptive parent(s)/guardian(s) may request prior authorization.

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:

- Written prior authorization must be given from the AGAO 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.
 - Reimbursement for travel expenses is limited to those family members whose presence is necessary for completion of treatment **or** transportation to the treatment appointment for a condition that has been certified by the AGAO.
- Lodging may be approved if it is determined the family must be away from home overnight to obtain the treatment.
- The [DHS-1624, Adoption Medical Subsidy Travel Reimbursement Log](#), must be completed.

Payment for travel expenses will be based on state rates for meals, standard mileage, and lodging. Meals and lodging require itemized 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 if the adoptive parent(s)/guardian(s) receives an adoption assistance payment on behalf of the child. Meals and lodging will only be reimbursed for family members whose presence is necessary for completion of treatment or transportation to the appointment and who do not receive adoption assistance.

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.

BILLING PROCEDURES

Adoption medical subsidy payments are made in response to specific bills submitted by the adoptive parent(s)/guardian(s) or the service provider to the AGAO. Payments are made at rates approved by the AGAO and sent directly to the service provider or adoptive parent(s)/guardians. Frequency and duration of treatment are subject to review by the AGAO. Payments and billing 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 AGAO.
- A medical subsidy agreement is signed by the adoption and guardianship assistance program manager or MDHHS designee.
- The service has prior authorization from the AGAO, if applicable.

Note: The AGAO may authorize payment for a service when prior authorization is not obtained if **all** eligibility criteria for covered service has been met.

- Service providers are appropriately licensed or certified by the state agency responsible for regulating professionals in the state where the services were provided. In Michigan, the agency responsible for regulating professional service providers is the Michigan Department of Licensing and Regulatory Affairs (LARA). CCI placement facilities are licensed as CCIs by the state where the facility is located. In Michigan, the MDHHS Division of Child Welfare Licensing (DCWL) is responsible for licensing CCIs.
- All other payment resources have been exhausted up to their maximum benefit. Before payment can be authorized, the adoptive parent(s)/guardian(s) must use all other available resources up to their maximum benefit, including:
 - Private health insurance.
 - Medicaid.
 - Children's Special Health Care Services.
 - Local and intermediate school districts.
 - Other public resources.

Note: The department may waive this requirement in cases of undue hardship.

The adoption medical subsidy program does not reimburse the adoptive parent(s)/guardian(s) for providing treatment/services to their own adopted child.

Bills are to include the following information:

- Child's name and date of birth.
- Adoptive parent/guardian name(s) and address.

- Condition for which services were provided.
- 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 (SSN) 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 or for partial coverage by a private insurance carrier or by Medicaid, a copy of the rejection or partial coverage 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."
- The adoptive parent(s)/guardian(s) signature verifying receipt of services. The bill 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 AGAO for services covered by the medical subsidy program. Bills can be mailed, faxed, or emailed to the AGAO:

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

Fax (517) 335-4019

MDHHS-MedicalSubsidyClaims@michigan.gov

When a child is not covered by the adoptive parent(s)/guardian(s) private health insurance, and the family obtained prior authorization from the AGAO, bills must be submitted within six-months after services are provided.

When a child is covered by the adoptive parent(s)/guardian(s) private health insurance, and the family obtained prior authorization from the AGAO, bills must be submitted within six months of the parent(s) or provider receiving documentation of partial payment or rejection of payment by the insurance company.

Medicaid-enrolled providers must bill Medicaid prior to submitting bills to the AGAO and must accept Medicaid payment as payment-in-full for any covered services.

EXCLUDED COSTS

The adoption medical subsidy program does not reimburse the adoptive parent(s)/guardian(s) for providing treatment/services to their 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].

Payment will not be made for routine medical care including well-child checks and general over the counter medical/first aid supplies.

LEGAL AUTHORITY

State

MCL 400.115f

MCL 400.115h

RESOURCES

[Adoption and Guardianship Assistance Contact List \(michigan.gov\)](https://www.michigan.gov/adoptionsubsidy)

POLICY CONTACT

Questions about this policy item may be directed to the [Child Welfare Policy Mailbox \(child-welfare-policy@michigan.gov\)](mailto:child-welfare-policy@michigan.gov).