
OVERVIEW

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 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](#), for application and eligibility policies.

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, Community Mental Health (CMH), and private insurance, have been exhausted. The medical subsidy program is the payer of last resort [MCL 400.115h].

Note: The Adoption Medical Subsidy program becomes inactive during the time in which the family is receiving Family Support Subsidy via CMH for the child.

TREATMENT RESPONSIBILITY

The parent(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 parent(s) and the services provider. All mental health providers must be licensed and/or under contract with the department.

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 services, the parent(s) must obtain prior written authorization for most services from the AGAO before the services are rendered.

Exception: Orthodontics, glasses/contacts, hearing aids, medical supplies and prescriptions do not require prior written authorization; see specific policy sections in this item for further information.

The prior authorization 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 prior authorization letter.

Provider Registration

Providers of services must register as vendors with the Michigan Department of Technology, Management and Budget (DTMB) at: www.michigan.gov/sigmavss. The adoptive parent(s) payee is registered with DTMB when the medical subsidy case is opened and will be eligible for direct reimbursement of approved costs for specific medical subsidy items as described in this policy.

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

Medical and Dental Care

Dental

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

Dental treatment including but not limited to cleanings, x-rays, fillings, root canals, crowns, and excavations may be covered only when all of the following conditions are met:

- The service is necessary to treat a condition certified by the AGAO.
- All other available public money and third-party payments, such as private insurance and Medicaid have been exhausted.
- Prior authorization by the AGAO has been received.
- The date of service must be on or after the effective date of the adoption medical subsidy agreement for the related condition.

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

- The service is necessary to treat a condition certified by the AGAO.
- All other available public money and third-party payments, such as private insurance and Medicaid have been exhausted.
- Prior authorization by the AGAO has been received.
- The date of service must be on or after the effective date of the adoption medical subsidy agreement for the related condition.

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

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.
- The service is necessary to treat a condition certified by the AGAO.
- The date of service must be on or after the effective date of the adoption medical subsidy agreement for the related condition.
- 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.
 - Timeline 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 \$5,000.

In cases where payment for orthodontic services was 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. The medical subsidy application must be completed, and the adoption medical subsidy agreement must be signed by the adoptive parent(s) and the adoption and guardianship assistance program manager or MDHHS designee prior to requesting payment through the AGAO. The effective date of coverage will be reflected on the agreement. Services prior to the effective date cannot be covered.

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 the following 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 for the equipment to treat the certified condition/diagnosis.
- Documentation that the equipment is the least expensive alternative.
- Documentation that the parent's private health insurance, Medicaid, and Children's Special Health Care Services have been exhausted as resources.

Durable medical equipment payments through the adoption medical subsidy program related to a certified condition 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.

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 with recommendation(s) and prior written authorization from the AGAO are 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 AGAO up to a maximum of \$1,500 every two years. Modification of an existing communication device is payable one time per year. A professional evaluation with recommendation(s) and prior written authorization from the AGAO are required.

Van Lifts

Medical subsidy may assist with the cost of a van lift for a related condition certified by the AGAO up to a maximum of \$5,000 every five years.

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.

**Educational
Services**

The Michigan Mandatory Special Education Act (Act 198, P.A. 1971) places responsibility for providing educational services 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 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). 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.

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

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.
- 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 AGAO will not exceed the Medicaid payment rate. A condition which may require physical, occupational or speech therapy must be certified by the AGAO.

For pre-primary children ages 0-2, the adoptive parent(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 if all other resources identified above have been exhausted.

Note: All other resources must be exhausted including free tutoring programs offered through the child's school before the AGAO may grant pre-authorization for educational services.

Sensory Integration

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 agreement for a neurological condition, a physician's prescription, and all other payment resources have been exhausted. Payments for sensory integration therapy will not exceed the Medicaid payment rate for occupational therapy and 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 (D or below) in a general education class if related to a medical condition certified by the AGAO.
- Children who are receiving educational services as part of their special education IEP or 504 plans, who require specific additional help beyond parental assistance, if related to a condition certified by the AGAO.

The tutoring must:

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

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 one school year or summer session.
- A written syllabus or tutoring plan and documentation that verifies that 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 the tutoring services.

Note: The AGAO will determine if the documentation submitted meets the requirements to verify that the tutor is appropriate.

- Request for additional tutoring requires a new prior authorization from the AGAO. A progress report from the child's teacher, which evaluates the results of and need for additional tutoring must be provided to the AGAO at the end of the tutoring authorization period. The teacher's progress report must indicate the need for additional remedial assistance and an estimate of the additional length of time needed.
- Tutoring payments will be made directly to the tutor. 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 youth and the youth must have a medical subsidy condition certified by the AGAO related to academic performance. Documentation from the school including the cost of the course, and the fact that it is required for high school graduation is required for prior authorization by the AGAO. Documentation verifying successful completion of the course is required for reimbursement of the course.

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 AGAO and does not require prior authorization. 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 AGAO and does not require prior authorization. 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 AGAO 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 AGAO 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 (FDA).

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

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 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) until ongoing care and/or services can be obtained through Medicaid or Children's Special Health Care Services programs, unless a denial is received from Medicaid or Children's Special Health Care Services. 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(s) 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 assistance payment includes an exceptional rate (Determination of Care) for providing physical care services, the medical subsidy program will not approve payments for these services.

Prior authorization of physical care services requires:

- A written treatment plan from a physician, which must include the total amount needed and duration of treatment.
- The service is related to a physical condition that has been certified by the AGAO.
- 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 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 AGAO.

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 MDHHS (45-day approval process).

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

Camp

The medical subsidy program may cover up to \$500 per calendar year for the cost of camp. Documentation is required from one of child's professional service provider(s), verifying that the need for camp is a benefit to the child and is related to a condition that has

been certified through the AGAO (example treatment plan or letter from the child's therapist, letter from child's physician).

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-authorization must be obtained through the AGAO.

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 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 certified by the AGAO.
 - Is not included in the child's Determination of Care (DOC) rate for adoption assistance payments.
- Reimbursement for travel expenses is limited to those family members whose presence is necessary for the treatment of the condition that has been certified by the AGAO.
- 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 AGAO.
- 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) receives an adoption assistance payment on behalf of the child.

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 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 services.

Requesting CMH, Medicaid and Private Insurance Services

The adoptive parent(s) 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(s) may contact the adoption assistance worker to request coverage through the medical subsidy program for the time period before the CMH, Medicaid and/or private insurance provider is available. The parent(s) 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 \$500. Medicaid via CMH services must be requested and used, when available, prior to approval by the medical subsidy program.

Cost of the assessment up to maximum allowable amount, may be reimbursed if the diagnosis identified in the assessment is certified by the AGAO per [AAM 400, Medical Subsidy Eligibility](#).

Trauma Assessment Evaluation

Prior to requesting a pre-authorization for a trauma assessment from the AGAO, the parent(s) must obtain a pre-screening assessment through their local Post Adoption Resource Center (PARC) region and have a related condition certified by the AGAO.

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 condition that has been certified 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 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) 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 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 approved on an individual basis by the AGAO.

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 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.

The AGAO must authorize any 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.

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. Payments may be audited for accuracy.

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.

Mental Health Services Rates

Adoptive parent(s) 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 the adoptive parent(s) or service provider up to the maximum rates above following any private insurance or Medicaid coverage. Refer to the 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 above.

Total annual maximum reimbursement amount per child is \$3,000.00.

Behavioral Services

Behavioral services are educational and behavioral services (12 months or less) for 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 AGAO.

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 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) and related to a mental or emotional condition that has been certified by the AGAO.
- 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).
- 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.

Detailed progress reports from behavioral service providers are required every 90 calendar days during the approval coverage period. The frequency and duration of services will be reviewed by the AGAO and additional information may be requested from the behavioral service provider and/or treatment specialist. Based on the review, payment may be limited or discontinued if it is determined that the service is not effective or is excessive on an individual basis. Payments may be audited for accuracy.

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.

Respite Care

The medical subsidy program may cover up to 24 days of respite care in a 12-month period. The maximum rate is \$50 per day and cannot exceed four days per month. The respite care must be related to the child's physical, mental or emotional condition(s) that has been certified by the AGAO. Prior authorization by the AGAO is required.

In order to receive prior authorization for respite care, the following must be submitted to the AGAO:

- A written request from the adoptive parent(s).
- A written payment agreement between the adoptive parent(s) and the respite care provider.
- Documentation from one of child's professional service provider(s) indicating that there is need for respite care related to a condition that has been certified by the AGAO. Examples of documentation include the treatment plan from the child's therapist and a letter from child's physician.
- Documentation that respite care services through other programs, including CMH have been exhausted, are unavailable or coverage is less than the recommended number of respite care hours.

Note: If the child is eligible to receive respite care services through another program, then the child is not eligible to receive respite care services through the AGAO.

Note: The respite care services cannot be provided by the child's adoptive parent(s) or individuals currently living in the adoptive home or the biological parent(s) of the child. The adoptive parent(s) is/are solely responsible for the selection of the respite care provider and making respite care arrangements.

Treatment Outside of the Family Home

The medical subsidy program is intended to assist the adoptive parent(s) 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 adoption assistance.
- The AGAO 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.

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. In order to meet these goals, it is required that the adoptive parent(s) be actively engaged in the treatment of their 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 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 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), the out-of-home provider, the child's therapist, and an adoption and guardianship assistance office representative.

Monthly Adoption Assistance

When an adoptive family requests funding for treatment outside the family home, they have an 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.

For children who are in a placement which is fully funded by another government funding source, the adoption assistance payment 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 AGAO.
- The child is under the age of 18.
- Prior authorization by the AGAO.
- A result of an FTM that may include the local MDHHS, placement agency foster care (PAFC) and/or adoption worker, community partners, the family, the child and the adoption and guardianship assistance office staff.
- Consistent with a treatment plan developed for the child by one of the following professionals, a licensed physician, psychologist, psychiatrist, limited or fully licensed master's social worker or limited or fully licensed professional counselor.
- The treatment plan must include at a minimum the following:
 - Continued counseling plan for the child.
 - Parent's continued active participation in counseling.
 - A regular ongoing visitation plan.
 - Expected outcomes of the step-up services.
- Limited to a maximum of three months.
- The step-up placement is in a licensed foster care home or an identified relative that is included in the therapeutic treatment plan.

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

- Active continued involvement by the family with the treatment plan. Lack of family involvement will result in discontinuation of coverage of step-up services through the AGAO.
- A progress report must be submitted by one of the above listed professionals to the AGAO within 30 calendar days of the child's step-up placement date.
- Adoptive parent(s) participation in the treatment plan and visitation plan and must include at a minimum:
 - Progress of the child's treatment.

- Address any additional needs discovered during treatment.

Payment

Step-up services are paid at the following rates:

- Child ages 0-12 is up to \$50 per day/per child to the licensed foster parent(s) and the relevant administrative rate to the supervising agency, if applicable.
- Child ages 13-17 is up to \$60 per day/per child to the licensed foster parent(s) and the relevant administrative rate to the supervising agency, if applicable.

Short-Term Residential Treatment Services

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 in a community setting.

Funding for residential treatment services is limited to children under the age of 18 without a delinquency case pending.

Note: The AGAO cannot provide funding through the adoption medical subsidy program for short-term residential treatment outside the family home for more than 90 days unless an extension has been approved. Residential services cannot be used in lieu of court charges. 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.

Supporting Documentation

To request coverage through the adoption medical subsidy program the parent(s) must submit a request in writing and provide supporting documentation to the AGAO. The following documentation is required:

- The placement must be for the purpose of supporting and maintaining the adoptive relationship. The parent(s) 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 treatment outside the family home.
- Their proposed involvement in the child's treatment while placed outside of the home.
- Their proposed reunification plan for the child to return home which includes their involvement in parent/family therapy and the proposed visitation plan with the child, while the child is out of their care.
- Their proposed after care plan for the child when discharged from the program.
- How they intend to maintain the parent-child relationship with their child if they are receiving treatment 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 AGAO will authorize payment.
- Professional documentation by one or more of the following professionals, a licensed physician, psychologist, psychiatrist or limited or fully licensed master's social worker or limited or fully professional counselor to support the following:
 - The child's condition cannot currently be treated in a less restrictive setting.
 - The child's behaviors warrant treatment outside the family home. The documentation must include specific behaviors and when the behaviors occurred, both within the home and the community.
 - How the identified residential treatment program would meet the child's needs, if the child has the cognitive functionality to learn from the residential treatment program and how the residential treatment program will meet the following:

- The age-appropriate needs of the child.
- The developmental needs of the child.
- 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 family's region with at least one in-home service within the last six months. Examples of services include:
 - Outpatient psychotherapy and 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.
 - Intensive in-home services.
 - Day treatment, if available and covered under the child's insurance plan.
 - Early intervention services.
- The child must be placed in a facility in Michigan or a contiguous state. The facility must be licensed by the state in which it is located and must meet Michigan licensing standards.
- A detailed description of the in-home services that were provided to the family (for example, wraparound services, behavioral services or Families First), outcome of the interventions, and participation by all family members.

- A school report supporting the contention that a serious school problem exists.
- Documentation that the child is demonstrating difficulties within the community.
Example: May be dysfunctional peer relationships within the school or neighborhood setting and/or involvement with law enforcement agencies.
- Documentation that the child's need for a placement outside the family home is not due primarily to the functioning of the adoptive family.
- Copies of the child's treatment reports (for example, progress reports, psychological or psychiatric evaluations) dated within the last twelve months.
- The signed DHS-1555 CS, Authorization to Release of Confidential Information.

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

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

Role of the AGAO

The AGAO or during the adoption supervision period, the placing adoption agency 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 or placing adoption agency may assist the family with obtaining treatment in a less restrictive setting.

Parent(s) Responsibilities

Parent(s) must:

- Provide information about past treatment efforts to the AGAO.
- Report any court or Child Protective Services (CPS) involvement, including case disposition and any pending charges to the AGAO.

- Participate in the child's treatment as required by the treatment plan. If the parent(s) is in non-compliance with a child's treatment plan it will result in a loss of funding through the AGAO.
- Make an application for Supplemental Security Income (SSI) on behalf of their child.
- Cover the cost of clothing and arrange for payment of routine medical costs.
- Maintain a home living arrangement for the child while in treatment.
- Have continued regular contact/visitation with the child and allow the child to have home visits, when recommended by the residential facility.
- Follow the reunification plan and have a plan/expectation that the child will return to their care and home.

Payment for Temporary Residential Placement Outside the Family Home

After approval for coverage from the AGAO, 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 AGAO, clothing, gifts, or independent living costs.

All approvals require a treatment plan within 30 calendar days from the placement date that includes at minimum, the reunification plan, the family's participation in treatment including frequency, the visitation schedule and frequency of visits by the family, and a discharge plan to return home. A progress report is required every 30 calendar days following the initial treatment plan.

Note: The medical subsidy program will only provide coverage during the effective dates noted in the prior authorization letter. Treatment prior to or after the effective dates will not be covered by the medical subsidy program.

Note: Children who are Absent Without Legal Permission (AWOLP) from the residential placement will be granted a five-day hold on their 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)**:

- 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.

Aftercare Services, Requirements, and Billing

Aftercare services must be provided for each youth who received residential services contracted by MDHHS. If services are subcontracted, the residential is responsible for ensuring the

required services are being provided and the aftercare residential report is completed and submitted.

The residential may elect to employ a family transition coordinator (FTC) that would be assigned to a youth's case prior to the youth exiting the program. The FTC may be the designated individual to exercise the Reasonable and Prudent Parent Standard and work in partnership with the family during the intervention.

The FTC must, at a minimum, have a bachelor's degree in a human services field from an accredited university. The FTC must receive supervision from a clinical supervisor with demonstrated commitment to permanency and children living with families in their homes and communities, who incorporates family-driven care in practice and staff skills, and who has, or obtains advanced clinical skills in a specific family engagement evidence-based, evidence-informed practice such as Functional Family Therapy (FFT), Multi-Systematic Therapy (MST), or Motivational Interviewing (MI).

In order to facilitate quality aftercare services, the residential must maintain community involvement, facilitate ongoing family voice and choice, and transition/permanency planning. The residential must demonstrate a strong commitment to achieving permanent connections for every youth to ensure permanency and a broad family and community support network is in place for each child served. Permanency planning ensures regular contact between youth, families, siblings, and significant adults.

The residential must collaborate with CMH, MDHHS permanency resource monitors (PRM), education planners, community providers, family members, regional placement unit (RPU) staff, and the primary worker or agency to partner in activities such as FTMs, conducting ongoing relative search efforts, and identifying mentors for the youth and their family.

Aftercare level one services must be provided when the youth has services being provided in the home by CMH, a Prepaid Inpatient Health Plan (PHIP), or other services approved by the AGAO. The residential must:

- Be responsible for assessing the youth and the family for any needs that are not being covered through community-based services and coordinating with the primary foster care caseworker or agency to ensure the appropriate referrals are made.

- Participate in CMH wraparound services meetings or other treatment team meetings, if appropriate.
- Maintain regular, minimum of monthly, contact with the CMH or other service provider for updates on the youth.
- Ensure initial contact with the youth and family is completed within five business days of discharge from the facility.
 - Two contacts must be made within the first 30 days post discharge.
 - One contact per month must be made for the remaining months.

Aftercare level two services must be provided when the youth does not have services provided by CMH, another plan, or a service approved by the AGAO. The residential must:

- Be responsible for assessing the youth and family for any needs that are not being covered through community-based services and coordinating with the foster care caseworker to ensure the appropriate referrals are made.
- Provide crisis on-call services.
- Provide therapeutic and psychiatric services as identified by the youth's treatment plan. Telehealth may be used for this service.
- Offer activities, classes, or other programs for the youth and the family to participate in.
- Assess the need for CMH or other community-based services and assist with facilitating services.
- Ensure initial face to face contact with the youth and family is made within five business days of discharge from the facility.
 - Face to face contact must be made weekly for the first 30 days post discharge.
 - Face to face contact must be made twice a month for the second month post discharge.
 - Face to face contact must be made monthly for the remaining months.

- Face to face contacts must be made by the FTC or therapist.

The residential must complete a residential aftercare report at 30, 90, and 180 days after a youth's discharge from the facility. All reports must include any clinical assessment and treatment goals. The reports are due to the AGAO or the child's agency no more than 15 days after completion.

Aftercare services are not required to be provided if the youth was in the residential's care for 14 days or less, or if the independent initial assessment determines that the youth should be serviced in the community and the youth is discharged from the contractor's care within 30 days of entry.

For families living outside a 90-mile radius from the facility, the residential may subcontract or partner with another agency who is in the family's community.

The residential provider must be paid for the aftercare services provided. The residential provider must submit an invoice monthly to the AGAO or the child's agency. The invoice must be on agency letterhead and contain the following:

- Child's first and last name.
- Child's MiSACWIS person ID (PID).
- Date's aftercare services provided.
- Level of aftercare provided.

If the aftercare levels change during a billing period, the dates for the specific levels must clearly be indicated.

See [FOM 903-09, Case Service Payments](#) for aftercare level one and aftercare level two daily payment rate.

Short-Term Residential Treatment Extension Requests

The AGAO may provide limited funding through the adoption medical subsidy program for short-term residential treatment outside the family home. Funding may be extended for an additional 90 days when all required documentation is provided indicating that additional treatment time is needed and prior authorization is granted in writing, by the AGAO for the funded period.

Before requesting an extension, the following must be determined by the AGAO:

- The adoptive parent(s) participated in treatment, as required by the treatment plan.
- A reunification plan is in place.
- Visitation/home visits have occurred, as required.
- The adoptive relationship is still viable.

Special Circumstance Extension

There may be a circumstance where treatment to support a child's emotional problems cannot be concluded within 90 to 180 days. A family may request a special circumstance extension by submitting an additional written request and including supporting documentation that an additional extension is needed. Supporting documentation must include specific information describing how further residential treatment will benefit the child, the parent's involvement in the child's treatment plan, visitation, and the plan for reintegration into the family or community. This extension request requires the Children's Services Agency (CSA) executive director or designee approval and cannot exceed a maximum of 180 days.

Note: This special circumstance extension is approved in 90-day funding periods.

Extension Request Criteria

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

- 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.
 - Progress of the child and the family.
 - Documentation of the specific efforts that are being made to return the child to the child's family.
 - Copies of treatment plans and progress notes from the residential facility.
 - Any additional documentation to support the need for continued placement outside the family home.

- A schedule of planned visitation and family therapy sessions.
- 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 after care 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.
 - An agreement to participate in the treatment plan as determined by the treatment facility in conjunction with and approved by the AGAO.
 - A schedule of planned visitation and family therapy sessions.
- Documentation that an FTM 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.

Note: Once the child leaves the residential placement, a 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 residential placement.

Step-Down Services

Step-down services are used when a child needs a temporary placement to transition from a residential setting back, regardless of

funding source, to the family home. This placement will assist a child's adjustment from the more restricted residential environment 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, limited or fully licensed professional counselor, or limited or fully licensed master's social worker.
- The treatment plan must contain at a minimum:
 - Plan for the child to continue in counseling.
 - Parent's participation and plan to continue in counseling.
 - A regular visitation plan.
 - Expected outcome of the step-down services.
- Provided in a licensed foster care home, licensed CCI, licensed transitional placement program home, or an identified relative that is included in the therapeutic treatment plan.

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

- Result of an FTM meeting that includes the residential staff, community partners, the family, the child and the AGAO staff.
- The child is under the age of 18.
- Prior authorization by the AGAO.
- Limited to three months.
- Continued, active involvement by the family in the treatment plan. Lack of family involvement will result in discontinuation of coverage of step-down services through the AGAO.

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) participation,

progress of the child's treatment and plans to address any additional needs discovered during the placement.

Payment

Step-down services are paid at the following rates:

- Child ages 0-12 is \$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 is \$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.

BILLING PROCEDURES

Adoption medical subsidy payments are made in response to specific bills submitted by the parent(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 parent(s). 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.
- The date of service is on or after the effective date of the adoption medical subsidy agreement.
- 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 Community Health. Residential placement facilities are licensed as CCIs by the

state where the child is placed. 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 parent(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.

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

Medical subsidy payments may be modified based on items already included in the child's adoption assistance payment.

Example: Special food, medication, supplies, services, or transportation.

Bills are to include the following information:

- Child's name and date of birth.
- Parent's 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 parent(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. These bills are to be mailed to:

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

When a child is not covered by the parent's private health insurance, and the family obtained prior authorization from the AGAO, bills must be submitted within four months after services are provided.

When a child is covered by the parent's private health insurance, and the family obtained prior authorization from the AGAO, bills must be submitted within four 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) 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 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

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).