Adoption/Guardianship Medical Subsidy Program Information Booklet

Michigan Department of Health and Human Services
Adoption and Guardianship Assistance Office
Suite 612
PO Box 30037
Lansing, MI 48909

Phone: 517-335-7801
Fax: 517-241-7042

Email: MDHHS-MedicalSubsidyClaims@michigan.gov

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INTRODUCTION

Welcome to the State of Michigan Department of Health and Human Services (MDHHS) Adoption/Guardianship Medical Subsidy Program.

Medical subsidy is a program intended to assist with payment for necessary services related to treating a mental, emotional or physical diagnosis that existed or the cause existed before the adoption or guardianship was finalized. This program is administered by the Adoption and Guardianship Assistance Office (AGAO).

The AGAO must certify the child's diagnosis as an eligible condition before the child receives assistance from the medical subsidy program. An application to have the child's diagnosis certified may be submitted before and after the adoption or guardianship is finalized. Additional diagnoses may be applied for at any time up to the child's 18th birthday.

Additional information and policy guidance for the medical subsidy program can be found in AAM 640, Post Placement - Use of the Adoption/Guardianship Medical Subsidy Program.

MEDICAL SUBSIDY PAYMENT INFORMATION

1. Some services require prior approval by completing and submitting the MDHHS 6178, Adoption/Guardianship Medical Subsidy Prior Approval Application, to the AGAO. Review each service listed in the section below to see if prior approval is needed.
2. The medical subsidy program is the payer of last resort. Before requesting payment from the medical subsidy program, all other public and private funding, including Medicaid, private health insurance and Children's Special Health Care Services (CSHCS), must be exhausted. A denial letter from Medicaid, private health insurance and/or CSHCS is required.
    a. Adoptive parents(s)/legal guardian(s) can contact CSHCS through their local office, by phone at 800-359-3722, or by email at cshcsfc@michigan.gov. For more information on CSHCS, visit their website.
    b. Denial letters from Medicaid, CSHCS or private insurance for specific services are valid for one year from the date of the denial.
3. The medical subsidy program will only assist with payment for services necessary to treat a specific diagnosis **certified by AGAO** before the child's 18th birthday.
4. Services may be reimbursed on or after the effective date of the adoption medical subsidy agreement.
5. Reimbursement may be made up to the maximum eligibility amount for the requested services.
6. The medical subsidy program will not reimburse adoptive parent(s)/legal guardian(s) or another member of the household for providing services to an eligible child.

ADOPTION AND GUARDIANSHIP ASSISTANCE OFFICE CONTACT INFORMATION

For assistance with the medical subsidy application process or prior approval, call the AGAO at 517-335-7801 or email us at MDHHS-MedicalSubsidyClaims@michigan.gov.

The AGAO staff contact list can be found online.

SERVICES AVAILABLE THROUGH THE ADOPTION/GUARDIANSHIP MEDICAL SUBSIDY PROGRAM

Dental Services

Prior approval is not required.

- The medical subsidy program does not cover routine dental care.
- The maximum lifetime dental benefit is $5,000.
- Dental services include but are not limited to fillings, root canals, crowns and extractions.

Medical Services

Prior approval is not required.

- The medical subsidy program does not cover routine medical care.
- The maximum lifetime medical care coverage is $5,000.
- Medical services include but are not limited to X-rays, blood draws/lab work and medical procedures such as inpatient/outpatient surgeries.

Physical Care Services

Prior approval is required.

- The 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.
- Physical care services provide funding for in-home help in caring for a child with complex and continuing medical maintenance issues. Examples of complex and continuing medical maintenance issues are quadriplegia, tube feeding, ostomy care and severe multiple impairments.
- Coverage for this service may be provided while waiting to obtain ongoing care and/or services through Medicaid or CSHCS programs.
- 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)/legal guardian(s) works, goes to school, volunteers, is providing care for foster children or because the child cannot be left alone.
- Physical care services cannot be used due to the incapacity of the adoptive parent(s)/legal guardian(s) to care for the child.

Medical Supplies and Prescriptions

Prior approval is not required.

- The reimbursement request must include a receipt from the pharmacy showing the out-of-pocket cost of the prescription for the eligible child.
- Medical subsidy does not pay for general over-the-counter medical or first aid supplies or for medications not approved by the U.S. Food and Drug Administration (FDA).

Orthodontics

Prior approval is not required.

- The maximum lifetime benefit through the medical subsidy program is $5,000.
- When submitting the initial billing statement/claim to the AGAO, a treatment plan from the proposed orthodontic provider must be submitted that includes the following:
  - The presenting orthodontic condition.
  - Initial fee for appliances and/or treatment.
  - The payment plan.
  - Timeline for treatment.
  - Statement of total cost.
  - Adoptive parent(s)/legal guardian(s) and provider signature.

Durable Medical Equipment

Prior approval is required.

- Durable medical equipment includes items that can stand repeated use, are 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.
  - Examples of durable medical equipment **include**, but are not limited to, wheelchairs, ramps, and walkers.
  - Excluded items **include**, but are not limited to, elevators, vehicles, hot tubs, structural changes or improvements to the home.
- Documentation verifying medical necessity based on a medical condition or diagnosis certified by the AGAO must accompany requests for prior approval.
- The maximum benefit is $5,000 every five years.

Adaptive Equipment

Prior approval is required.

- Adaptive equipment is an item designed specifically to help compensate for a physical condition.
- Adaptive equipment **includes**, but is not limited to, enhanced keyboards and feeding utensils.
- Adaptive equipment is **included** in the $5,000 maximum reimbursement for durable medical equipment every five years.

Van Lifts

Prior approval is required.

- The maximum benefit amount is $5,000 every five years.
- An application to CSHCS must be submitted prior to requesting approval from the AGAO.

Communication Aids

Prior approval is required.

- These devices enhance and augment communication, such as computer software.
- Modification of an **existing** communication device is payable one time per year.
- The maximum reimbursement is $1,500 every two years.

Glasses/Contact Lenses

Prior approval is not required.

- The medical subsidy program may reimburse for one pair of prescription glasses or one year's worth of contact lenses every 12 months.
- When submitting a claim for reimbursement, the adoptive parent(s)/legal guardian(s) must include a prescription from a physician/ophthalmologist and an invoice showing proof of out-of-pocket payment.

Hearing Aids

Prior approval is not required.

- The medical subsidy program may reimburse for prescription hearing aids once every 12 months.
- When submitting a claim for reimbursement, the adoptive parent(s)/legal guardian(s) must include a prescription from a physician/audiologist and an invoice showing proof of out-of-pocket payment.

Incontinence Supplies

Prior approval is required.

- Adoption medical subsidy may reimburse for diapers, pull-ups or other incontinence supplies.
- There must be written documentation of a medical need from a physician/physician assistance.
- The child must be age four or older.

Mental Health Services

Mental Health/Developmental Assessment Evaluation

Prior approval is required.

- The medical subsidy program may reimburse for an outpatient mental health or comprehensive developmental assessment or evaluation up to a maximum of $500.

Trauma Assessment Evaluation

Prior approval is required.

- A prescreening assessment must be obtained from the Post Adoption Resource Center (PARC).
- If the prescreening indicates a trauma assessment is needed, PARC will submit a request for prior approval to the AGAO on behalf of the family. Refer to the website for your regional PARC.
- Trauma assessments must be completed by a trauma assessment program contracted by MDHHS, at the contracted rate.

Medication Review

Prior approval is required.

- The maximum eligible rate for this service is $24.

Outpatient Counseling

Prior approval is required except for the first six months when one of the following apply:

- 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 has not received counseling services in the past 12 months.
  - The medical subsidy program may cover up to three sessions per week.
  - Prior authorization must be obtained within six months.
  - Outpatient mental health treatment and related services may include:
    - Individual therapy with a maximum rate of $63 for 50-60 minutes.
    - Family therapy with a maximum rate of $81.81 for 50-60 minutes.
    - Group therapy with a maximum rate of $19 for 50-60 minutes.
    - Specialized therapy rates are approved on an individual basis.
      - Examples of specialized therapy include services such as Eye Movement Desensitization and Reprocessing Therapy (EMDR), Phototherapy, Dialectical Behavior Therapy (DBT), Equine Therapy and therapy that focuses primarily on a concentrated area, such as issues of adoption, reactive attachment disorder, or sexualized behaviors.

Assisted Care Services

Prior approval is required.

- Assisted care services provide assistance in supervising and engaging in daily living activities for a child with severe mental health or emotional needs. The purpose of assisted care is to prevent out-of-home placements such as psychiatric hospitalization or residential placement.
- The 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 assisted care services is required by the AGAO.

- Coverage for assisted care services will not extend beyond the child's 18th birthday.
- Payment for assisted care services is not approved if the child requires care because the adoptive parent(s)/legal guardian(s) works, goes to school, volunteers, is providing care for foster children or because the child cannot be left alone.
- Assisted care must be based on the child's needs and not due to incapacity of the adoptive parent(s)/legal guardian(s).

Behavioral Services

Prior approval is required.

- Behavioral services are educational and behavioral services for the child and adoptive parent(s)/legal guardian(s) to enhance the adoptive parent(s)/legal guardian(s) skills and modify the child's behavior related to the mental and emotional diagnosis.
- The maximum payment is $40 per hour for one child, for a maximum of $1,000 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

Prior approval is required.

- Step-up placements are used when a child requires temporary placement outside the family home in order to stabilize behavior, de-escalate family conflicts and provide for a return home or to an alternate care provider within a 90-day period, unless an extension is granted.
- The adoptive parent(s)/legal guardian(s) is solely responsible for the selection of the step-up provider and making placement arrangements.
- The step-up placement must be in a licensed foster care home or with an identified relative who is included in the therapeutic treatment plan.
- Step-up placement cannot be provided by the child's adoptive parent(s)/legal guardian(s), biological parent(s) or anyone currently living in the adoptive home.
- The maximum eligible rate for children up to the age of 12 is $50 per day, and for children ages 13 to 17, it is $60 per day.

Short-Term Residential Treatment Services

Prior approval is required.

- Residential treatment services through a Child Caring Institution (CCI) are used as a last resort when the child's emotional/behavioral needs and treatment goals are not being achieved in the home and community setting.

- Coverage is limited to 180-calendar days unless a special circumstance extension is granted. Extensions may be granted for periods of up to 90-calendar days at a time.
- The purpose of residential treatment must be to maintain the adoption or guardianship. The adoptive parent(s)/legal guardian(s) must have a plan for the child to return to the home.

Step-Down Placement

Prior approval is required.

- Step-down placements are used when a child needs a temporary placement to help with the transition from a CCI or psychiatric hospitalization setting back to the family home.
- The adoptive parent(s)/legal guardian(s) is solely responsible for the selection of the step-down provider and making placement arrangements.
- The step-down placement must be in a licensed foster care home, a licensed CCI transitional placement program or with an identified relative who is included in the therapeutic treatment plan.
- Step-down services cannot be provided by the child's adoptive parent(s)/legal guardian(s), biological parent(s) or anyone currently living in the adoptive home.
- The maximum eligible rate for children up to the age of 12 is $50 per day, and for children ages 13 to 17, it is $60 per day.

Respite Services

Prior approval is not required.

- Respite is intended to provide the adoptive parent(s)/legal guardian(s) with restorative time away and the adoptive child a break from their routine schedule to support the well-being of the family.
- Each child is eligible for 12 units every three months.
    - A single unit is equal to any part of one calendar day. Anything less than a full day is equal to one unit.
    - Overnight respite service equals one unit when the child returns home the next day within a 24-hour timeframe.
    - The adoptive parent(s)/legal guardian(s) is solely responsible for the selection of the respite provider and making placement arrangements.
- Adoptive parent(s)/legal guardian(s) may select a licensed respite provider through the contracted agency in their region or a non-licensed respite provider.
- Respite cannot be provided by the child's adoptive parent(s)/legal guardian(s), individuals currently living in the home or the biological parent(s) of the child.
- The maximum eligible rate for children up to the age of 12 is $67.37 per day, and for children ages 13 to 17 is $80.48 per day.

Educational Services

Physical, Occupational, and Speech Therapy

Prior approval is required.

- Physical, occupational and speech therapy are limited to the same level as the services included in the child's current Individual Education Plan (IEP) or 504 Plan.
- Physical, occupational and speech therapy service providers must be licensed to provide these services.
- Children who are homeschooled or attend private schools must obtain an IEP and services from the local or intermediate school district before medical subsidy will approve these services.
- The medical subsidy program cannot authorize payment or reimbursement when private insurance, CSHCS, Early On® Michigan, the local public school district and/or Medicaid provide the services.
- For pre-primary **children ages two and under,** the adoptive parent must apply to Early On® Michigan (www.1800earlyon.org) before requesting prior approval for medical subsidy. Documentation of the request and/or denial must be submitted with the request for prior approval. If the child is enrolled in Early On® Michigan, the medical subsidy program will not pay for the service.
- For pre-primary **children ages 3-5** and school-aged **children ages 6-17**, the medical subsidy program may assist with the cost of these services if all other resources have been exhausted.
- Payment for these services will not exceed the Medicaid payment rate.

Sensory Integration Therapy

Prior approval is required.

- Sensory integration therapy is a form of occupational therapy intended to help the child regulate sensory responses.
- The adoption medical subsidy program may cover up to six months of sensory integration therapy.
- Sensory integration therapy will be paid at the Medicaid rate for occupational therapy.

Tutoring

Prior approval is required.

- This service is available to children who attend public school, private school or are homeschooled.
- The child must meet one of the following criteria:
    - Age seven or older and needs tutoring to raise a failing grade (C or below) in a general education class, required elective for high school students or support for a child with below average standardized test scores.
    - The child is receiving educational services as part of an IEP or 504 plan and requires specific help beyond parental assistance. If a child does not have an IEP or 504 plan, the parent must contact the local intermediate school district to obtain one.

- This service will be authorized for 12 months.
- The maximum payment for this service is $150 per week.

Academic Credit Recovery/Summer School

Prior approval is required.

- This service can be used during the school year or summer months.
- The courses must meet high school graduation requirements for the child.

Camp

Prior approval is not required.

- Each child is eligible to receive payment for one camp per year.
- A letter from adoptive parent(s)/legal guardian(s) indicating how the child will benefit from the camp based on the child's certified diagnosis is required.
- Overnight and day camps must be licensed in the state where they are located.
- The maximum payment for this service is $500 for day camp or $800 for overnight camp per calendar year.

Travel Expenses

Prior approval is required.

- Reimbursement may be approved when the travel is:
  - More than 30 miles round trip.
  - Necessary for the treatment of a condition certified by AGAO.
  - Reimbursement includes mileage and meals at the state rate.
- Lodging may be approved at the state rate if travel is more than 50 miles from the family residence and an overnight stay is required.
- The DHS-1624, Adoption Medical Subsidy Travel Reimbursement Log, must be submitted to request reimbursement.

REQUESTING PRIOR APPROVAL FOR MEDICAL SUBSIDY COVERED SERVICES

1. The MDHHS-6178, Adoption/Guardianship Medical Subsidy Prior Approval Application, is used to request prior approval for reimbursement of medical subsidy covered services.
2. The prior approval request may be submitted in one of the following ways:

   Email to: MDHHS-MedicalSubsidyClaims@michigan.gov

   Fax to: 517-241-7042

   Mail to:
   Michigan Department of Health and Human Services
   Adoption and Guardianship Assistance Office
   Suite 612
   PO Box 30037
   Lansing, MI 48909

3. In some cases, additional information may be requested to determine eligibility for the requested service.
4. Notification that the application has been approved or denied will be provided in writing. A notification letter will be mailed or emailed based on the method of contact requested. The letter will contain detailed information regarding the approval or denial. The letter will also list the name, phone number and email address of the assigned adoption assistance analyst.

TIMELY DECISIONS

The AGAO must make timely decisions to approve or deny applications.

Once an application is received by the AGAO, it will be processed within 30-calendar days, and written notification will be provided. If an application is incomplete, a letter will be sent detailing the information that is needed. 45-calendar days will be allowed from the date of the letter for the information to be provided to the AGAO. If approved, written notice will be provided with the effective date of coverage and the coverage amount. **Note:** Residential applications have 90-calendar days to submit all required documentation.

ADMINISTRATIVE HEARING RIGHTS FOR DENIED APPLICATIONS

MDHHS has an administrative hearing process to provide for the right to dispute a department decision when an individual believes a decision and/or action is against the law or MDHHS policy. Requests for administrative hearings regarding a denial of medical subsidy must be submitted to the AGAO within 90-calendar days of the decision. The request must be in writing, signed and sent to:

Michigan Department of Health and Human Services
Adoption and Guardianship Assistance Office
Hearings Coordinator
Suite 612
PO Box 30037
Lansing, MI 48909

A hearing request signed by a petitioner may name an authorized hearing representative (AHR) who may represent the petitioner in the hearing process. The petitioner may choose an attorney or other person to act as the AHR. An AHR exercises the petitioner's right to a hearing and may do whatever the petitioner would do if the petitioner were not represented. If the petitioner names an AHR, the AHR must sign a hearing request withdrawal if one is filed. The department will not pay for costs of an attorney or other representative.

For more information, refer to AAM 700, Adoption Assistance Administrative Hearings.

BILLING PROCEDURES AND INFORMATION

After the covered services has been completed, bills may be submitted to the AGAO for payments.

Bills must contain the following information:

- Child's name and date of birth.
- Adoptive parent(s)/legal guardian(s) name 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 (FEIN) or Social Security Number (SSN) of the service provider requesting payment.
- License or certification number of the individual therapist who 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 statement.
- If no other resources are available to help with the cost of services, the billing statement must say, “No other resources available.”
- An adoptive parent/legal guardian signature verifying receipt of services. The bill must include the following statement: “I have reviewed this billing statement 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 services were rendered on the dates and times shown on the billing statement.

Bills may be submitted in one of the following ways:

Email to: MDHHS-MedicalSubsidyClaims@michigan.gov

Fax to: 517-241-7042

Mail to:
Michigan Department of Health and Human Services
Adoption and Guardianship Assistance Office
Suite 612
PO Box 30037
Lansing, MI 48909

Excluded Costs

- The medical subsidy program does not reimburse adoptive parent(s)/legal guardian(s) for providing treatment/services to their own child.
- The medical subsidy program does not pay for missed appointments.