



Eligibility and Benefits for Federal (Title IV-E) Adoption Assistance

Parents who are thinking about or are in the process of adopting a child with special needs from foster care should know about adoption assistance (also known as adoption subsidy). Federal and state adoption assistance programs are designed to help adoptive parents meet children's varied, and often costly, needs. Adoption assistance may provide monthly maintenance payments, medical assistance, and other support, often until the child turns 18 or even 21. The state is required to enter into an agreement with the adoptive parents if the child qualifies for assistance.

Children can qualify for federal Title IV-E adoption assistance or state (non-IV-E), assistance but not both. (See below for more about state adoption assistance.) A child's background and special needs determine if the child will receive support and if that support will be federally or state funded. If a child is IV-E eligible, the federal government reimburses the state at least half of the subsidy cost, depending on the state.

State Adoption Assistance Programs

Children who don't qualify for Title IV-E adoption assistance often qualify for non-IV-E or state adoption assistance from the state that had custody of the child. The state will also decide if the child is eligible for Medicaid benefits or some other medical coverage.

Below we explain the factors that define a child with special needs, outline the six ways an adopted child can qualify for Title IV-E assistance, and offer a brief description of benefits available to qualifying children.

Eligibility

To be eligible for federal Title IV-E adoption assistance, the child must qualify as a child with special needs and meet IV-E eligibility rules.

Special Needs Determination

To be considered a child with special needs, a child must meet all three of the criteria below:

1. The state has determined that the child cannot or should not be returned to the birth parents' home.
2. The state has found a specific factor or condition, or combination of factors and conditions, that make the child more difficult to place for adoption. Each state sets its own special needs definition, which may include the child's ethnic background; age; sibling group status; medical condition; or physical, mental, or emotional disabilities.

3. The state has made a reasonable, but unsuccessful, effort to place the child without providing adoption assistance. Making “a reasonable effort” may mean the adoption agency has asked for the assistance of an adoption exchange to help find a family for the child or referred the child to an agency that specializes in placing children with special needs. An exception is made to this requirement if making the effort to locate a family is not in the best interest of the child. For example, if the child has a significant emotional bond with foster parents who want to adopt or a relative is willing to adopt, it is not in that child’s best interest to look for other adoptive parents who could adopt without support.

The agency cannot shop around for a family willing to adopt without support while the child remains in foster care. If the agency has determined that the child is not returning home and has special needs, the agency can then ask any prospective parents whether they are willing to adopt the child without assistance. If the family says they cannot adopt without assistance, the requirement for reasonable efforts is met.

Title IV-E Eligibility

Once the above criteria are met, there are six ways by which a child can be eligible for Title IV-E adoption assistance. The child needs only qualify in one of the following ways:

1. Aid to Families with Dependent Children (AFDC) Income Guidelines

A child is IV-E eligible if, during the month in which the child was placed in foster care, the birth family meets income guidelines for Aid to Families of Dependent Children (AFDC) assistance, a welfare program ended in 1996.

In two cases, the circumstances surrounding the child’s removal from home affect IV-E eligibility based on AFDC:

If the child was removed from home based on a judge’s ruling (called a judicial determination), the judge must, by a set timeline, have determined it was in the child’s best interests to be removed from the home. A judge must also determine that it is contrary to the child’s welfare to remain in the home.

If the child was removed from home based on the birth parents’ voluntary placement agreement, the child must have been already receiving Title IV-E foster care payments to be eligible for Title IV-E adoption assistance.

In addition to the income guidelines of AFDC, a child must satisfy the requirements of being a child deprived of parental support (meaning that that one or both parents is absent from the home or physically or mentally disabled, or that the principal wage-earning parent is unemployed or under employed)

2. Age at Adoption

Currently, any child who would be age 2 or older by the end of the federal fiscal year (September 30) in which they are adopted is eligible (if they meet other eligibility criteria). Beginning July 1,

2024, age will no longer be a factor and children of any age will be eligible if they meet other criteria.

Younger children adopted with their age-eligible siblings are also IV-E eligible.

Abandoned Infants and Adoption Subsidy

An anonymously abandoned infant who is turned over to the state through a safe haven program is typically ineligible for Title IV-E adoption assistance because the state will not be able to verify the birth parent's financial need and the deprivation of parental support at the time of removal. If the child has a physical disability, the child may qualify for SSI, and therefore also qualify for Title IV-E adoption subsidy benefits. If the child meets the state's definition of special needs and is age-eligible as explained above, they may be Title IV-E eligible.

3. Length of Time in Foster Care

As of October 1, 2009, children with special needs who have been in care for at least 60 consecutive months became eligible for IV-E adoption assistance. Siblings of these children will also be eligible (regardless of their length of time in care) if they are adopted with the eligible sibling.

4. Supplemental Security Income

A child is eligible for IV-E adoption assistance if, before finalization, the child meets the requirements for Title XVI Supplemental Security Income (SSI) benefits, and the state determines the child has special needs. In most cases, SSI eligibility is based on a child's physical disability. There are income guidelines for SSI benefits, but if the child is in the custody of an agency, the child is considered to have no income (except the rare case where a child has a trust fund). Unlike AFDC eligibility, it makes no difference how the child is removed from the home or who has custody of the child.

5. A Child of a Minor Parent in Foster Care

Infants born to foster youth are IV-E eligible if the minor parent is in foster care and receiving Title IV-E foster care maintenance payments that cover both the minor parent and the infant at the time the infant's adoption petition is initiated, and before the finalization of the adoption, the infant of the minor parent is determined by the state to meet the definition of a child with special needs.

6. Dissolution of a Prior Adoption

If a child is adopted and receives Title IV-E adoption assistance, but the adoption later dissolves or the adoptive parents die, the child will continue to be IV-E eligible in a subsequent adoption. If, for instance, a child is re-adopted by a relative or anyone else, the new adoptive parent(s)

should ask the state agency to enter into a new adoption assistance agreement before finalizing the adoption. The state would then need to certify the child as a child with special needs and provide the adoption subsidy to the new parents. The manner in which the child was removed from the original adoptive family is irrelevant.

Benefits

Adoption subsidy benefits are negotiated on a case-by-case basis, differ for each child, and vary among states, but may include the following:

Monthly Maintenance Payments

Monthly maintenance payments may be any amount up to the amount the state would have paid for the child in family foster care, including higher, specialized rates for children who have more significant needs. The payment is negotiated individually for each child and family. If, over time, the child's needs increase, parents may go back to the agency to negotiate a new rate. (See NACAC's fact sheet at <https://www.nacac.org/resource/renegotiating-adoption-assistance-subsidy-agreements/>.)

Medical Assistance

Children who are eligible for federal Title IV-E adoption assistance are automatically eligible for Medicaid benefits. If they move or are placed out of state, they will be automatically eligible for Medicaid in other states. (For children receiving state-funded adoption assistance, there are a few states where benefits don't transfer.)

Families planning to move or adopt a child from another state should plan ahead and reapply for Medicaid benefits for their child in the state where the family will live. This is done by contacting the state's Interstate Compact on Adoption and Medical Assistance (ICAMA) contact person. To find an ICAMA contact, visit <https://aaicama.org/cms/index.php/icama-contacts-by-state>

It is also important for parents who are considering a move to check out the availability of services in the area where they hope to move. A child could qualify for services, but not receive them if the new community does not have the medical and mental health professionals to provide those services.

Other Services

Many states provide post-adoption services to families who adopt children with special needs. Some of the services include child care, respite care services, in-home supportive services, referral to community services, and other child welfare services. Services vary from state to state, and will typically be negotiated individually as part of the adoption assistance agreement. For more information, parents can check NACAC's view individual state profiles at <https://www.nacac.org/help/adoption-assistance/adoption-assistance-us/state-programs/> or contact NACAC at adoption.assistance@nacac.org or 800-470-6665.

Nonrecurring Adoption Expenses

Parents who adopt children with special needs are often eligible for a one-time reimbursement to cover expenses directly related to the legal adoption of a child with special needs (such as adoption fees, agency supervision of the adoptive placement, court costs, attorney fees, travel, food, and lodging expenses, physical and psychological exams, birth certificate fees, etc.).

The maximum reimbursement can be up to \$2,000, but each state sets its own maximum reimbursement and many are lower than \$2,000.

Families should check with their adoption worker about how to submit claims for reimbursement. Some states require paperwork to be filed before adoption finalization, while others accept it up to two years after the fact. In some cases, states may pay certain expenses such as agency fees in advance.