



*Strengthening*  
Families  
Communities &

*Creative Strategies  
for Financing  
Post-Adoption Services*

A White Paper  
Executive Summary

Casey Family Services  
The Casey Center  
for Effective  
Child Welfare Practice

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## Creative Strategies for Financing Post-Adoption Services

### *A White Paper*

**T**

#### **he Casey Commitment to Post-Adoption Services.**

Casey Family Services, the direct service arm of the Annie E. Casey Foundation, recognizes that adoption is a lifelong process and that adopted children's special needs for ongoing services and supports do not end when their adoptions are finalized. Since 1991, Casey Family Services has been providing comprehensive post-adoption services to families that have come together through adoption, regardless of the circumstances of that adoption. Again and again, adoptive families report that post-adoption services have been their lifeline. Yet, there is not one federal funding stream devoted to post-adoption services. Nationally, as the numbers of children adopted through state child welfare systems continue to grow, the need for a comprehensive array of post-adoption services and supports becomes both critical and urgent.

In December 2000, Casey Family Services and the Annie E. Casey Foundation sponsored the first National Post-Adoption Services Conference. State adoption program managers with teams of adoption professionals and adoptive families from across the country attended the conference. They recommended that a document identifying and describing the mix of funds available for post-adoption services would help public and private agencies to meet the ongoing, and often complex, needs of adopted children and their families. Adoptive families passionately described the need for quality adoption-competent social supports and mental health services to help them address the developmental adjustments that emerge prior to, during, and throughout the adoption experience. These challenges have lifelong implications for adopted children and their families.

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**Purpose and Focus.** This paper outlines and describes existing core federal funding streams that can be blended at the state and local level to develop a foundation of fiscal support for the services that are so vital to sustaining the increasing number of special needs adoptions. Further, this paper provides a framework for states to maximize federal reimbursements for child welfare services by finding savings in state general funds. These savings can be used to support a comprehensive mix of post-adoption support, education, training and therapeutic and treatment services. Our experience suggests that adoptive families need a variety of services and supports which are funded from an array of current resources. But more effort is needed to blend the funding and services into a comprehensive system of care.

While it is understood that most adoptive families need some level of services, education and support to sustain their adoptions (domestic, international and state-facilitated), this paper focuses on federal funding for post-adoption services for children adopted from state foster care systems. Additionally, this paper serves as a guide for public child welfare systems, in partnership with state mental health and Medicaid systems, to respond to the increasing demands for post-adoption services that stabilize special needs adoptions and prevent adoptive placement disruptions and adoption dissolutions.

**Audience.** This paper proposes a road map for state child welfare directors, their fiscal managers, and adoption program managers as they creatively promote and support the adoption of special needs children from public child welfare programs. This paper also charts a course for collaborations among child welfare, Medicaid and mental health program managers to sustain a comprehensive array of community post-adoption services.

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The Casey Center for Effective Child Welfare Practice is available to provide technical assistance and training to states on how to maximize existing fiscal resources to support an array of post-adoption services and improve the likelihood that families who adopt special needs children will thrive.

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## The Growing Need for Post-Adoption Services Today

These data speak to the complex special needs of the children being adopted through the public child welfare system. Many are older children of color who are part of sibling groups who have had multiple moves and relationship disruptions.

In 1996, the Adoption 2002 Initiative was launched to double the number of adoptions of children in foster care by 2002. The Adoption and Safe Families Act of 1997 (ASFA) was passed by Congress just one year later. ASFA builds on the permanency planning policy and practice framework established in 1980 with the Adoption Assistance and Child Welfare Act (P.L. 96-272). ASFA places greater emphasis on children's need for permanency through preventive and early intervention supports, intensive reunification and concurrent planning services. If these efforts fail within established time frames, ASFA mandates that states then move more quickly to adoption or other family permanency options.

The Adoption 2002 Initiative and ASFA both have neglected to adequately address the post-adoption needs of children leaving the foster care system. Specifically, ASFA has provided limited, if any, commitment to a planned, effective and funded post-adoption service array to: 1) sustain the anticipated increase in special needs adoptions; 2) prevent the re-entry into out-of-home care of these vulnerable children; and 3) serve as a recruitment tool for children waiting for adoption.

Each year since 1996, adoptions of children from the public child welfare systems across the country have increased: from 27,000 in Federal Fiscal Year (FY) 1996 to 51,000 in FY 2000.<sup>1</sup> It is estimated that another 50,000 children were adopted in FY 2001.<sup>2</sup> Children adopted in FY 2000 were on average 6.9 years of age when adopted, had been in foster care an

average of 3.3 years prior to their adoption finalization and had experienced 2.9 moves while in out-of-home care.<sup>3</sup> The majority had entered foster care due to a finding of neglect or abuse.<sup>4</sup> Eighty-eight percent of the children adopted in FY 2000 received a special needs adoption subsidy related to one or more of the following characteristics or conditions: medical/psychiatric or emotional conditions (21 percent); age (31 percent); membership in a sibling group (20 percent); and minority status (12 percent).<sup>5</sup> Additionally, 39 percent of the children adopted in FY 2000 were Black/non-Hispanic, 38 percent were White/non-Hispanic, 14 percent were Hispanic, 2 percent were Asian/Pacific Islander/non-Hispanic and American Indian/non-Hispanic, 5 percent were unknown, and 2 percent were of two or more races/non-Hispanic.<sup>6</sup>

While the number of children being adopted has increased, 131,000 foster children were waiting for adoption in FY 2000 (defined as children under age 16 with a goal of adoption and/or freed for adoption). An estimated 126,000 children were waiting to be adopted at the end of FY 2001.<sup>7</sup> Those children waiting for adoption in FY 2000 had been in foster care for an average of 3.75 years, were on average 8.1 years of age, and were disproportionately children from African-American and Hispanic backgrounds.<sup>8</sup>

Given the number of children awaiting adoption in FY 2000 (as well as the estimated number waiting in FY 2001), it is predicted that an increasing number of children will find permanent families through adoption in the coming fiscal years. The Congressional Green Book estimates that the number of foster children receiving Title IV-E adoption subsidies will more than triple between FY 1995 and FY 2004: from 106,200 to 369,900.<sup>9</sup>

Adopted children need families who can understand their past experiences and present adjustment needs, and who can form nurturing relationships that help them manage their feelings of loss and grief.

<sup>3</sup> AFCARS Report #7.

<sup>4</sup> Barbell, K. and Freundlich, M. (2002) *Foster Care Today*. Casey Family Programs.

<sup>5</sup> AFCARS Report #7.

<sup>6</sup> Ibid.

<sup>7</sup> Preliminary AFCARS Report #8.

<sup>8</sup> AFCARS Report #7.

<sup>9</sup> U.S. Congress, House of Representatives, House Ways and Means Committee, *2000 Green Book, Section 11, Child Protection, Foster Care and Adoption Assistance*.

<sup>1</sup> Department of Health and Human Services, Administration for Children and Families, Children's Bureau, AFCARS Report #7.

<sup>2</sup> Preliminary AFCARS Report #8.

These data speak to the complex special needs of the children being adopted through the public child welfare system. Many are older children of color who are part of sibling groups who have had multiple moves and relationship disruptions. In many ways, they are the most vulnerable of an already vulnerable population. They need families who can understand their past experiences and present adjustment needs, and who can form nurturing relationships that help them manage their feelings of loss and grief. In many cases, they will need an ongoing mix of services and supports that are family-centered, culturally sensitive and adoption competent to sustain their adoptions over time and prevent adoptive placement disruptions and adoption dissolutions.

States...have an ethical obligation to share the lifelong commitment with these families to provide for their children's complex health, mental health, educational, developmental and family adjustment needs.

With the increasing number of families coming together through adoption, states have an urgent obligation to provide a mix of community-based, culturally sensitive, family-centered and adoption-competent services and supports. States also have an ethical obligation to share the lifelong commitment with these families to provide for their children's complex health, mental health, educational, developmental and family adjustment needs.

Casey Family Services and the Annie E. Casey Foundation believe that all families need an array of community supports to meet the developmental needs of their children. The families coming forward to adopt special needs children have an even greater need for an array of services and supports to address the often traumatic experiences children have had prior to their adoptions. These experiences will have a significant impact on how children and their new families adjust after their adoptions are legalized.

While the federal Adoption 2002 Initiative has been successful, the infrastructure to support public agency special needs adoptions has not kept pace. Adoption professionals and adoptive families across the country report a lack of adequate adoption-competent services to support these adoptive families. Without the availability of these services, it can be anticipated that:

- many potential adoptive families may choose not to adopt;
- the number of people coming forward to adopt special needs children may begin to decrease; and
- those adoptions already legalized may be at greater risk of dissolving.

As most states face serious budget deficits, many are questioning whether they can afford post-adoption service programs or even maintain the current levels of their adoption assistance programs. Yet, if children's needs for a permanent family are to be met through adoption (when that is the appropriate goal), states can *not* afford *not* to plan for and/or expand their post-adoption services. The need has never been greater for states to creatively find the mix of federal, state and even private funds to provide post-adoption services and supports so adoptive families can sustain a lifetime of supportive family relationships and connections for children: true permanency.

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# Potential Federal Funding Streams for Post-Adoption Services

The funding of post-adoption services is complicated, but it can be done! It is complicated because there are few, very limited federal revenue sources targeted just for adoption and post-adoption services. Yet, funding for post-adoption services can be done because the services that adoptive families need can be funded with a combination of existing revenue sources that are already being used for a variety of child welfare services and adoption programs.

The following chart, *Financing Post-Adoption Services: Matching Services with Federal Funding Sources*, identifies a list of administrative, case management and services/treatment, as well as training components of an array of post-adoption services needed by adoptive families, and the major federal revenue sources available to fund them as of October 2003.

For purposes of this paper, “post-adoption services” are separated into two categories: 1) administration, case management and services/treatment, and 2) training. While adoption subsidy assistance is considered a fundamental and critically needed post-legal adoption support that should be negotiated fairly and comprehensively with each family, it is not a post-legal adoption service that states can find more creative funding streams to support. Thus, the following sections focus on funding streams to support services and support other than adoption subsidy assistance.

## Financing Post-Adoption Services: Matching Services with Federal Funding Sources

Developed by Donald L. Schmid, Consultant for Casey Family Services, The Casey Center for Effective Child Welfare Practice

Post-Adoption Services	Federal Funding Sources										
	IV-B-1	IV-B-2	IV-E Maintenance	IV-E Administration	IV-E Training	XIX	XX	Adoption Incentive	TANF/EA	Adoption Opportunity*	Adoption Discretionary*
<b>Administration, Case Management, and Services/Treatment</b>											
Adoption Assistance Payment	•		•					•			
Adoption Resource Centers	•	•		•		•	•	•	•		
Adoption Search	•	•		•		•	•	•	•		
Case Management	•	•		•		•	•	•	•		
Chemical Abuse Treatment	•	•				•	•	•	•		
Child/Family Advocacy	•	•				•	•	•	•		
Crisis Intervention	•	•				•	•	•	•		
Day Treatment	•	•				•	•	•	•		
Educational Advocacy	•	•				•	•	•	•		
Eligibility Determination - IV-E & XIX				•		•					
Family Therapy	•	•				•	•	•	•		
Flexible Funding for Families		•						•			
Group Therapy	•	•				•	•	•	•		
Individual Therapy	•	•				•	•	•	•		
Information & Referral to Adoptive Family	•	•		•			•	•			
Intensive In-Home Supervision Medical/Behavioral	•	•				•	•	•	•		
Health Services	•	•				•	•	•	•		
Mental Health Treatment	•	•				•	•	•	•		
Medical/Physical Health Services						•			•		
Recreation Therapy	•	•				•	•	•	•		
Residential Treatment	•					•		•	•		
Respite Care	•	•					•	•	•		
Social Skills Training	•	•					•	•	•		
Special Camps	•	•				•		•	•		
Supplies and Equipment	•	•				•		•			
Support Groups	•	•		•			•	•	•		
Targeted Case Management for Adopted Children and Families	•	•				•	•	•	•		
<b>Training</b>											
Adoptive Parents: Current/Prospective	•	•			•		•	•	•		
Community Education Re: Needs of Adopted Children	•	•		•			•	•	•		
Private Agency Adoption/Case Management Staff	•	•		•			•	•	•		
Providers of Services to Adoptive Families	•	•					•	•	•		
Public Agency Adoption/Case Management Staff	•	•			•		•	•	•		

Explanation of Chart - This chart includes funding resources which are wholly or partially administered by the State Child Welfare Agency (i.e. it does not include mental health and/or substance abuse services block grants which may also benefit some adopted children and their families). \*Adoption Opportunities and Adoption Discretionary federal grants do not include dots (•) to match these funding sources with services, as the terms of these specific grants will define which services/programs are covered.

As a general rule, states *should use open-ended funding streams first* (i.e., Titles IV-E and XIX/Medicaid revenue sources). The other capped funds can be used to support the cost of serving adopted children who are not IV-E or Medicaid-eligible. Each state may have its own limitations on how the capped federal funds can be utilized. However, this approach maximizes federal revenue and may potentially reduce the state general fund obligation. It is important to realize that some post-adoption services can be funded with a blend of revenue sources. States must decide which “mix” works best for them and the adopted children they are obligated to serve.

Because of the complexities of funding requirements, states will need to work with their federal regional office of the Administration for Children and Families/Children’s Bureau to implement new funding strategies to assure they are claiming within federal regulations and guidelines. Doing this up front reduces the potential for a federal claim disallowance later. Access to federal funds and how they are administered varies from state to state. The reality that funds are available makes it imperative that states establish a priority for funding post-adoption services and also the mechanisms to draw down the funds to develop the post-adoption service array that can best meet the needs of adopted children and families.

#### Identification and Description of Potential Federal Funding Streams for Post-Adoption Services:

##### Title IV-E Adoption Assistance Program

The federal Title IV-E Adoption Assistance Programs are administered by state and local public child welfare agencies so children with special needs whose parental rights have been terminated can be adopted. Title IV-E Adoption Assistance Programs are *open-ended entitlement programs*, funded with a combination of federal and state/local matching funds, that are authorized under Title IV-E of the Social Security Act. To be eligible for Title IV-E Adoption Assistance the child

being served must meet the legal definition of three specified “special needs” requirements and at least one criteria of eligibility related to past Aid to Families with Dependent Children (AFDC), Supplemental Security Income (SSI), foster care status or disrupted adoption. Title IV-E provides open-ended federal reimbursement for some of the federally eligible adoption expenses that the state has already paid. Title IV-E is not a grant. Federal reimbursement is limited to three areas: Adoption Subsidy (50 to 83 percent federal reimbursement); Administration (50 percent federal reimbursement); and Training (75 percent federal reimbursement).

##### Title IV-E Adoption Incentives Payment Program

The Title IV-E Adoption Incentives Payment Program, a provision of the Adoption and Safe Families Act of 1997, is intended to increase adoptions. The program, authorized through FY 2003, provides an incentive payment to states of up to \$4,000 for each foster child adoption over an established baseline. There is an additional incentive payment of up to \$2,000 for the adoption of special needs foster children with adoption assistance agreements over the established baseline. The funds may only be expended for allowable costs under part B (including post-adoption services) and part E of the Social Security Act.<sup>10</sup> This formula will change if the adoption incentives program is reauthorized by Congress.

##### Title IV-B, Subpart 1 – Child Welfare Services

Title IV-B, Subpart 1 – Child Welfare Services was passed by Congress as part of the 1962 amendment to the Social Security Act. The services must be available on the basis of need and there is no means or residency test.<sup>11</sup> Funds may be spent on a wide variety of child welfare-related services, including pre- and post-adoption services, and are considered very flexible. States must submit a five-year Child Welfare Services Plan that is jointly developed with the federal government.

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As a general rule, states should use open-ended funding streams first (i.e., Titles IV-E and XIX/Medicaid revenue sources).

<sup>10</sup> ACYF-CB-PI-99-04, March 5, 1999, *Adoption Incentive Payments, Grants*

<sup>11</sup> Code of Federal Regulations, 45 CFR 1357.10, *Scope and Definitions Requirements Applicable to Title IV-B.*

Annual status reports regarding the Plan are required. States are limited to the amount of Title IV-B, Subpart 1 money they can spend on combined foster care maintenance payments, adoption assistance payments, and day care necessary for employment, to the total amount of Title IV-B money the state received in FY 1979. At that time, the total national Title IV-B appropriation was \$141 million. There is a 25 percent non-federal match required for both states and tribes.

### **Title IV-B, Subpart 2 – Promoting Safe and Stable Families Program**

The Title IV-B, Subpart 2 – Promoting Safe and Stable Families Program, originally passed as part of the Omnibus Reconciliation Act of 1993, is authorized through FY 2006. The amendments continue the mandatory capped entitlement funding of \$305 million, plus additional non-entitlement funding up to \$200 million. In addition to state and territory funding, there are funds set aside for Indian tribes, the Court Improvement Project, and federal research, evaluation and technical assistance. Each state's share is based on the average monthly number of children receiving food stamp benefits for the most recent three federal fiscal years. As a general rule, at least 20 percent of the money must be spent in each of four categories: 1) family preservation; 2) community-based family support services; 3) time-limited family reunification services; and 4) adoption promotion and support services. There is a 25 percent non-federal match required.

### **Title XIX – Medicaid Program**

The Title XIX – Medicaid Program is an open-ended entitlement program that provides medical services to Medicaid-eligible children under certain conditions. Each state's Medicaid Program is different and unique to that state. The Federal Medical Assistance Percentage (FMAP), which is established at the beginning of each federal fiscal year, is based primarily on the state's per capita income and ranges between 50 percent and 83 percent.<sup>12</sup>

Within the federal regulations, states have great flexibility about how they administer Medicaid. Some Medicaid services are mandated while others are optional. States vary greatly in which services they select under the optional category. All special needs adopted children have categorical eligibility for Medicaid. In addition, states have the option to provide Medicaid coverage for non-IV-E-eligible children where there is a current Adoption Assistance Agreement between the state and the adoptive parents and where it "...has been determined that the child can not be placed with the adoptive parents without Medicaid because the child has special needs for medical or rehabilitative care."<sup>13</sup> Mandated Medicaid services include hospital, physician, laboratory and x-ray, home health, nursing home, nurse practitioner and Early Periodic Screening Diagnosis and Treatment. Optional services include but are not limited to prescription drugs, dental, optometric, other practitioner, rehabilitative and preventive services and targeted case management.<sup>14</sup>

**Early Periodic Screening Diagnosis and Treatment (EPSDT)** is a mandatory Medicaid service that offers the best opportunities for treatment for adopted children and their families. Any medically necessary service must be available to Medicaid-eligible recipients under age 21, even if the service is not otherwise included in the state's Medicaid State plan. Every state must include EPSDT in their Medicaid State Plan.<sup>15</sup> The use of EPSDT as a vehicle to access needed medical services is flexible as long as the service is medically necessary and prior authorization has been obtained when required.

Early Periodic Screening Diagnosis and Treatment (EPSDT) is a mandatory Medicaid service that offers the best opportunities for treatment for adopted children and their families.

<sup>12</sup> Federal Register website for Department of Health and Human Services Medicaid Federal Medical Assistance Percentages: <http://aspe.dhhs.gov/health/fmap/htm>

<sup>13</sup> Code of Federal Regulations, 42 C.F.R § 435.227, Individuals under age 21 who are under state adoption assistance agreements.

<sup>14</sup> Social Security Act, Title XIX, Grants to States for Medicaid Assistance Programs.

<sup>15</sup> Code of Federal Regulations, 42 CFS 441.50-62, EPSDT. A copy of each state's Medicaid State Plan can be accessed through [www.HICFA.gov](http://www.HICFA.gov)-link to Medicaid, link to state plan.

“Targeted Case Management” allows the state to provide case management to a targeted group such as pre- and post-adopted children.

**Medicaid Targeted Case Management (TCM) Services** is one of the optional services that some state child welfare agencies have negotiated with the state’s Medicaid Division. TCM Services refers to services which help eligible individuals gain access to needed medical, social, educational and other services. “Targeted Case Management” allows the state to provide case management to a targeted group such as pre- and post-adopted children.

Targeted Case Management, including targeting pre- and post-adopted children, offers an excellent source of federal reimbursement for case management especially after an adoption is legalized. A word of caution: At the time this paper is going to press, Centers for Medicare & Medicaid Services (CMS) have not been approving states’ Medicaid State Plan amendments to include TCM for children in foster care who are in the custody of a public child welfare or juvenile justice agency. Although the provision of TCM for pre- and post-adopted children is much different, it is important for state child welfare managers to be aware of the recent CMS actions.

**Medicaid Rehabilitation Services** are negotiated by some state child welfare agencies with their Medicaid Division to support post-adoption services, including Medicaid Rehabilitation Services. This very broad definition provides many opportunities for children served in the public and private child welfare system. Examples include residential treatment centers, therapeutic family foster care, and intensive in-home services.

### Title XX Social Services Block Grant

The Title XX Social Services Block Grant is authorized by Congress for \$2.38 billion and usually appropriates less annually. *It is not an entitlement.* The funds are usually administered by the state social service umbrella agency. There is considerable flexibility about how the funds can be expended. Most states use the block grant for a combination of day care, child

welfare and services to the elderly. States can use Title XX to fund post-adoption services that cannot be funded under Title IV-E or XIX. There is neither a non-federal match nor a “maintenance of effort” requirement for Title XX funds.

### Temporary Assistance for Needy Families (TANF)

The Temporary Assistance for Needy Families (TANF) Program is a capped block grant that replaced Aid to Families with Dependent Children (AFDC) in 1996. TANF provides assistance to eligible families with children and was established by Congress with the passage of the “Personal Responsibility and Work Opportunity Reconciliation Act of 1996.” There is no state/local match required, but there is a state/local “maintenance of effort” (MOE) requirement. States have the option of how to use their share of the money within federal regulations. The block grant covers benefits, administrative expenses and services for eligible, needy and non-needy families with a child, to meet one of the four purposes of TANF:<sup>16</sup>

1) provide assistance to needy families; 2) end the dependence of needy parents by promoting job preparation, work and marriage; 3) prevent and reduce out-of-wedlock pregnancies; and 4) encourage the formation and maintenance of two-parent families.

TANF and MOE funds can be used for any and all of the four purposes. The first regions require an economic means test, but the last two can be for anyone. States have a great deal of latitude in determining eligibility, benefit levels and services provided to families, including adoptive families. For example, since most adoptions are with two-parent families, and children with special needs can bring added stress to the stability of the family, virtually any post-adoption service to prevent an adoption dissolution is directly related to the “formation and maintenance of two-parent families.” This could include adoption resource centers, crisis intervention, respite care, support groups, training or counseling.

With TANF states have a great deal of latitude in determining eligibility, benefit levels and services provided to families, including adoptive families.

<sup>16</sup> Department of Health and Human Services, Administration for Children and Families, Office of Family Assistance, *Helping Families Achieve Self-Sufficiency – A Guide on Funding Services for Children and Families Through the TANF Program*, <http://www.acf.hhs.gov/programs/ofa/funds2.htm>

TANF can support adoption resource centers, crisis intervention, respite care, support groups, training or counseling.

In addition, although the TANF Emergency Assistance (EA) component of the old AFDC Program and its open-ended entitlement status was eliminated with the establishment of TANF, if states had an EA program in their AFDC state plan prior to September 30, 1995, or at state option August 21, 1996, they are able to use the state's TANF funds for any of the purposes that were included in that state plan.

### Federal Discretionary Grants – Adoption Opportunities Grants Program

The Federal Discretionary Grants – Adoption Opportunities Grants Program funds research and demonstration projects “... through a competitive process to states, local government entities, federally recognized Indian tribes and tribal organizations, faith-based and community-based organizations with experience in working with minority populations, colleges and universities, public or private non-profit licensed child welfare or adoption agencies and adoption exchanges.”<sup>17</sup> The grants require a 10 percent non-federal match and are presently renewable for up to five years. Information regarding the availability of the Adoption Opportunities Grants Program is listed on the Children's Bureau website for funding.<sup>18</sup>

### Federal Funds Under the Administration of Other Agencies

The families and children served by public child welfare agencies often have needs that make them eligible to be served by an array of health, mental health, education, and social service agencies. Thus, child welfare agency leadership is encouraged to work collaboratively within the child and family service systems to identify other federal funds that can be accessed to meet the complex and comprehensive needs of adopted children and their families. Ongoing relationships with multiple child- and family-serving agencies are critical to maximizing resources and achieving positive results for children, families and their communities.

<sup>17</sup> DHHS-ACF Program Announcement No. CB-2002-01 regarding availability of financial assistance and request for applications to support projects under the Adoption Opportunities program.

<sup>18</sup> Website for Adoption Opportunities funding: <http://www.acf.hhs.gov/programs/cb/funding/cb2002/cb2002p2.htm>

Many of these services may be provided by the public agencies collaboratively or purchased from private agencies using a mix of funding sources. Some examples include:

- Title II of the Keeping Families and Children Safe Act (formerly CAPTA);
- Foster Care Independence Act – Education and Training Vouchers for Youths Aging Out of Foster Care (youth adopted at 16 years and older are eligible for this educational assistance);
- Mental Health Service Block Grant;
- Substance Abuse Block Grant;
- Federal Discretionary Grants;
- Title V of the Social Security Act (Maternal and Child Health);
- The Individuals with Disabilities Act (IDEA), which authorizes The Early Intervention Program for Infants and Toddlers with Disabilities (Early Intervention Program) and The Preschool Grants Program (Preschool Program).<sup>19</sup>

<sup>19</sup> See AAICAMA Issue Brief 26 (December 2002). *Resources for Adoptive Families – Early Intervention and Preschool Program Services for Children with Special Needs*. APHSA.

## Creative Application of Existing Federal Funds for Post-Adoption Services

A particularly exciting “new” development in meeting the needs of adopting families is the emergence of *Adoption Resource Centers*. Several states – including Alabama, Georgia, Idaho, Massachusetts, Michigan, Oregon and Wisconsin – have some form of adoption resource center program. Some states focus on children adopted from the public system while others, such as the Massachusetts Crossroads Program, are available to all adopting families. Adoption resource center programs usually provide a broad range of services with adoptive and prospective adoptive families such as: case management and family supports, respite care, family advocacy, information and referral, recruitment and home studies, lending libraries, research and training opportunities. A few provide adoption-related counseling and behavior management treatment.

Adoption resource center programs can be funded with a mixture of federal and state funds, depending on the service provided and if the service is for the general population or children adopted or to be adopted from the public system. If a mix of funds is used, adoption resource centers must be able to allocate their time and costs to the various services provided. Often, state child welfare agencies fund private providers to develop adoption resource centers, but states might also coordinate and provide their own array of services through an adoption resource center at the community level. If a private provider is used, the provider should maintain detailed documentation to thoroughly allocate the costs to different funding streams so that funding is maximized.

The funding formulas for the array of services available through an adoption resource center program would depend on the eligible funds for that particular type of service, for example:

- ***Pre- and Post-Adoption Case Management as well as Information and Referral or Research*** can be funded through Title IV-E Administrative dollars. The adoption assistance non-IV-E penetration rate portion can be claimed to other federal sources, i.e. Title IV-B or Adoption Incentive funds;
- ***Respite Care***<sup>20</sup> can be funded through Medicaid, based on an EPSDT screen, Title IV-B, Subparts 1 & 2, Adoption Incentive, Adoption Opportunities, TANF, Title XX and other federal discretionary dollars;
- ***Behavioral Management Treatment*** can be funded through Title XIX, Medicaid or Title IV-B, Subparts 1 & 2, TANF and Adoption Incentive funds;
- ***Crisis Intervention*** that is a part of the Medicaid/Targeted Case Management Program can be billed to Medicaid. It could also be billed to Title IV-B, Subparts 1 & 2, Adoption Incentive and TANF; and
- ***Training Opportunities*** can be funded with the following federal funding streams: Title IV-E Training funds, Title IV-B, Subparts 1 & 2, and Adoption Incentive funds, which can be claimed for non-IV-E eligible ratio.

Adoption resource center programs usually provide a broad range of services with adoptive and prospective adoptive families such as: case management and family supports, respite care, family advocacy, information and referral, recruitment and home studies, lending libraries, research and training opportunities.

<sup>20</sup> See AAICAMA *Bridges Newsletter* (Spring 2003). Sharon McCartney, JD. “Outside the Box: Where to Look for Respite Resources.” APHSA.

## Summary and “Can Do” Recommendations

The dramatic increase in the need for post-adoption services comes at a challenging time. All across the country, state budget cuts are resulting in staff being laid off and many essential state programs and purchase-of-service contracts being reduced or eliminated. The following recommendations are made with these challenges in mind, for they provide ways to maximize federal reimbursements for child welfare services in general to create savings in state general funds which can then be targeted to support post-adoption services. These recommendations involve the progressive steps that states *can and must take* to creatively fund post-adoption services, even in times of great economic uncertainty. In sharing the commitment with families, states *can* find the resources *now* to support the comprehensive array of post-adoption services that will help support and sustain the increasing number of special needs adoptions today and into the future.

## “Can Do” Recommendations

Every State Can ...

1. Make post-adoption services a statewide priority linked to the agency’s mission and philosophical vision. Assess the needs of the growing number of adopted children and their families to guide the provision of an ongoing array of post-adoption services and supports for the children and families who need them.
2. Involve adoptive families and staff in planning for the inclusion of a specific plan for post-adoption services within its Child Welfare Services (Titles IV-B and IV-E) and Medicaid State Plans.
3. Provide training and ongoing support for senior management regarding the intricacies of various federal funding streams, regulations governing the acceptance of the federal funds, and creative strategies to maximize the application of state general funds as well as available federal funds for post-adoption services.
4. Establish a Program and Finance Review Team to jointly review and analyze the options for funding of all child welfare and post-adoption services.
5. Review and analyze the funding sources and formulas for all state-provided and purchased (contract) child welfare services to determine if the state has been under-claiming for foster care and adoption services. Then, maximize the application of state general funds by properly claiming the highest revenue source.
6. Use savings generated through the fund-maximization process to support and sustain an array of post-adoption services, with greater ability to provide the state match for Title IV-B, Subparts 1 & 2; Title IV-E; and Title XIX, Medicaid.
7. Negotiate with the state Medicaid agency regarding opportunities to provide services to adopted children within the Medicaid State Plan, especially the inclusion of Targeted Case Management services for adopted children and their families.
8. Negotiate with the state Medicaid agency for ways to use EPSDT to provide treatment services for adopted children, as well as for adoption-competency requirements in the managed care contracts for mental health providers.
9. Provide training to current and prospective adoptive parents utilizing, primarily, Title IV-E federal funds. Provide adoption-competency training to public and private agency adoption staff and mental health providers with a blend of federal funds, including Title IV-E; Title IV-B, Subparts 1 & 2; TANF; Title XX; Adoption Incentive and Title XIX. These training opportunities may be conducted through a public educational institution to maximize federal reimbursement.
10. Conduct outcome-based research regarding special needs adopted children with Title IV-E funding in coordination with a public educational institution to leverage federal reimbursement and to minimize conflict of interest.





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