

Guidance for Negotiating Subsidies

Central Office subsidy, legal, and fiscal teams provide support and review regional adoption/guardianship packets to help move children and youth to permanency. The content of these packets are audited to ensure adherence to various DCF and federal standards. One important element of the packets is the subsidy materials.

The intent of the Adoption/STOG subsidy is to support the essential care of the child. *Social Security Act Section 473 (a) (3)* outlines the criteria for setting a subsidy rate. The subsidy is not intended to cover all the expenses that the parent may incur for the care of the child. This rate is often tied to the placement rate while the child/youth is in foster care.

The rate structure is:

- Basic Rate based on age
- Medically Complex Rate based on 4 levels/supported with Form #2101 signed off by a physician and DCF
- Therapeutic Foster Care Rate based on the TFC Rate form (Updated 5/1/16).

All subsidy rates are expected to coincide with existing rates. CGS 17a-117 also states that for adoptions “The amount of a periodic subsidy shall not exceed the current costs of foster maintenance care.”

An Adoption Addendum beyond the Monthly Subsidy may be approved on a time limited basis and would be based on the specialized needs of the child. Such adjustments would not alter the base subsidy rate but instead be included in the addendum as an additional expense. Such services or supports would be reimbursed based on the submission of an invoice and documentation outlining need. Addendum examples may include the following: a specialized summer camp based on the child’s needs. **Prior to agreeing to any additional costs beyond the subsidy base rate, the packet should be submitted to the CO Subsidy Unit to be reviewed with legal and fiscal.**

Family Tax Liability and Federal Reimbursement Considerations:

Subsidy rates that do not coincide with existing rates are scrutinized by Federal and State auditors to determine if the payments constitute reimbursement to the family for exceptional expenses, or are instead payments for providing care. Auditors determine if the expenses are reimbursable by requiring receipts be on file for the payments that exceed base subsidy rates. Subsidy payments to the family to directly provide care are not applicable for federal reimbursement and are considered taxable income for the family. DCF does not pay families to provide care and does not have any service codes in LINK to process that type of payment.

Please note that the following items are not covered in an Addendum:

Educational needs- these are to be covered by the Town of Nexus. The Adoption Assistance Program (860-679-4006) can provide support to families that need additional advocacy support in a PPT, short term funding for tutoring and other education support services.

Credentialed Services for services exceeding the financial limits or the Scope of Services

Medical needs- these are to be covered by Husky for all services that are medically necessary. Current protocol is to involve the Health Advocate for all adoptive or subsidized guardianship cases where there is a barrier in obtaining a medically necessary services.

Dental Needs and/or Braces-(these are covered by Husky Insurance if it meets specific criteria)

Transportation Providers- Logistic-Care provides reimbursement to adoptive families (and foster families) for taking their child to a medical appointment if it is a distance from their home. Med Cab also provides transportation to medical appointment if needed.

Attached Supplemental Materials

Comparison Chart Between Subsidized Transfer of Guardianship and Adoption Form (Updated 8/1/18)

Social Security Act Section 473 Adoption and Guardianship Assistance Program