

**County of Orange Social Services Agency Family
Self-Sufficiency & Adult Services Division**

Program/Area: Foster Care Program
Title: Adoption Assistance Program (AAP)
Number: 708
Effective Date: 12/21/15
Approved:

Status: *Signature on File*
Revision Date: 6/20/19

PURPOSE

The purpose of this policy is to provide guidelines for processing cases for the Adoption Assistance Program (AAP) managed by Foster Care Eligibility Technicians (FCET). This policy establishes protocols for determining the following:

- [Eligibility](#)
- [Federal Funding](#)
- [State Funding](#)
- [Special Needs Determination](#)
- [Payment and Rates](#)
- [Reassessment](#)
- [Nonrecurring Adoptions Expenses \(NAE\)](#)
- [Overpayments](#)
- [Notice of Action \(NOA\)](#)
- [Medi-Cal](#)
- [Interstate Compact on Adoption and Medical Assistance \(ICAMA\)](#)
- [AAP Extensions](#)
- [Re-entry](#)

OVERVIEW

AAP is an entitlement program that provides a monthly cash grant to assist adoptive parents with the financial cost associated in caring for a child. The program offers zero share-of-cost Medi-Cal. The intent of the program is to benefit children who would otherwise remain in long term Foster Care by providing the security and stability of a permanent home through adoption. The AAP payment received may be federally funded (under Title IV-E) or state funded based on AAP eligibility requirements.

ELIGIBILITY

To be eligible for AAP, a child must meet all of the following requirements:

- Be under the age of 18 or a Non-Minor Dependent (NMD) under the age of 21;
- Meet the three-part special needs determination;
- Be a United States citizen or a qualified noncitizen;
- Meet federal (Title IV-E) or state funding requirements

There shall be no use of means test of the child or adoptive parent(s) when determining AAP eligibility.

Documentation of Child's Eligibility

The determination of the child's eligibility for AAP shall be documented on the Eligibility Certification - Adoption Assistance Program form ([AAP 4](#)) and the Federal Eligibility Certification for Adoption Assistance Program ([FC 8](#)).

FEDERAL FUNDING

Meet one of the following five eligibility paths **or** the definition of an "Applicable Child" and one of its four corresponding paths for federal funding:

1. At the time the child was removed from the home of a specified relative, the child would have been eligible to Aid to Families with Dependent Children (AFDC) in the home of removal according to July 16, 1996 AFDC rules.
 - In an involuntary situation, the court must make the contrary to the child's welfare finding in its first ruling that resulted in the removal (even temporarily) of the child from the home.

In a voluntary relinquishment to a licensed public or private adoption agency, a petition to the court for the removal of the child from the home must be filed within six months of the time the child lived with a specified relative which resulted in a subsequent ruling that remaining in the home would be contrary to the child's welfare.

Note: A private adoption agency in California cannot file a petition to remove a child from the home.

- In a voluntary placement agreement between the child's parent/legal guardian and the county agency, at least one Title IV-E foster care maintenance payment must have been made on behalf of the child.
2. At least one Title IV-E foster care maintenance payment has been made on behalf of the child's minor parent while in a foster home or child care institution with the minor parent.
 3. A child received AAP payment during a prior adoption, the prior adoption dissolved, and the child is again available for adoption. To remain eligible, the child must meet the following:
 - Three part [Special Needs Determination](#)
 - Citizenship requirements (Refer to [Citizenship, Noncitizen and PRUCOL P & P 711](#))
 4. Prior to the finalization of an agency adoption or an independent adoption, the child has met the requirements to receive federal Supplemental Security Income (SSI) benefits as determined and documented by the Social Security Administration (SSA).
 5. The child is of Native American ancestry and the subject of an order of adoption based on tribal customary adoption of a Native American child.

OR

Meet the definition of an "Applicable Child" **and** one of the four corresponding eligibility paths:

Applicable Child:

AAP agreements signed on or after October 1, 2017 through December 31, 2017 meet the "Applicable Child" age requirement regardless of their age. The child will continue to meet the "Applicable Child" age until the terms of the AAP agreement are met by attaining age 18 or age 21 if a mental or physical disability warrants continuation of AAP benefits.

For AAP agreements signed on or after January 1st 2018 an "Applicable Child" must meet **one** of the following three definitions:

- The child's age is two or older, or the child will attain the age of two by the end of the corresponding Federal Fiscal Year (FFY) or

Note: FFY – Begins from October 1st and runs through September 30th.

- The child has been in foster care for at least 60 consecutive months, or
- The child's sibling is an "Applicable Child" placed in the same prospective adoptive home.

AND

The "Applicable Child" must meet one of the four eligibility paths below:

1. The child is in the care of a public or private placement agency or Indian tribal organization and is the subject of either one of the following:
 - a. An involuntary removal from the home by court order with a ruling that continuation in the home would be contrary to the welfare of the child;
 - b. A voluntary placement agreement or voluntary relinquishment.
 - o A Title IV-E foster care maintenance payment does not have to be made on behalf of an "applicable child," or
 - o Judicial determination that continuation in the home would be contrary to the welfare of the child.
2. The child has met all eligibility requirements for Supplemental Security Income (SSI) benefits.
3. The child was residing in a foster home or child care institution with the child's minor parent.
4. The child received AAP with respect to a prior adoption that was dissolved.

Non-Applicable Child:

A child under the age of two years, who will not be turning age two years within the current Federal Fiscal Year (FFY), and does not meet the definition of an applicable child.

For federal funding, the "Non-Applicable Child" must meet the special needs determination **and** one of the four paths to eligibility:

1. The child was eligible to receive federal foster care prior to the adoption.
2. A federal foster care (Infant Supplement) payment was made on behalf of the child's minor parent.
3. The child received AAP from a prior adoption which dissolved.
4. Prior to finalization of adoption, the child met the requirements to receive SSI as determined and documented by the Social Security Administration.

Refer to [AAP Age and FFY Calculator Worker Tool 48](#)

STATE FUNDING

A child who does not meet one of the four paths to federal eligibility may be eligible for state funding. To be eligible to state funding the child must meet the special needs determination **and** meet one of the following requirements:

- Under the supervision of a county welfare department as the subject of a legal guardianship or juvenile court dependency.
- Relinquished to a licensed California private or public adoption agency and would have otherwise been at risk of dependency as determined by the responsible public child welfare agency.
- Committed to the care of the county adoption agency.

SPECIAL NEEDS DETERMINATION

All children must meet each of the three requirements listed below.

1. It has been determined that the child cannot or should not be returned to his/her parents as supported by one of the following:
 - Petition to terminate parental rights
 - Court order terminating parental rights
 - Signed relinquishment
2. The child has at least one of the following characteristics that are barriers to his or her adoption without financial assistance:
 - Member of a sibling group that should remain together;
 - Race, ethnic background, color or language that is a barrier to adoption
 - Three years of age or older
 - Adverse parental background of a medical or behavioral nature
 - Mental, physical, emotional or medical disability that has been certified by a licensed professional

3. The need for adoption financial assistance is demonstrated by an unsuccessful search for an adoptive home to take the child without financial assistance.

Note: The requirement for this search will be waived when it would be against the best interest of the child. For example, the child has developed a significant emotional bond with the prospective adoptive parents while in their care as a foster child or a relative is adopting the child.

PAYMENT/RATE

The responsible agency/county will determine the child's AAP eligibility and benefits. If the child is deemed eligible, the Social Worker and the prospective adoptive parent(s) shall negotiate and agree on the amount of the AAP benefit and sign the Adoption Assistance Program Agreement ([AD 4320](#)), or the prospective adoptive parent(s) may defer the payment agreement to be executed at a later time prior to the adoption being finalized.

The negotiated amount is based upon the needs of the child and the circumstances of the adoptive family. It shall not exceed the age-related state-approved basic foster care rate the child would have received had they not been adopted. If the child has special needs and requires a higher level of care and supervision, he/she may qualify for a Specialized Care Increment (SCI) in addition to the basic rate.

If the child is placed for adoption in or outside of California, the AAP rate shall not exceed the applicable age-related, state-approved basic foster care rate of the financially responsible county or that of the host county/state, whichever is higher, for which the child would otherwise be eligible.

Specialized Care Increment

If a child has special needs, he/she may be eligible to receive Specialized Care Increment (SCI) in addition to the state-approved basic foster care rate. The SCI rate shall be the higher of the two rates between the host county and the financially responsible county, or that of the financially responsible county if the host county does not have a specialized care system.

A child with a developmental disability and who is a current consumer of a California Regional Center may qualify for the dual agency rate. A dual agency child who leaves California shall continue to receive the AAP rate indicated in the last AAP agreement signed prior to leaving the state.

Refer to Adoption Assistance Program Rates/California Necessities Index (CNI) Rate Structure, [Worker Tool 01](#)

Temporary Out of Home Placement

A child may be temporarily placed outside of the adoptive parent(s) home and continue to receive AAP payment if he/she is receiving out-of-home care treatment for a condition that the Social Worker has determined to have existed before the adoptive placement and deemed necessary and appropriate or when the child goes into placement in a group home or residential care treatment facility. **The**

duration of out-of-home placement shall not exceed 18 months per episode or condition, after which a subsequent reassessment is required.

The rate to be paid shall be the facility's rate determined by the Social Worker to be appropriate in meeting the child's needs.

Refer to [Adoption Assistance Program \(AAP\) Minor Enters/Exits Group Home Processing Guide](#)

Note: For a child residing out of state, refer to the [Interstate Compact on Adoption and Medical Assistance \(ICAMA\)](#) Processing Guide

Group Home

AAP payment for a child's placement in a group home or residential treatment facility shall be made available provided the adoptive parent(s) actively participates in a plan to return the child to the adoptive home. The adoptive parent(s) may request for the AAP payment to be sent directly to the facility or continue to receive payment to pay the facility.

For an out-of-state group home placement, the adoptive parent(s) is/are responsible for the placement.

Note: The Social Worker must ensure the placement is approved by the Interstate Compact on the Placement of Children (ICPC) and that the out-of-state group home is not a lock down facility, and will meet the child's needs.

In order to avoid overpayments, the group home provider will be paid in arrears and must submit the Adoption Assistance Program Group Home Payment Report, ([F063-29-80](#)) monthly in order to receive a payment. The AAP Eligibility Technician (ET) will issue the payment and send next month's report with a postage-paid envelope to the group home.

Wraparound

If the Social Worker approves wraparound services to prevent an out-of-home placement, the AAP payment shall be limited to the amount that would have been paid for the out-of-home placement. The duration of Wraparound payment shall not exceed 18 months per episode.

Duration of Benefit

The signed Adoption Assistance Program Agreement, ([AD 4320](#)), shall remain effective until terminated in accordance with its terms or a new amended agreement is signed, regardless of the state in which the adoptive parent resides. It shall be completed and signed by all agencies involved and the adoptive parent prior to the adoption being finalized. It shall include the benefit amount and the duration of financial assistance. **The AAP payment shall continue unless one of the following occurs:**

- The child has attained age 18 and is not eligible to receive extended AAP benefits beyond age 18 or does not have a mental or physical disability which warrants continuation of AAP payment to age 21.

Note: If the adoptive parent believes the child has a physical or mental disability that warrants the continuance of assistance beyond age 18, they must request the Social Worker to assess and evaluate the child's needs for continuation of AAP benefit prior to the child turning age 18.

- The adoptive parent is no longer legally responsible for supporting the child.
- The Social Worker determines the adoptive parent is no longer providing any type of support to the child.

Note: After the signing of the [AD 4320](#), the Social Worker shall complete the Payment Instructions Adoption Assistance Program, ([AAP 2](#)) form with payment instruction and send it to the AAP ET. A Notice of Action (NOA) shall be sent to the adoptive parents informing them that the AAP benefit is approved. Similarly, if the AAP benefit is denied, the AAP ET is to send a Notice of Action (NOA) [NA 791](#) to the adoptive parents informing them that the AAP benefit is denied.

Age-Related Increase

A child with an initial agreement signed **prior** to January 1, 2010, will be eligible to receive the AAP age-related increase upon request.

A child with an initial AAP agreement signed **on or after** January 1, 2010, will not be eligible to receive an AAP age-related increase. A family may request an AAP benefit increase at any time, based on the reassessment of the child's needs.

Deferred Payment

If a child does not need current AAP benefits, the AAP payment can be deferred to a future date. If the AAP benefit is deferred, the AAP ET is to send a Notice of Action (NOA) [NA 791](#) to the adoptive parent informing them that the AAP benefit is deferred. The adoptive parent may request for AAP benefits following the postponement of payment, at which time a revised [AD 4320](#) is required, as long as the adoption has not been finalized.

Initiation of Payment

The [AAP 2](#), [AAP 4](#), and [FC 8](#) shall be completed and sent to Eligibility. AAP payment shall be issued from the date the initial AAP Agreement ([AD 4320](#)) is signed as indicated on the [AAP 2](#).

Payments shall be issued to the adoptive parent no later than 20 days after the [AAP 2](#) is received from the Social Worker.

REASSESSME AAP regulation requires that a reassessment of the child's needs must be
NT completed at least once every two years beginning from the date of the signed [AD](#)

[4320](#). A reassessment process shall be completed by the Social Worker which authorized the initial payment unless one of the following is met:

- The child has attained the age of 18 or 21.
- The adoptive parents are no longer legally responsible for the support of the child.
- The Social Worker determines the adoptive parents are no longer providing support to the child.

The AAP ET shall send the adoptive parent the Reassessment Information Adoption Assistance Program ([AAP 3](#)) within 60 to 90 days prior to the date the reassessment is due and shall document such form was sent.

The adoptive parent shall return the [AAP 3](#) to the AAP ET. But if the adoptive parent does not return the [AAP 3](#), AAP payment must continue at the same rate indicated on the last [AD 4320](#) and [AAP 2](#).

If the completed [AAP 3](#) is returned with any of the following checkboxes selected, the responsible agency must take action corresponding to a checkbox selection:

- Checkbox 1 indicates the adoptive parent no longer wishes to receive AAP benefit for the child.

Action – Social Worker will complete a deferred payment agreement.

- Checkbox 2 indicates the adoptive parent requests the AAP benefit to continue.

Action – Continue to pay the same rate indicated on the last [AD 4320](#) and [AAP 2](#).

- Checkbox 3 indicates the adoptive parent is requesting an increase in the amount of the AAP benefit. The adoptive parent shall provide written documentation of the child's needs justifying the increase.

Action – Social Worker will reassess the child's need and send a new [AAP 2](#) to the AAP ET if the request for payment increase is approved.

Note: If the Social Worker and adoptive parent are unable to agree on the amount of the AAP benefit, the Social Worker shall complete an [AAP 2](#) instructing AAP ET to send the adoptive parent a denial NOA, [NA 791](#) and that the AAP payment will continue at the previous rate. The AAP ET shall specify the reason for the denial as "The agency and the family cannot agree on the benefits."

- Checkbox 4 indicates a decrease in the amount of the AAP benefit.

Action – The Social Worker shall complete and send an [AAP 2](#) to the AAP ET

NONRECURRING ADOPTION EXPENSES (NAE)

NAE are reasonable and necessary adoption fees, court costs, attorney fees and other expenses which are directly related to the legal adoption of a child with special needs which may include adoption study, health and psychological examinations, supervision of the placement prior to adoption, transportation and the reasonable costs of lodging and food for the child, and/or for the adoptive parent, which are not incurred in violation of state or federal law, and which have not been reimbursed by other sources or other funds.

The Social Worker is required to inform the adoptive parent who adopts a child meeting the three special needs and citizenship requirements, that they may be eligible to receive reimbursement for NAE.

To be eligible for NAE reimbursement, an Adoption Assistance Program Nonrecurring Adoption Expenses Agreement, ([AAP 8](#)) must be signed at the time of or prior to the finalization of adoption.

To receive payment, claims for reimbursement including receipts and all NAE related documents must be filed with the Social Worker no later than two years from the date of adoption finalization. The Social Worker will submit the [AAP 8](#) to AAP ET. The AAP ET will verify the following:

- NAE does not exceed \$400
- The request for reimbursement is made no later than two years from the date of adoption finalization

The AAP 8 is completed and signed by the adoptive parent(s)

Out of County

Non-recurring Adoption Expenses (NAE) may be requested out of County. The completed [AAP 8](#) is the only required document needed for out of county issuance.

Interstate Adoption Placement

For interstate adoption placement, the state that enters into an adoption assistance agreement will be responsible for paying the NAE of the child. When there is interstate placement but no agreement for adoption assistance, the state in which the final adoption decree is issued will be responsible for NAE reimbursement.

OVERPAYMENT

An overpayment occurs when the adoptive parent receives AAP benefit that exceeds the amount he/she is entitled to or when a AAP payment is collected after the child is no longer eligible for assistance. All AAP overpayments on active AAP cases may be collected, recovery shall be made from the adoptive parent(s) who signed the [AD 4320](#).

Grant Adjustment

The amount overpaid shall be subtracted from the current AAP payment. If the current AAP payment is insufficient to recover the entire overpayment, then the

remaining amount of overpayment shall be subtracted from the AAP payments during the following six months or less, or by the end of the child's eligibility for AAP benefits, whichever occurs first. The amount of grant adjustment, however, shall not cause the adoptive family's net income to be below the Aid to Families with Dependent Children (AFDC) Minimum Basic Standard of Adequate Care (MBSAC).

The county shall request repayment of any amount not recovered by grant adjustment, or otherwise repaid using the appropriate NOA, [NA 791](#).

If the adoptive parent is no longer receiving aid, refuses or is unable to repay the amount overpaid, the case shall be referred to non-fraud for collection.

Overpayment amounts totaling under \$100 shall not be collected, as it has been determined that the cost of collection would exceed the amount of recovery.

For overpayment collection refer to [Foster Care Overpayment Policy](#).

NOTICE OF ACTION (NOA)

The Social Worker shall notify the AAP ET by using the [AAP 2](#) regarding any of, but not limited to, the following situations which require the county to send the adoptive parent(s) a Notice of Action [NA 791](#).

- Denial of request for adoption assistance benefits.
- Completion of a deferred payment agreement.
- Approval of initial grant.
- Payment termination.
- An overpayment requiring collection.
- Any change in grant amount.
- Benefit extension.

Note: A copy of all NOAs generated must also be sent to the Social Worker.

MEDI-CAL

A child receiving AAP benefits is categorically eligible to a zero share-of-cost Medi-Cal.

Aid Codes

03 – Federal AAP

04 – State AAP

06 – Out of State AAP. Covers children receiving federally funded AAP from out of state

4A – Out of State AAP. Covers children for whom there is a state-only AAP agreement between any state other than California and adoptive parents

07 – For children receiving federally funded extended AAP (AB 12)

**INTERSTATE
COMPACT ON
ADOPTION
AND MEDICAL
(ICAMA)**

Adoptive children receiving AAP benefits placed interstate and those who receive AAP benefits and then move interstate after their adoptions are finalized are covered under Interstate Compact on Adoption and Medical Assistance (ICAMA).

The AAP ET prepares an ICAMA request packet for outgoing ICAMA requests.

The request packet should include the following:

- Out of State Cover Letter, [F063-29-137](#)
- Adoption Assistance Program Agreement ([AD 4320](#))
- Completed ICAMA Form 7.01, [ICAMA Notice of Medicaid Eligibility/Case Activation](#)
- Completed ICAMA Form 7.02, [ICAMA Notice of Action](#)
- Completed ICAMA Form 7.03 (If required), [ICAMA Report of Change in Child/Family Status](#)

Send the original completed ICAMA request packet directly to the Compact Administrator in the receiving state.

Send a copy of the ICAMA request packet to the adoptive family and a copy to: California Department of Social Services ICAMA Liaison

Please refer to [ICAMA Contacts by State](#)

For information regarding the processing of incoming and outgoing ICAMA requests, refer to [Interstate Compact on Adoption and Medical Assistance Processing Guide](#).

**EXTENSION OF
AAP BEYOND
AGE 18**

There are two ways AAP benefits may be extended beyond age 18:

Child with a Disability

A child who has a mental or physical disability that warrants the continuation of assistance is eligible to receive benefits up to age 21 regardless of the age of the child when the initial adoption assistance agreement was signed.

OR

Child without a Disability

The initial AAP agreement must have been signed when the youth was at least 16 years old. In addition, to receive age-extension AAP benefits, the youth must continue to meet at least one of the following school or employment requirements:

1. Completing high school or a program leading to an equivalent diploma.
2. Enrolled in college or vocational education.

3. Participating in a program or activity designed to promote or remove barriers to employment.
4. Employed at least 80 hours per month.
5. Incapable of doing any of the activities (1-4 above), due to a documented medical condition.

The AAP agreement ([AD 4320](#)) will be amended to add a provision regarding the eligibility for extended benefits for the child/youth whose initial agreement was signed on or after his/her 16th birthday, if he/she meets one of the five participation criteria.

The adoptive parent is responsible for requesting the benefit extension prior to the child's 18th birthday, and providing documentation to the responsible public agency supporting that the child meets one of the five participation criteria. The Social Worker will determine the child's eligibility for the extension of AAP benefits beyond the age of 18. All AAP rate negotiations and AAP agreements are to be conducted and signed by the Social Worker and the adoptive parent(s).

RE-ENTRY INTO EXTENDED FOSTER CARE Under specific conditions a youth receiving AAP benefits can petition the court to re-enter into Extended Foster Care.
Refer to [Extended Foster Care P & P 701](#)

PROCEDURE [AAP Processing Guide](#)

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- FORMS**
- Adoption Assistance Program Agreement ([AD 4320](#))
 - Adoption Assistance Program Group Home Payment Report, ([F063-29-80](#))
 - Adoption Assistance Program Nonrecurring Adoption Expenses Agreement, ([AAP 8](#))
 - Eligibility Certification - Adoption Assistance Program form ([AAP 4](#))
 - Federal Eligibility Certification for Adoption Assistance Program ([FC 8](#))
 - [ICAMA Notice of Medicaid Eligibility/Case Activation](#) ICAMA Form 7.01
 - [ICAMA Notice of Action](#) ICAMA Form 7.02
 - [ICAMA Report of Change in Child/Family Status](#) ICAMA Form 7.03
 - Notice of Action (NOA) ([NA 791](#))
 - Out of State Cover Letter ([F063-29-137](#))
 - Payment Instructions Adoption Assistance Program, ([AAP 2](#))
 - Reassessment Information Adoption Assistance Program form ([AAP 3](#))
 - The Income and Property Checklist for Federal Eligibility Determination – Adoption Assistance Program ([FC 10](#))

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- REFERENCES**
- [Adoptions Program Regulations 35334](#)
 - ACL 18-122, [16-38](#), 15-50, [11-86](#), 10-08, [09-51](#)
 - ACIN 1-76-15E, [1-82-16](#)
 - [AAP Age and FFY Calculator Worker Tool 48](#)
 - [Adoption Assistance Program \(AAP\) Minor Enters/Exits Group Home](#)

- Adoption Assistance Program/California Necessities Index (CNI) Rate Structure, ([Worker Tool 01](#))
- [Citizenship, Noncitizen and PRUCOL P & P 711](#)
- Desk Guide “Applicable” vs. Non-Applicable” Child, ([Worker Tool 21](#))
- [Extended Foster Care P & P 701](#)
- [Foster Care Overpayment Policy](#)
- [ICAMA contact by state](#)
- [ICAMA Primary Member Contact List](#)
- [Interstate Compact on Adoption and Medical Assistance \(ICAMA\) Processing Guide](#)

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