

ACF

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**U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES
Administration for Children, Youth and Families**

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INFORMATION MEMORANDUM

TO: State Administrators of Public Welfare Agencies Administering or Supervising the Administration of Title IV-E of the Social Security Act

SUBJECT: Interstate Compact on Adoption

LEGAL AND RELATED REFERENCES: Section 475(3) of the Social Security Act; Section 101(a)(4)(A) and (B) of Public Law 96-272; 45 CFR 1356.40; ACYF-PI 83-08, Issued 8/10/83; The Guidebook for the Enactment of the Suggested Act Authorizing an Adoption Assistance Compact and Procedures for Interstate Service Payments (Suggested Act) and the Adoption of the Interstate Compact on Adoption and Medical Assistance (Adoption Compact).

INFORMATION:

The purpose of this Information Memorandum is to encourage States to pass the Suggested Act and to enter into the "Interstate Compact on Adoption and Medical Assistance", as described in the Guidebook developed by the American Public Welfare Association. The purpose of the Adoption Compact is to provide for orderly procedures to ensure that adoption assistance payments, Medicaid and Social Service Block Grant benefits are provided to eligible adopted children who move to another State after they are adopted and to eligible children who are placed for adoption across State lines.

Prepared by the Project to Facilitate the Interstate Provision of Services and Benefits to Special Needs Children Receiving Adoption Assistance - American Public Welfare Association, October, 1983.

All States providing adoption assistance under title IV-E must provide in each adoption assistance agreement entered into on or after October 1, 1983 that the agreement shall remain in effect regardless of the State of which the adoptive parents are residents at any given time. One of the most effective methods for States to ensure that adopted children who receive adoption assistance benefits continue to do so is to enter into the Adoption Compact. The legislative

history and Section 101(a)(4)(A) of Public Law 96-272 indicate that Congress clearly expected the Secretary to actively promote and assist in the development of an interstate compact mechanism. Benefits of the Adoption Compact:

- The Adoption Compact is preferable to an agreement between two States because it is a contract between or among States which has the force of statutory law and it can confer rights and obligations on private agencies as well as on the State government and public agencies.
- The Adoption Compact will provide an efficient mechanism for handling problems in relation to the interstate payments, monitoring of the adoption assistance agreement or in making periodic adjustments to the agreement.
- The Adoption Compact would solve the problem that adoptive families have in relation to Medicaid benefits when they move from one State to another. That is, vendors of medical services (e.g., physicians, hospitals, therapists, etc.) usually refuse to accept an out-of-state Medicaid card and to deal with another State in making claims. Under the Compact, the adopted child would receive a Medicaid card from the State to which the family moved and be eligible under that State's program.

We urge State agencies to promote the passage of the authorizing legislation to enter into the adoption Compact by disseminating the APWA Guidebook to appropriate members of the State legislature and agencies concerned with the adoption of special needs children, so they may be able to solicit support and sponsorship.

Inquiries to: Regional Program Directors, ACYF

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Commissioner