

Frequently Asked Questions on S. 2689

All children and youth, including young people in foster care, deserve to grow up in families and in the community. Institutional care does not meet their needs and often harms them. Years of research and legislative action, most recently culminating with the Family First Prevention Services Act, has led to the move to radically reduce and eliminate institutional care,¹ especially for young people in foster care who have disproportionately been confined to such settings. If passed, S. 2689 would undercut these efforts and result in harm to children. This document answers frequently asked questions about S. 2689.

What does S. 2689 propose to do?

Qualified Residential Treatment Programs, or QRTPs, are residential facilities created to provide a high level of clinical care and treatment for young people in foster care when their needs cannot be met in a family setting.² S. 2689 would abolish existing limitations on Medicaid funding for services provided to foster children in large (more than 16 bed) QRTPs that qualify as an Institution for Mental Diseases (IMD). This would allow federal Medicaid funding to be used to support large institutional settings for foster children but would not remove the limitation on funding for IMDs that do not serve foster children.

How does S. 2689 harm children and youth?

The IMD Exclusion³ serves as a critical guardrail against the over-use of institutional care by requiring states to use state funds, rather than federal Medicaid dollars, to pay for services provided to people who have been institutionalized. With some exceptions (such as inpatient psychiatric care for youth under age 21)⁴, facilities that are considered IMDs cannot draw down Medicaid funds if they exceed 16 beds. These Medicaid limitations establish a vital safeguard against unnecessary institutionalization of vulnerable individuals. Excluding QRTPs from the IMD exclusion means that federal Medicaid funds will be directed at larger group care facilities, removing an important protection from youth in foster care.

Does S. 2689 do anything to invest in or support family-based settings?

No. S. 2689 only provides that federal Medicaid funds can be used to fund QRTPs that exceed 16 beds. It does nothing to invest in family-based settings and support for families. Making further exceptions to the IMD exclusion directs federal funds to the support of institutional care at the expense of developing less restrictive community-based services, which can be funded through Medicaid.

Does S. 2689 address the lack of appropriate child welfare placements that many states are experiencing?

No. QRTPs are not the level of care needed for the vast majority of youth in foster care in need of appropriate placement, including youth languishing in shelters, sleeping in offices, and confined in other institutional settings. Family First created QRTPs as an exceptional setting that should be used rarely when youth have needs that cannot be met in a family setting and provides a high level of care.⁵ There is no evidence that large numbers of young people currently in need of placement require this high level of care. Federal support should be targeted at increasing community-based family settings that states need to serve all youth in foster care.

Is S. 2689 consistent with the Family First Prevention Services Act?

No. The Family First Prevention Services Act, like the IMD Exclusion, restricts federal funds for group and institutional care with the goal of dramatically reducing their use. S. 2689 undercuts this goal and is instead likely to lead to the increase of the use of group and institutional care.

¹ In this document we use the term institutional care to include all congregate and group care settings, including temporary shelter care.

² [42 U.S.C. 672\(k\)\(4\)](#)

³ [42 U.S.C. 1396d\(a\)\(31\)\(B\)](#).

⁴ For example, federal law permits Medicaid funding for services to children and youth up to age 21 (or in some cases 22) living in an in-patient psychiatric hospital. [42 U.S.C. 1396d\(a\)\(16\)](#).

⁵ [42 U.S.C. 672 \(k\)\(4\)](#).