

119TH CONGRESS
1ST SESSION

S. _____

To invest in community-based alternatives for care, strengthen the oversight of residential treatment facilities, and for other purposes.

IN THE SENATE OF THE UNITED STATES

Mr. WYDEN introduced the following bill; which was read twice and referred to the Committee on _____

A BILL

To invest in community-based alternatives for care, strengthen the oversight of residential treatment facilities, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Better Results through In-community Delivery, Greater
6 Enforcement, and Stronger Services for Kids Act” or the
7 “BRIDGES for Kids Act”.

8 (b) TABLE OF CONTENTS.—The table of contents for
9 this Act is as follows:

Sec. 1. Short title; table of contents.

2

TITLE I—INVESTING IN COMMUNITY-BASED ALTERNATIVES FOR CARE

- Sec. 101. Increased Federal match for expenditures under Medicaid for intensive home and community-based services for youth with mental health and substance use conditions furnished to individuals under the age of 21.
- Sec. 102. Increasing support for kinship foster care placements, kinship adoptions, kinship guardianships, and kinship navigators.
- Sec. 103. Demonstration grants to enhance access to peer support for kinship caregivers for children with serious mental health or substance use conditions.
- Sec. 104. CMS study on State best practices to provide care navigation services to qualifying children through a community-based team.
- Sec. 105. Reinvestment of amounts recovered or paid to a State as a result of fraud or abuse by residential treatment facilities that serve youth to fund State community-based mental health care and substance use disorder infrastructure.
- Sec. 106. Investing in the community-based behavioral health provider workforce.
- Sec. 107. Student loan repayment for qualified behavioral health providers.
- Sec. 108. Improving Federal agency alignment regarding community and family placements for children and youth with mental health or substance use conditions.

TITLE II—STRENGTHENING THE OVERSIGHT OF YOUTH RESIDENTIAL TREATMENT FACILITIES

- Sec. 201. Uniform reporting system for youth residential treatment facilities.
- Sec. 202. Annual State surveys of residential treatment facilities for youth.
- Sec. 203. Promulgation and annual reevaluation of conditions of participation in Medicaid and CHIP for residential treatment facilities for youth.
- Sec. 204. Clarifying the definition of patient safety work product.
- Sec. 205. Ensuring that protection and advocacy systems have robust records and access to residential treatment facilities.
- Sec. 206. Augmenting State survey activity through investment in critical oversight infrastructure.
- Sec. 207. State licensure process requirements for residential treatment facilities for youth.
- Sec. 208. Augmenting the Court Improvement Program to provide greater education about residential treatment facilities for youth.
- Sec. 209. GAO study and report on residential treatment facility provider marketing practices and inducements.
- Sec. 210. HHS-OIG study and report on placement of youth in out-of-State residential treatment facilities.

TITLE III—RAISING THE FLOOR FOR STANDARDS IN RESIDENTIAL TREATMENT FACILITIES FOR YOUTH

- Sec. 301. Staffing and supervisory requirements for providers of inpatient psychiatric hospital services for individuals under age 21.
- Sec. 302. Education requirements for providers of inpatient psychiatric hospital services for individuals under age 21.
- Sec. 303. GAO study and report on evidence-based best practices for providing care to youth in residential treatment facilities.

Sec. 304. Ensuring legal representation for every youth in foster care and education and training for child advocates.

Sec. 305. Student loan repayment for qualified child advocates for Medicaid-eligible and uninsured children.

1 **TITLE I—INVESTING IN COMMU-**
2 **NITY-BASED ALTERNATIVES**
3 **FOR CARE**

4 **SEC. 101. INCREASED FEDERAL MATCH FOR EXPENDI-**
5 **TURES UNDER MEDICAID FOR INTENSIVE**
6 **HOME AND COMMUNITY-BASED SERVICES**
7 **FOR YOUTH WITH MENTAL HEALTH AND SUB-**
8 **STANCE USE CONDITIONS FURNISHED TO IN-**
9 **DIVIDUALS UNDER THE AGE OF 21.**

10 (a) IN GENERAL.—Section 1905 of the Social Secu-
11 rity Act (42 U.S.C. 1396d) is amended—

12 (1) in subsection (a)—

13 (A) in paragraph (31), by striking “and”;

14 (B) by redesignating paragraph (32) as
15 paragraph (33); and

16 (C) by inserting after paragraph (31) the
17 following new paragraph:

18 “(32) intensive home and community-based
19 services for youth with mental health and substance
20 use conditions, as defined in subsection (ll) and des-
21 ignated by a State through a State plan amendment
22 or a waiver of the State plan under this title, for in-
23 dividuals who have not attained the age of 21; and”;

1 (2) in subsection (b), by striking “and (ii)” and
2 inserting “(ii), and (ll)”; and

3 (3) by adding at the end the following new sub-
4 section:

5 “(ll) INCREASED FMAP FOR INTENSIVE HOME AND
6 COMMUNITY-BASED SERVICES FOR YOUTH WITH MEN-
7 TAL HEALTH AND SUBSTANCE USE CONDITIONS.—

8 “(1) IN GENERAL.—Notwithstanding any other
9 provision of this title, and subject to the succeeding
10 paragraphs of this subsection, the Federal medical
11 assistance percentage for a State, with respect to
12 amounts expended by the State during a quarter for
13 medical assistance for intensive home and commu-
14 nity-based services for youth with mental health and
15 substance use conditions (as defined in paragraph
16 (5)), shall be equal to 90 percent.

17 “(2) EXCLUSION OF EXPENDITURES FROM TER-
18 RITORIAL CAPS.—Any payment made to a territory
19 for amounts expended by the State during a quarter
20 for medical assistance for intensive home and com-
21 munity-based services for youth with mental health
22 and substance use conditions that are subject to the
23 Federal medical assistance percentage specified
24 under paragraph (1) shall not be taken into account

1 for purposes of applying payment limits under sub-
2 sections (f) and (g) of section 1108.

3 “(3) SPECIAL RULES.—

4 “(A) NON-APPLICATION OF LOWER
5 FMAP.—This subsection shall not apply in the
6 case of State expenditures described in para-
7 graph (1) if the application of this subsection
8 would result in a lower Federal medical assist-
9 ance percentage for such expenditures than
10 would otherwise apply without the application
11 of this subsection.

12 “(B) RULE OF CONSTRUCTION.—Nothing
13 in this subsection shall be construed as affect-
14 ing a child’s entitlement to care and services
15 described in subsections (a)(4)(B) and (r) and
16 provided in accordance with section
17 1902(a)(43).

18 “(4) REQUIREMENTS FOR ADDITIONAL FED-
19 ERAL FUNDING FOR INTENSIVE HOME AND COMMU-
20 NITY-BASED SERVICES FOR YOUTH WITH MENTAL
21 HEALTH AND SUBSTANCE USE CONDITIONS.—As a
22 condition for application of the percentage specified
23 in paragraph (1), a State shall provide assurances
24 satisfactory to the Secretary that—

1 “(A) the additional Federal funds received
2 by the State as a result of such application
3 shall be used to supplement, and not supplant,
4 the level of State funds expended for the most
5 recently ended fiscal year as of the date of en-
6 actment of this paragraph (in this paragraph
7 referred to as the ‘base fiscal year’) for services
8 that the State designates as intensive home and
9 community-based services for youth with mental
10 health and substance use conditions;

11 “(B) if the State made services that would
12 be considered intensive home and community-
13 based services for youth with mental health and
14 substance use conditions under paragraph (5)
15 available in a region of the State in the base
16 fiscal year (without regard to whether the State
17 designates such services as intensive home and
18 community-based services for youth with mental
19 health and substance use conditions), the State
20 will continue to make such services available in
21 such region under this subsection during each
22 quarter for which the State claims application
23 of the percentage specified in paragraph (1);

24 “(C) the State will be able to support the
25 provision of intensive home and community-

1 based services for youth with mental health and
2 substance use conditions as defined in para-
3 graph (5);

4 “(D) the State agrees to use the additional
5 Federal funds received by the State as a result
6 of the application of the percentage specified in
7 paragraph (1) to expand and improve the avail-
8 ability of, and access to, intensive home and
9 community-based services for youth with mental
10 health and substance use conditions, including,
11 but not limited to, by—

12 “(i) facilitating diversion from institu-
13 tional settings to community-based set-
14 tings;

15 “(ii) funding transition planning for
16 community-based settings;

17 “(iii) providing resources to help fami-
18 lies navigate the behavioral health system;

19 “(iv) providing developmentally-appro-
20 priate pro-social activities that support the
21 well-being, health, and development of the
22 child and ameliorate the need for intensive
23 home and community-based services for
24 youth with mental health and substance
25 use conditions;

1 “(v) providing psychoeducation for
2 parents and caregivers; or

3 “(vi) providing any other reinvestment
4 option determined by the Secretary as sup-
5 porting children and youth with mental
6 health and substance use conditions; and

7 “(E) the State agrees to comply with sec-
8 tion 433.51(e) of title 42, Code of Federal Reg-
9 ulations (or any successor regulation), with re-
10 spect to the additional Federal funds received
11 by the State as a result of the application of the
12 percentage specified in paragraph (1).

13 “(5) INTENSIVE HOME AND COMMUNITY-BASED
14 SERVICES FOR YOUTH WITH MENTAL HEALTH AND
15 SUBSTANCE USE CONDITIONS DEFINED.—

16 “(A) IN GENERAL.—For purposes of this
17 subsection, the term ‘intensive home and com-
18 munity-based services for youth with mental
19 health and substance use conditions’—

20 “(i) means mental health and sub-
21 stance use disorder services, as specified by
22 the Secretary in consultation with the Ad-
23 ministrator of the Centers for Medicare &
24 Medicaid Services, the Assistant Secretary
25 for the Administration for Children and

1 Families, and the Assistant Secretary for
2 Mental Health and Substance Use, that—

3 “(I) are provided on an out-
4 patient or non-residential basis in a
5 setting other than a setting described
6 in paragraph (6) to an individual who
7 has not attained the age of 21; and

8 “(II) are not otherwise provided
9 under subsection (r) and in accord-
10 ance with the requirements of section
11 1902(a)(43); and

12 “(ii) includes—

13 “(I) intensive care coordination,
14 including High Fidelity Wraparound
15 services (as defined by the Secretary),
16 provided with respect to such services;

17 “(II) intensive in-home services
18 provided with respect to such services;

19 “(III) peer supports provided
20 with respect to such services for chil-
21 dren, parents, and other caregivers
22 (including foster parents, guardians,
23 and kin caregivers);

24 “(IV) mobile crisis and stabiliza-
25 tion services;

1 “(V) short-term respite care (as
2 described in subsection (a)(33)) pro-
3 vided with respect to such services;
4 and

5 “(VI) other services as defined by
6 the Secretary to be evidence-based in-
7 tensive home and community-based
8 services for youth with mental health
9 and substance use conditions.

10 “(B) RULEMAKING.—Not later than 1
11 year after the date of enactment of this sub-
12 section, the Secretary shall issue an interim
13 final rule specifying the services that shall be
14 considered intensive home and community-
15 based services for youth with mental health and
16 substance use conditions for purposes of this
17 subsection.

18 “(6) SETTING DESCRIBED.—For purposes of
19 paragraph (5)(A)(i)(I), a setting described in this
20 paragraph is—

21 “(A) a facility that provides inpatient psy-
22 chiatric hospital services for individuals under
23 age 21 (as defined in subsection (h));

24 “(B) an institution for mental diseases (as
25 defined in subsection (i));

1 “(C) a qualified residential treatment facil-
2 ity (as defined in section 472(k)); or

3 “(D) a facility that provides substance use
4 disorder treatment or recovery services.”.

5 (b) SHORT-TERM RESPITE CARE.—Section 1905(a)
6 of the Social Security Act (42 U.S.C. 1396d), as amended
7 by subsection (a), is further amended—

8 (1) in paragraph (32), by striking “and”;

9 (2) by redesignating paragraph (33) as para-
10 graph (34); and

11 (3) by inserting after paragraph (32) the fol-
12 lowing new paragraph:

13 “(33) short-term respite care for children to
14 provide temporary relief for parents and other care-
15 givers (including foster parents, guardians, and kin
16 caregivers), which shall be provided in a manner
17 that takes into consideration the needs of the child
18 and the parent or other caregiver; and”.

19 (c) EFFECTIVE DATE.—The amendments made by
20 this section shall apply with respect to calendar quarters
21 beginning on or after the date that is 2 years after the
22 date of enactment of this Act.

1 **SEC. 102. INCREASING SUPPORT FOR KINSHIP FOSTER**
2 **CARE PLACEMENTS, KINSHIP ADOPTIONS,**
3 **KINSHIP GUARDIANSHIPS, AND KINSHIP**
4 **NAVIGATORS.**

5 (a) IN GENERAL.—Section 474 of the Social Security
6 Act (42 U.S.C. 674) is amended—

7 (1) in subsection (a)—

8 (A) in paragraph (1), by inserting “sub-
9 section (h), and” before “subsections (j) and
10 (k)”;

11 (B) in paragraph (2), by inserting “subject
12 to subsection (h),” before “an amount equal to
13 the Federal medical assistance percentage
14 (which”;

15 (C) in paragraph (5), by inserting “subject
16 to subsection (h),” before “an amount equal
17 to”;

18 (D) in paragraph (7), by striking “50 per-
19 cent” and inserting “70 percent”;

20 (2) by adding at the end the following new sub-
21 section:

22 “(h) INCREASED SUPPORT FOR KINSHIP FOSTER
23 CARE PLACEMENTS, KINSHIP ADOPTIONS, AND KINSHIP
24 GUARDIANSHIPS.—

25 “(1) IN GENERAL.—With respect to each State
26 and quarter beginning after the date that is 1 year

1 after the date of enactment of this subsection, the
2 Federal matching rate applicable under subsection
3 (a) shall be increased by 20 percentage points with
4 respect to the following:

5 “(A) KINSHIP FOSTER CARE PLACE-
6 MENTS.—The portion of the amounts deter-
7 mined under paragraph (1) of subsection (a)
8 for the quarter that are expenditures for foster
9 care maintenance payments under section 472
10 for children placed with a relative.

11 “(B) KINSHIP ADOPTIONS.—The amounts
12 determined under paragraph (2) of subsection
13 (a) for the quarter for expenditures for adop-
14 tion assistance under section 473(a) for chil-
15 dren adopted by a relative.

16 “(C) KINSHIP GUARDIANSHIPS.—The
17 amounts determined under paragraph (5) of
18 subsection (a) for the quarter for expenditures
19 for kinship guardianship assistance payments
20 under section 473(d).

21 “(2) APPLICATION RULES.—

22 “(A) TRIBAL IV-E AGENCIES.—The in-
23 crease in the Federal matching rate under
24 paragraph (1) shall apply to amounts deter-
25 mined for an Indian tribe, tribal organization,

1 or tribal consortium with a plan approved under
2 section 479B or which is receiving funding to
3 provide foster care under this part pursuant to
4 a cooperative agreement or contract with a
5 State except that, if the tribal FMAP referred
6 to in paragraphs (1) and (2) of subsection (a)
7 would apply to expenditures described in para-
8 graph (1) of this subsection and the tribal
9 FMAP is more than the Federal medical assist-
10 ance percentage that applies to the State, the
11 tribal FMAP shall apply to the increase in the
12 Federal matching rate under paragraph (1) of
13 this subsection with respect to amounts deter-
14 mined for an Indian tribe, tribal organization,
15 or tribal consortium instead of the Federal
16 medical assistance percentage that applies to
17 the State.

18 “(B) MAXIMUM INCREASE.—In no case
19 may the application of paragraph (1) result in
20 the Federal matching rate by which expendi-
21 tures described in subparagraph (A), (B), or
22 (C) of paragraph (1) are reimbursed exceeding
23 100 percent.”.

24 (b) WAIVER OF AFDC ELIGIBILITY REQUIREMENT
25 FOR KINSHIP FOSTER CARE PLACEMENTS.—Section

1 472(a) of the Social Security Act (42 U.S.C. 672) is
2 amended—

3 (1) in paragraph (1)(B), by inserting “in the
4 case of a foster care placement other than a place-
5 ment with a relative,” before “the child,”; and

6 (2) in paragraph (3), by adding at the end the
7 following new subparagraph:

8 “(C) NONAPPLICATION TO KINSHIP FOS-
9 TER CARE PLACEMENT.—The AFDC eligibility
10 requirement described in subparagraphs (A)
11 and (B) shall not apply to a child who has been
12 removed from a home referred to in paragraph
13 (1) and placed with a relative.”.

14 (c) NONAPPLICATION OF TERRITORIAL PAYMENT
15 CEILING AMOUNTS.—Section 1108(a)(2) of such Act (42
16 U.S.C. 1308(a)(2)) is amended by striking “or 474(a)(6)”
17 and inserting “474(a)(6), or 474(h)”.

18 **SEC. 103. DEMONSTRATION GRANTS TO ENHANCE ACCESS**
19 **TO PEER SUPPORT FOR KINSHIP CARE-**
20 **GIVERS FOR CHILDREN WITH SERIOUS MEN-**
21 **TAL HEALTH OR SUBSTANCE USE CONDI-**
22 **TIONS.**

23 Subpart 2 of part B of title IV of the Social Security
24 Act (42 U.S.C. 629 et seq.) is amended by inserting after
25 section 439 the following new section:

1 **“SEC. 439A. DEMONSTRATION GRANTS TO ENHANCE AC-**
2 **CESS TO PEER SUPPORT FOR KINSHIP CARE-**
3 **GIVERS FOR CHILDREN WITH SERIOUS MEN-**
4 **TAL HEALTH CONDITIONS OR SUBSTANCE**
5 **USE DISORDER.**

6 “(a) AUTHORITY.—

7 “(1) IN GENERAL.—The Secretary shall make
8 demonstration grants to eligible State partnerships
9 to develop, implement, and provide support for pro-
10 grams to enhance access to peer-to-peer mentoring
11 and support groups for kinship caregivers for chil-
12 dren with serious mental health conditions or sub-
13 stance use disorder.

14 “(2) PAYMENT OF ANNUAL INSTALLMENTS.—
15 The Secretary shall pay each demonstration grant in
16 5 annual installments.

17 “(3) 1-YEAR PLANNING GRANTS.—The Sec-
18 retary may make a planning grant to a recipient of
19 a demonstration grant, to be paid to the recipient 1
20 year before payment of the 1st annual installment of
21 the demonstration grant and in an amount not
22 greater than any installment of the demonstration
23 grant, if—

24 “(A) the recipient includes a request for a
25 planning grant in the application under sub-
26 section (c); and

1 “(B) the Secretary determines that a plan-
2 ning grant would assist the recipient and im-
3 prove the effectiveness of the demonstration
4 grant.

5 “(b) ELIGIBLE STATE PARTNERSHIP DEFINED.—

6 “(1) IN GENERAL.—In this section, the term
7 ‘eligible State partnership’ means an agreement en-
8 tered into by, at a minimum, the following:

9 “(A) The State child welfare agency re-
10 sponsible for the administration of the State
11 plans under this part.

12 “(B) An organization that provides peer-
13 to-peer mentoring and support groups for kin-
14 ship caregivers for children with serious mental
15 health conditions or substance use disorder.

16 “(2) ADDITIONAL PARTNERS.—For purposes of
17 this section, an eligible State partnership may in-
18 clude any entity with experience in peer-to-peer men-
19 toring and support groups for kinship caregivers for
20 children with serious mental health conditions or
21 substance use disorder.

22 “(3) PARTNERSHIPS ENTERED INTO BY INDIAN
23 TRIBES OR TRIBAL CONSORTIA.—Notwithstanding
24 paragraph (1), if an Indian tribe or tribal consor-
25 tium enters into a partnership pursuant to this sec-

1 tion that does not consist solely of tribal child wel-
2 fare agencies (or a consortium of the agencies), the
3 partnership shall be considered an eligible State
4 partnership for purposes of this section.

5 “(c) APPLICATION REQUIREMENTS.—An eligible
6 State partnership seeking a demonstration grant under
7 this section to carry out a program described in subsection
8 (a)(1) shall submit an application to the Secretary at such
9 time, in such manner, and containing such information as
10 the Secretary may require. The application shall include
11 the following:

12 “(1) A summary of the program.

13 “(2) A description of the activities to be carried
14 out by the program.

15 “(3) A framework for identifying the roles and
16 responsibilities of the entities in the partnership.

17 “(4) Documentation that the applicant is an eli-
18 gible State partnership.

19 “(5) Assurances that the applicant will partici-
20 pate fully in the evaluation described in subsection
21 (e)(2) and shall maintain records for the program.

22 “(d) FEDERAL SHARE.—The Federal share of the
23 cost of any activity carried out using a grant made under
24 this section shall be not greater than 75 percent.

1 “(e) TECHNICAL ASSISTANCE, EVALUATIONS, AND
2 REPORTS.—

3 “(1) TECHNICAL ASSISTANCE.—The Secretary
4 shall provide technical assistance with respect to
5 grants under this section.

6 “(2) EVALUATION.—The Secretary shall con-
7 duct an evaluation of the programs carried out with
8 demonstration grants made under this section .

9 “(3) REPORTS TO THE CONGRESS.—

10 “(A) INITIAL REPORT.—Not later than 3
11 years after the date of the enactment of this
12 section, the Secretary shall submit to the Com-
13 mittee on Ways and Means of the House of
14 Representatives and the Committee on Finance
15 of the Senate a report that includes—

16 “(i) the number of applications for
17 grants under this section;

18 “(ii) the number of grants awarded,
19 and the amounts for each grant; and

20 “(iii) information on the grants, in-
21 cluding—

22 “(I) interim results of the evalua-
23 tion described in paragraph (2);

24 “(II) information on the composi-
25 tion of eligible State partnerships;

1 “(III) barriers to implementation
2 or expansion of programs funded
3 under this section.

4 “(B) FINAL REPORT.—Not later than 6
5 years after the date of the enactment of this
6 section, the Secretary shall submit to the Com-
7 mittee on Ways and Means of the House of
8 Representatives and the Committee on Finance
9 of the Senate a report that includes—

10 “(i) the final results of the evaluation
11 described in paragraph (2); and

12 “(ii) recommendations for refinements
13 to grant requirements to improve program
14 outcomes.

15 “(f) AUTHORITY OF SECRETARY WITH RESPECT TO
16 INDIAN TRIBES AND TRIBAL ORGANIZATIONS.—

17 “(1) WAIVER OR MODIFICATION OF REQUIRE-
18 MENTS.—In making a grant to an Indian tribe or
19 tribal organization under this section, the Secretary
20 may waive the matching requirement of subsection
21 (d) or modify an application requirement imposed by
22 or under subsection (c) if the Secretary determines
23 that the waiver or modification is appropriate to the
24 needs, culture, and circumstances of the Indian tribe
25 or tribal organization.

1 “(2) EVALUATION.—The Secretary shall use
2 tribally relevant data in carrying out the evaluation
3 under subsection (e)(2) with respect to an Indian
4 tribe or tribal organization.

5 “(g) APPROPRIATION.—There is appropriated to the
6 Secretary, out of any money in the Treasury of the United
7 States not otherwise appropriated, \$15,000,000 for fiscal
8 year 2027, to remain available until expended, to carry
9 out this section.”.

10 **SEC. 104. CMS STUDY ON STATE BEST PRACTICES TO PRO-**
11 **VIDE CARE NAVIGATION SERVICES TO QUALI-**
12 **FYING CHILDREN THROUGH A COMMUNITY-**
13 **BASED TEAM.**

14 (a) STUDY.—

15 (1) IN GENERAL.—The Administrator of the
16 Centers for Medicare & Medicaid Services, in con-
17 sultation with the Assistant Secretary for the Ad-
18 ministration for Children and Families, shall con-
19 duct a study to identify State best practices for pro-
20 viding mental health and substance use disorder
21 navigation and a community-based team approach
22 for children who—

23 (A) are enrolled in the Medicaid program
24 under title XIX of the Social Security Act (42
25 U.S.C. 1396 et seq.) or are eligible for any

1 service that may be provided under part B or
2 E of title IV of such Act (42 U.S.C. 670 et
3 seq.); and

4 (B) have mental health conditions, intellec-
5 tual or developmental disabilities, or substance
6 use disorder.

7 (2) FOCUS.—The study shall focus on States
8 that assign each qualifying child to a community-
9 based team that—

10 (A) provides child-centered mental health
11 and substance use disorder navigation services
12 to each qualifying child who is assigned to the
13 team;

14 (B) regularly reevaluates the need for, and
15 appropriateness of, the services that are being
16 furnished to each qualifying child who is as-
17 signed to the team; and

18 (C) ensures that a qualifying child has ac-
19 cess to care in a residential treatment facility
20 (as defined in section 438(e)(3) of the Social
21 Security Act, as added by section 208(a)) after
22 determining that all available appropriate com-
23 munity-based care has been exhausted and that
24 inpatient residential care is the most appro-

1 appropriate setting for the child to receive such serv-
2 ices.

3 (3) CONSIDERATIONS.—In conducting the study
4 under paragraph (1), the Administrator of the Cen-
5 ters for Medicare & Medicaid Services shall consider
6 the following:

7 (A) The workforce capacity of a State to
8 deliver community-based team services, includ-
9 ing any investment such State has made to ad-
10 address recruitment and retention challenges and
11 leverage the expertise of peer support specialists
12 for youth, families, and caregivers.

13 (B) The coordination of community-based
14 teams with other child-serving systems, includ-
15 ing how such entities collaborate and share in-
16 formation with education providers, child wel-
17 fare and juvenile justice agencies, and other
18 health care providers.

19 (C) Variations in State reimbursement lev-
20 els for community-based teams.

21 (D) How States define and determine
22 when “all available appropriate community-
23 based care has been exhausted” and examples
24 of when community-based teams successfully
25 prevented unnecessary institutionalization and

1 use of emergency departments, short-term in-
2 voluntary crisis holds, or juvenile detention as
3 interim placements.

4 (E) Strategies, policies, and practices that
5 States use to support the implementation of
6 community-based team models across settings
7 and localities.

8 (F) Approaches for—

9 (i) creating plans of care for children
10 in residential treatment facilities;

11 (ii) involving children in residential
12 treatment facilities and including their
13 caregivers in care-related decisions;

14 (iii) creating discharge plans for chil-
15 dren leaving residential treatment facili-
16 ties; and

17 (iv) maintaining family connections
18 and connections with community-based
19 services and supports for children receiving
20 treatment in residential treatment facili-
21 ties.

22 (b) REPORT.—Not later than 1 year after the date
23 of enactment of this Act, the Administrator of the Centers
24 for Medicare & Medicaid Services (CMS), in consultation
25 with the Interagency Stakeholder Committee established

1 by the Secretary of Health and Human Services under
2 section 108(b), shall publish on the website of CMS and
3 submit to the Committee on Finance of the Senate, the
4 Committee on Energy and Commerce of the House of
5 Representatives, and the Committee on Ways and Means
6 of the House of Representatives a report on the results
7 of the study required by subsection (a).

8 (c) FUNDING.—There is appropriated, out of any
9 funds in the Treasury not otherwise appropriated,
10 \$5,000,000 to the Administrator of the Centers for Medi-
11 care & Medicaid Services for purposes of implementing
12 this section, to remain available until expended.

13 **SEC. 105. REINVESTMENT OF AMOUNTS RECOVERED OR**
14 **PAID TO A STATE AS A RESULT OF FRAUD OR**
15 **ABUSE BY RESIDENTIAL TREATMENT FACILI-**
16 **TIES THAT SERVE YOUTH TO FUND STATE**
17 **COMMUNITY-BASED MENTAL HEALTH CARE**
18 **AND SUBSTANCE USE DISORDER INFRA-**
19 **STRUCTURE.**

20 (a) IN GENERAL.—Section 1903(d)(3) of the Social
21 Security Act (42 U.S.C. 1396b(d)(3)) is amended by add-
22 ing at the end the following new subparagraph:

23 “(C)(i) Subparagraph (A) and paragraph (2)(B)
24 shall not apply to the amount equal to the Federal share
25 of any amount recovered or paid to a State in a State

1 fiscal year as a result of an investigation of fraud or abuse
2 by a Federal or State law or fraud enforcement agency
3 (as defined in clause (ii)) of a residential treatment facility
4 (as defined in section 438(e)(3)), but only if the State cer-
5 tifies to the Secretary that the State shall—

6 “(I) use such amount within 3 State fiscal
7 years from the date on which such amount was re-
8 covered or paid for expenditures for providing inten-
9 sive home and community-based services for youth
10 with mental health and substance use conditions (as
11 defined in section 1905(l)(5)), carrying out activi-
12 ties described in section 1905(l)(5)(A)(ii), making
13 investments in workforce to provide services for chil-
14 dren and youth with mental health and substance
15 use conditions in non-institutional settings, or for
16 any other expenditures for the State’s community-
17 based behavioral health care or substance use dis-
18 order treatment infrastructure for youth determined
19 appropriate by the State and approved by the Sec-
20 retary;

21 “(II) use such amount to supplement, and not
22 supplant, the level of State funds expended for ex-
23 penditures for services that would be considered to
24 be intensive home and community-based services for
25 youth with mental health and substance use condi-

1 tions (without regard to whether the State has elect-
2 ed to provide such services under the State plan or
3 under a waiver of such plan) for the most recently
4 ended fiscal year as of the date of enactment of this
5 subparagraph;

6 “(III) comply with section 433.51(c) of title 42,
7 Code of Federal Regulations (or any successor regu-
8 lation), with respect to such amount; and

9 “(IV) publish on a publicly available website of
10 the State a detailed plan for how the State will use
11 such amount.

12 “(ii) In this subparagraph, the term ‘Federal or State
13 law or fraud enforcement agency’ includes—

14 “(I) the Department of Justice;

15 “(II) a State law enforcement agency; and

16 “(III) a State medicaid fraud control unit (as
17 defined in subsection (q)).”.

18 (b) EFFECTIVE DATE.—The amendment made by
19 subsection (a) shall take effect on the date that is 1 year
20 after the date of enactment of this section and apply to
21 State fiscal years beginning on or after such date.

1 **SEC. 106. INVESTING IN THE COMMUNITY-BASED BEHAV-**
2 **IORAL HEALTH PROVIDER WORKFORCE.**

3 Subpart 3 of part E of title VII of the Public Health
4 Service Act (42 U.S.C. 295f et seq.) is amended by adding
5 at the end the following:

6 **“SEC. 779. COMMUNITY-BASED MENTAL AND BEHAVIORAL**
7 **HEALTH PROVIDER WORKFORCE TRAINING**
8 **AND DEVELOPMENT GRANTS.**

9 “(a) IN GENERAL.—The Secretary, in consultation
10 with the Secretary of Labor and from the amount appro-
11 priated under subsection (g), shall award grants to eligible
12 entities to conduct demonstration projects that use com-
13 munity-driven approaches to provide individuals with op-
14 portunities for education, training, and career advance-
15 ment as mental or behavioral health providers, with the
16 goal of recruiting and training mental and behavioral
17 health providers that serve youth in community settings.

18 “(b) APPLICATION REQUIREMENTS.—To receive a
19 grant to conduct a demonstration project under this sec-
20 tion, an eligible entity shall submit an application to the
21 Secretary that includes the following:

22 “(1) A description of planned outreach, commu-
23 nication, and other recruitment efforts to raise
24 awareness of the demonstration project, including a
25 description of the populations the entity plans to en-
26 gage as participants, how the entity plans to engage

1 such populations, and the geographic areas where
2 recruitment activities will take place.

3 “(2) A description of how the activities con-
4 ducted under the demonstration project will empha-
5 size and facilitate working in child mental or behav-
6 ioral health as a career path.

7 “(3) Assurances that any grant funding award-
8 ed under this section will supplement rather than
9 supplant existing funding.

10 “(4) A plan detailing the scalability,
11 replicability, and long-term sustainability of the com-
12 munity-driven approach that the demonstration
13 project will follow.

14 “(5) A description of how the entity will evalu-
15 ate the outcomes of the demonstration project.

16 “(6) A description of how the entity will ensure
17 that the demonstration project will promote longer
18 term commitments to serving youth in community
19 settings, including children who are eligible for med-
20 ical assistance under a State plan under title XIX
21 of the Social Security Act or under a waiver of such
22 plan, for child health assistance under a State plan
23 under title XXI of such Act or under a waiver of
24 such plan, and children with respect to whom child

1 welfare services are made available under part B or
2 E of title IV of such Act.

3 “(c) SELECTION AND FUNDING REQUIREMENTS.—In
4 selecting eligible entities to receive grants under this sec-
5 tion, the Secretary shall ensure that—

6 “(1) not less than one demonstration project
7 funded by a grant under this section is carried out
8 in each State; and

9 “(2) the amount of the grant for each such se-
10 lected demonstration project is scaled to reflect the
11 youth mental and behavioral health needs in the
12 State in which the demonstration project is carried
13 out.

14 “(d) REQUIREMENTS.—

15 “(1) TERM OF PROJECT.—A demonstration
16 project funded under a grant under this section shall
17 be conducted for a period of not less than 1 and not
18 more than 5 years.

19 “(2) USE OF FUNDS.—Funds awarded under a
20 grant under this section may be used for 1 or more
21 of the following purposes:

22 “(A) To carry out recruitment activities
23 such as conducting outreach to students, pro-
24 viding career education to potential mental or
25 behavioral health providers, and establishing

1 mentorship programs to match students with
2 current mental or behavioral health providers.

3 “(B) To launch new activities to improve
4 the mental or behavioral health provider work-
5 force pipeline or to expand existing program-
6 ming for such purpose.

7 “(C) To provide funding associated with
8 start-up costs for establishing or expanding a
9 mental or behavioral health education, training,
10 or career advancement initiative by any entity
11 described in subsection (f)(1)(A)(ii).

12 “(D) To develop new curriculum.

13 “(E) To hire and train professionals who
14 can train and mentor potential mental or be-
15 havioral health providers.

16 “(F) To establish and fund opportunities
17 for candidates to secure required work experi-
18 ences necessary to work in the child mental or
19 behavioral health field.

20 “(G) To develop programming that sup-
21 ports the retention of existing mental or behav-
22 ioral health providers.

23 “(H) To create career ladder opportunities
24 that allow less-experienced or less-credentialed

1 providers to leverage their experience to move
2 into roles with a greater scope of practice.

3 “(I) Any other purpose that furthers the
4 goals of the demonstration project, as deter-
5 mined by the Secretary.

6 “(3) REPORTING.—An eligible entity that re-
7 ceives a grant to conduct a demonstration project
8 under this section shall submit to the Secretary an
9 annual report—

10 “(A) detailing the findings and outcomes
11 of the activities carried out under the dem-
12 onstration project; and

13 “(B) identifying any areas of deficiency the
14 eligible entity has experienced in carrying out
15 the approved plan for the demonstration
16 project.

17 “(e) PUBLICATION OF SELECTIONS.—The Secretary
18 shall make publicly available—

19 “(1) each application selected to receive a grant
20 under this section; and

21 “(2) the selection criteria used by the Sec-
22 retary, in consultation with the Secretary of Labor,
23 to select each such application.

24 “(f) DEFINITIONS.—In this section:

25 “(1) ELIGIBLE ENTITY.—

1 “(A) IN GENERAL.—The term ‘eligible en-
2 tity’ means—

3 “(i) an entity that has the dem-
4 onstrated ability to train and develop men-
5 tal or behavioral health providers; or

6 “(ii) a new entity whose mission is to
7 train and develop mental or behavioral
8 health providers.

9 “(B) INCLUSIONS.—The term ‘eligible en-
10 tity’ includes any of the following entities (or a
11 consortium of more than 1 of the following enti-
12 ties):

13 “(i) State behavioral health adminis-
14 trations or departments, including peer
15 certification programs.

16 “(ii) Educational institutions that
17 train and recruit future behavioral health
18 providers.

19 “(2) MENTAL OR BEHAVIORAL HEALTH PRO-
20 VIDER.—The term ‘mental or behavioral health pro-
21 vider’ includes—

22 “(A) a peer support specialist;

23 “(B) a licensed clinical social worker;

24 “(C) a psychiatric-mental health nurse
25 practitioner;

1 “(D) a case manager;

2 “(E) a care coordinator;

3 “(F) a clinical, non-physician provider;

4 “(G) an addiction counselor specializing in
5 adolescents;

6 “(H) an occupational therapist specializing
7 in behavioral health; and

8 “(I) a provider of high fidelity wraparound
9 services (as defined by the Secretary) or any
10 other mental or behavioral health provider (as
11 defined by the Secretary).

12 “(g) APPROPRIATION.—Out of any funds in the
13 Treasury not otherwise appropriated, there are appro-
14 priated to the Secretary to carry out this section
15 \$150,000,000 for the first fiscal year that begins on or
16 after the date of enactment of this section, to remain avail-
17 able until expended.”.

18 **SEC. 107. STUDENT LOAN REPAYMENT FOR QUALIFIED BE-**
19 **HAVORAL HEALTH PROVIDERS.**

20 (a) IN GENERAL.—Title VII of the Public Health
21 Service Act (42 U.S.C. 292 et seq.) is amended by adding
22 at the end the following:

1 **“PART H—STUDENT LOAN REPAYMENT FOR**
2 **QUALIFIED BEHAVIORAL HEALTH PROVIDERS**
3 **“SEC. 799E. STUDENT LOAN REPAYMENT FOR QUALIFIED**
4 **BEHAVIORAL HEALTH PROVIDERS.**

5 “(a) ESTABLISHMENT.—Not later than 1 year after
6 the date of enactment of the Better Results through In-
7 community Delivery, Greater Enforcement, and Stronger
8 Services for Kids Act, the Secretary, acting through the
9 Administrator of the Health Resources and Services Ad-
10 ministration, shall establish a student loan repayment pro-
11 gram for the qualifying educational loans of qualified be-
12 havioral health providers.

13 “(b) DEFINITIONS.—In this section:

14 “(1) QUALIFIED BEHAVIORAL HEALTH PRO-
15 VIDER.—The term ‘qualified behavioral health pro-
16 vider’ means any of the following:

17 “(A) A child or adolescent psychiatrist
18 who—

19 “(i) is board certified in psychiatry;
20 and

21 “(ii) makes a commitment to work for
22 not less than 3 years, on a full-time basis
23 and either consecutively or non-consecu-
24 tively within a 10-year period, maintaining
25 a personal practice panel, or working at an
26 organization with a panel, in which not less

1 than 40 percent of the patients are chil-
2 dren—

3 “(I) eligible for medical assist-
4 ance under a State plan under title
5 XIX of the Social Security Act (or a
6 waiver of such a plan) or for child
7 health assistance under a State plan
8 under title XXI of such Act; or

9 “(II) who are uninsured individ-
10 uals, as defined in section 1902(ss) of
11 the Social Security Act.

12 “(B) A general pediatrician who is board
13 certified in adolescent addiction medicine who
14 makes a commitment described in subpara-
15 graph (A)(ii).

16 “(C) An individual—

17 “(i) with a Doctor of Psychology
18 (PsyD) degree who makes a commitment
19 described in subparagraph (A)(ii); or

20 “(ii) with a PhD in Psychology who
21 makes a commitment described in subpara-
22 graph (A)(ii).

23 “(D) A child psychiatric nurse practitioner
24 who makes a commitment described in subpara-
25 graph (A)(ii).

1 “(E) A licensed clinical social worker who
2 makes a commitment described in subpara-
3 graph (A)(ii).

4 “(F) An occupational therapist who treats
5 children with mental health needs in a non-resi-
6 dential setting and who makes a commitment
7 described in subparagraph (A)(ii).

8 “(G) An educational psychologist who
9 treats children with mental health needs in a
10 non-residential setting and who makes a com-
11 mitment described in subparagraph (A)(ii).

12 “(2) QUALIFYING EDUCATIONAL LOAN.—The
13 term ‘qualifying educational loan’ means a loan—

14 “(A)(i) made, insured, or guaranteed by
15 the Federal Government or a State or other
16 public entity or a nonprofit organization; or

17 “(ii) that is a private education loan, as
18 defined in section 140 of the Truth in Lending
19 Act (15 U.S.C. 1650); and

20 “(B) that was taken out to pay the edu-
21 cational costs to—

22 “(i) attend an institution of higher
23 education (as defined in section 101 of the
24 Higher Education Act of 1965 (20 U.S.C.
25 1001)) or school of public health; and

1 “(ii) receive—

2 “(I) a degree in medicine or os-
3 teopathic medicine and complete a
4 residency or fellowship in child and
5 adolescent psychiatry; or

6 “(II) a certificate or degree, in-
7 cluding a master’s or doctoral degree,
8 in social work, infant and early child-
9 hood mental health, trauma informed
10 treatment, early childhood education,
11 developmental psychology, clinical psy-
12 chology, educational psychology,
13 school psychology, or other degree
14 program or educational focus as de-
15 termined by the Secretary.

16 “(c) TERMS AND OPERATIONS.— In carrying out the
17 student loan repayment program established under this
18 section, the Secretary, acting through the Administrator
19 of the Health Resources and Services Administration,
20 shall comply with the following:

21 “(1) Make a payment on the principal and in-
22 terest due on a qualifying educational loan of a
23 qualified behavioral health provider not less often
24 than monthly directly to the student loan servicer of
25 such loan, and which payments—

1 “(A) with respect to an individual de-
2 scribed in subsection (b)(1)(A), are not more
3 than \$200,000 in the aggregate on all such
4 loans of such provider;

5 “(B) with respect to an individual de-
6 scribed in subsection (b)(1)(B), are not more
7 than \$200,000 in the aggregate on all such
8 loans of such provider;

9 “(C) with respect to an individual de-
10 scribed in subsection (b)(1)(C)(i), are not more
11 than \$200,000 in the aggregate on all such
12 loans of such provider;

13 “(D) with respect to an individual de-
14 scribed in subsection (b)(1)(C)(ii), are not more
15 than \$100,000 in the aggregate on all such
16 loans of such provider;

17 “(E) with respect to an individual de-
18 scribed in subsection (b)(1)(D), are not more
19 than \$75,000 in the aggregate on all such loans
20 of such provider;

21 “(F) with respect to an individual de-
22 scribed in subsection (b)(1)(E), are not more
23 than \$75,000 in the aggregate on all such loans
24 of such provider;

1 “(G) with respect to an individual de-
2 scribed in subsection (b)(1)(F), are not more
3 than \$75,000 in the aggregate on all such loans
4 of such provider; and

5 “(H) with respect to an individual de-
6 scribed in subsection (b)(1)(G), are not more
7 than \$75,000 in the aggregate on all such loans
8 of such provider.

9 “(2) May have multiple rounds or cohorts of
10 disbursements of payments so long as it does not ex-
11 tend beyond the applicable authorized level of fund-
12 ing.

13 “(3) Establish a process for ensuring that
14 qualified behavioral health providers are continuing
15 to meet the qualifying service commitment that is
16 not less than every 6 months before making loan re-
17 payment disbursements. If the service commitment
18 is not met, except in extraordinary circumstances as
19 determined by the Secretary, the Secretary shall not
20 make the loan repayment and the Secretary shall re-
21 coup any loan repayments made on behalf of the
22 qualified behavioral health provider. Suspension or
23 revocation of a professional license shall not con-
24 stitute an extraordinary circumstance for purposes
25 of not meeting the service commitment.

1 “(4) Only repay an amount that is not more
2 than the qualifying educational loans owed by the
3 qualified behavioral health provider, subject to the
4 maximum provided in paragraph (1).

5 “(5) Define application criteria and eligibility
6 and select awardees through a competitive process
7 that will allow the Secretary to evaluate the appli-
8 cants relative to the criteria established. The Sec-
9 retary may prioritize qualified behavioral health pro-
10 viders with cultural and linguistic competence that is
11 likely to reflect and respond to the needs of children
12 described in subsection (b)(1)(A)(ii)(I). The criteria
13 shall comply with Federal civil rights law and not
14 impermissibly discriminate based on race, ethnicity,
15 national origin, or any other Federally protected
16 classes or characteristics.

17 “(d) ADDITIVE LOAN REPAYMENT.—An individual
18 may receive, for the same service, loan repayment under
19 this section and the National Health Service Corps Loan
20 Repayment Program under section 338B or the pediatric
21 specialty loan repayment program under section 775.

22 “(e) PUBLIC AWARENESS CAMPAIGN.—From
23 amounts appropriated to carry out this section, the Sec-
24 retary, acting through the Administrator of the Health
25 Resources and Services Administration, shall reserve

1 \$2,000,000 to carry out public awareness campaigns for
2 the student loan repayment program established under
3 this section, the National Health Service Corps Loan Re-
4 payment Program under section 338B, and the pediatric
5 specialty loan repayment program under section 775. Such
6 public awareness campaigns shall target the types of pro-
7 videns that would qualify under such programs for loan
8 repayment.

9 “(f) NOT INCLUDED IN GROSS INCOME.—A payment
10 made under this section shall not be included in gross in-
11 come of the beneficiary for purposes of the Internal Rev-
12 enue Code of 1986.”.

13 (b) RULE OF CONSTRUCTION.—Nothing in the
14 amendment made under subsection (a) shall be construed
15 to authorize any refunding of any repayment of a loan.

16 **SEC. 108. IMPROVING FEDERAL AGENCY ALIGNMENT RE-**
17 **GARDING COMMUNITY AND FAMILY PLACE-**
18 **MENTS FOR CHILDREN AND YOUTH WITH**
19 **MENTAL HEALTH OR SUBSTANCE USE CONDI-**
20 **TIONS.**

21 (a) IN GENERAL.—

22 (1) STAKEHOLDER MEETINGS.—

23 (A) IN GENERAL.—Not later than 6
24 months after the date of enactment of this Act,
25 the Secretary of Health and Human Services

1 (in this section referred to as the “Secretary”)
2 shall conduct a public stakeholder meeting to
3 seek input on effective strategies for—

4 (i) financing community and family
5 placements for children and youth in foster
6 care under the responsibility of the State
7 who have mental health needs or substance
8 use disorder; and

9 (ii) increasing access to peer support
10 services and respite services in the commu-
11 nity that are funded under the temporary
12 assistance for needy families program es-
13 tablished under part A of title IV of the
14 Social Security Act (42 U.S.C. 601 et
15 seq.), a State plan under part B or E of
16 title IV of such Act (42 U.S.C. 621, 670),
17 a State plan under title XIX of such Act
18 (42 U.S.C. 1396 et al.), a Social Services
19 Block Grant under title XX of such Act
20 (42 U.S.C. 1397 et al.), a State child
21 health plan under title XXI of such Act (
22 42 U.S.C. 1397aa et seq.) (including under
23 any waivers of such parts or title), or
24 under any other funding sources specified
25 at the discretion of the Secretary, for chil-

1 foster care who have mental health or sub-
2 stance use disorder needs and are under
3 the responsibility of the State, including
4 best practices for—

5 (I) coordinating services and
6 funding provided under the State
7 plans under parts B and E of title IV
8 (and other funding sources specified
9 at the discretion of the Secretary)
10 with services for which Federal finan-
11 cial participation is available under
12 the Medicaid program established
13 under title XIX of the Social Security
14 Act (42 U.S.C. 1396 et al.) or the
15 State Children’s Health Insurance
16 Program established under title XXI
17 of the Social Security Act (42 U.S.C.
18 1397aa et al.), for mental health or
19 substance use disorder services;

20 (II) incentivizing the availability
21 of intensive home and community-
22 based services for youth with mental
23 health and substance use conditions
24 (as defined in section 1905(II) of the

1 Social Security Act (42 U.S.C.
2 1396d(II)) (as added by section 101);
3 (III) educating providers about
4 the benefits and outcomes of intensive
5 home and community-based services
6 for youth with mental health and sub-
7 stance use conditions that allow for
8 the maintenance of community and
9 family placements for children and
10 youth in foster care under the respon-
11 sibility of the State; and
12 (IV) supporting children and
13 youth who will be discharged or who
14 have been discharged from residential
15 treatment facilities (as defined in sec-
16 tion 438(e)(3) of the Social Security
17 Act (42 U.S.C. 629h(e)(3)), as added
18 by section 208(a)) with appropriate
19 connection to services to ensure suc-
20 cessful reintegration into community
21 settings, including effective practices
22 for providing connections and hand
23 offs to community-based services prior
24 to discharge.

1 (ii) Increasing access to peer support
2 services in the community for children and
3 youth in foster care under the responsi-
4 bility of the State, parents, foster parents,
5 and kin caregivers, including best practices
6 for—

7 (I) integrating such access into
8 intensive home and community-based
9 services for youth with mental health
10 and substance use conditions;

11 (II) training personnel to provide
12 effective peer support services; and

13 (III) increasing the workforce of
14 peer support specialists.

15 (iii) Increasing access to respite serv-
16 ices for parents, foster parents, and kin
17 caregivers, including best practices for in-
18 tegrating such access into intensive home
19 and community-based services for youth
20 with mental health and substance use con-
21 ditions.

22 (B) TECHNICAL ASSISTANCE.—The Sec-
23 retary shall provide States with technical assist-
24 ance to aid in the implementation of the guid-
25 ance issued under subparagraph (A).

1 (3) CONSULTATION.—In conducting the public
2 stakeholder meeting under paragraph (1) and
3 issuing the guidance required by paragraph (2), the
4 Secretary shall consult with the Administrator of the
5 Centers for Medicare & Medicaid Services, the As-
6 sistant Secretary for the Administration for Children
7 and Families, the Assistant Secretary for Mental
8 Health and Substance Use, the Director of the Bu-
9 reau of Indian Affairs, and the Administrator of the
10 Office of Juvenile Justice and Delinquency Preven-
11 tion.

12 (b) INTERAGENCY STAKEHOLDER COMMITTEE.—

13 (1) ESTABLISHMENT.—Not later than 6
14 months after the date of enactment of this Act, the
15 Secretary shall establish a committee, to be known
16 as the “Interagency Stakeholder Committee” (in this
17 subsection referred to as the “Committee”), to co-
18 ordinate interagency priorities related to community
19 and family placements for children and youth with
20 mental health or substance use disorder needs.

21 (2) MEMBERSHIP.—The Committee shall in-
22 clude senior employees from Federal offices and
23 agencies who have expertise in programmatic financ-
24 ing and policy related to children and youth in foster
25 care, children or youth mental or behavioral health

1 care, kinship or family permanency, peer support, or
2 other system-involved children or youth, from each
3 of the following:

4 (A) The Centers for Medicare & Medicaid
5 Services.

6 (B) The Administration for Children and
7 Families.

8 (C) The Substance Abuse and Mental
9 Health Services Administration.

10 (D) The Administration for Community
11 Living.

12 (E) The Department of Education.

13 (F) The Department of Justice.

14 (G) The Bureau of Indian Affairs.

15 (H) Any other Federal office or agency de-
16 termined appropriate by the Secretary.

17 (3) DUTIES.—The duties of the Committee
18 shall be to—

19 (A) make recommendations to the Sec-
20 retary regarding quality standards and metrics
21 for residential treatment facilities (as defined in
22 section 438(e)(3) of the Social Security Act (42
23 U.S.C. 629h(e)(3)), as added by section
24 208(a)), which the Secretary shall take into
25 consideration in establishing any standards or

1 conditions of participation for such facilities
2 with respect to the treatment of children and
3 youth and support for their families;

4 (B) review, on an annual basis, the condi-
5 tions of participation for residential treatment
6 facilities (as so defined) established by the Sec-
7 retary under section 203, and make rec-
8 ommendations to the Secretary regarding any
9 necessary updates;

10 (C) review, on an annual basis, the appli-
11 cable standards for any qualified residential
12 treatment program (as defined in section
13 472(k)(4) of the Social Security Act (42 U.S.C.
14 672(k)(4)), as well as the implementation of
15 such standards, and make recommendations to
16 the Secretary regarding any necessary updates;
17 and

18 (D) analyze the data posted on the public
19 dashboard described in section 1121A(c) of the
20 Social Security Act, as added by section 201.

21 (4) REPORTING.—

22 (A) TO THE SECRETARY.—Not later than
23 1 year after the date on which the Committee
24 is established under paragraph (1), and on a
25 quarterly basis thereafter, the Committee shall

1 submit to the Secretary a report on the activi-
2 ties of the Committee, including relevant find-
3 ings and recommendations.

4 (B) TO CONGRESS.—Not later than 1 year
5 after the submission of each report under sub-
6 paragraph (A), the Secretary shall submit to
7 the Committees on Finance and Health, Edu-
8 cation, Labor, and Pensions of the Senate and
9 the Committees on Energy and Commerce,
10 Education and Workforce, and Ways and
11 Means of the House of Representatives a report
12 that includes the findings and recommendations
13 of the Committee, together with recommenda-
14 tions for such legislative or administrative ac-
15 tion as determined appropriate by the Sec-
16 retary.

17 (5) NON-APPLICABILITY OF FACA.—The Com-
18 mittee shall not be subject to chapter 10 of title 5,
19 United States Code (commonly referred to as the
20 “Federal Advisory Committee Act”).

1 **TITLE II—STRENGTHENING THE**
2 **OVERSIGHT OF YOUTH RESI-**
3 **DENTIAL TREATMENT FACILI-**
4 **TIES**

5 **SEC. 201. UNIFORM REPORTING SYSTEM FOR YOUTH RESI-**
6 **DENTIAL TREATMENT FACILITIES.**

7 (a) REQUIREMENT.—Part A of title XI of the Social
8 Security Act (42 U.S.C. 1301 et al.) is amended by insert-
9 ing after section 1121 the following:

10 **“SEC. 1121A. UNIFORM REPORTING SYSTEM FOR RESIDEN-**
11 **TIAL TREATMENT FACILITIES PROVIDING BE-**
12 **HAVIORAL HEALTH SERVICES.**

13 “(a) IN GENERAL.—The Secretary shall establish, by
14 regulation, a uniform reporting system by which a covered
15 facility shall report to the State Medicaid agency, a quali-
16 fied independent entity conducting external independent
17 review, or the relevant State licensing agency, on a quar-
18 terly basis, the following information:

19 “(1) GENERAL INFORMATION.—

20 “(A) Ownership information for the cov-
21 ered facility, including facility and parent com-
22 pany leadership, any private equity investments,
23 facility type (such as private, nonprofit, or pub-
24 licly-owned), and ownership by an entity that
25 manages more than 1 facility.

1 “(B) Any ‘doing business as’ name used
2 within the reporting period.

3 “(C) For each month of the quarter, all
4 per diem rates paid to the facility,
5 disaggregated by payer source, with respect to
6 services provided by the covered facility to chil-
7 dren and youth.

8 “(D) The licensure and accreditation sta-
9 tus of the covered facility, including which bod-
10 ies conducted the licensure and accreditation
11 and the term and expiration date of such licen-
12 sure and accreditation.

13 “(E) Whether any inspections of the cov-
14 ered facility have taken place and the outcomes
15 of any such inspections.

16 “(F) The minimum, maximum, average,
17 and median lengths of stay at the covered facil-
18 ity, disaggregated by payer and facility-based
19 program, including acute, sub-acute, and cov-
20 ered facility.

21 “(G) The total number and source of out-
22 of-State placements at the covered facility.

23 “(H) The number of full-time and part-
24 time staff at the covered facility, disaggregated
25 by type of staff member, as well as the degrees,

1 certifications, years of clinical training and ex-
2 perience, and facility tenure of such staff.

3 “(I) A list of all entities and providers that
4 referred children to the covered facility.

5 “(J) A list of any services and providers
6 external to the covered facility that children are
7 referred to, including services that are delivered
8 onsite by external service providers.

9 “(K) An accounting of the frequency, du-
10 ration, and types of therapeutic services pro-
11 vided per week to each child by the covered fa-
12 cility, including the number of hours of group
13 and individualized services.

14 “(L) Demographic information (including
15 sex, gender identity, race, ethnicity, age, out-of-
16 State status, disability status, educational at-
17 tainment, and other information as defined by
18 the Secretary) for each child and youth pro-
19 vided services at the covered facility.

20 “(2) REPORTING OF SERIOUS OCCURRENCES.—

21 “(A) The number, date of, and type of se-
22 rious occurrences at the covered facility (as de-
23 scribed in section 483.374 of title 42, Code of
24 Federal Regulations (as in effect on September
25 1, 2025)).

1 “(B) Information regarding the use of se-
2 clusion and restraint (including mechanical,
3 chemical, and physical restraint or physical es-
4 cort that is life threatening, that restricts
5 breathing, or that restricts blood flow to the
6 brain, including prone and supine restraint) at
7 the covered facility, including the aggregate
8 number of seclusions and restraints used, the
9 average and median numbers of seclusions ex-
10 perienced by each child per month, the average
11 and median duration of such seclusions, a de-
12 tailed account of the precipitating events lead-
13 ing up to each seclusion or restraint drawing
14 from staff notes and a debrief with the person
15 who was restrained or secluded, the minimum,
16 maximum, average, and median numbers of re-
17 straints experienced by each child per month
18 and the reason for each incident of restraint
19 (disaggregated by type of restraint used), any
20 harm or injury to children or staff resulting
21 from seclusion or restraint practices, the age
22 and last measured weight of each child who ex-
23 perienced a restraint or seclusion, and whether
24 any seclusion was initiated by a child or by
25 staff.

1 “(b) REPORT TO THE SECRETARY.—Each State shall
2 designate an entity to aggregate the information reported
3 by covered facilities under subsection (a) and submit to
4 the Secretary, on a quarterly basis, a report containing
5 such information.

6 “(c) PUBLIC DASHBOARD.—

7 “(1) ESTABLISHMENT.—The Secretary shall es-
8 tablish on a publicly available Internet website of the
9 Secretary a centralized dashboard that displays the
10 information described in the quarterly reports sub-
11 mitted to the Secretary under subsection (b).

12 “(2) CONSULTATION.—In carrying out the re-
13 quirements of paragraph (1), the Secretary shall
14 consult with—

15 “(A) the Administrator of the Centers for
16 Medicare & Medicaid Services, the Assistant
17 Secretary for Children and Families for the Ad-
18 ministration for Children and Families, the As-
19 sistant Secretary for Mental Health and Sub-
20 stance Use, and the Administrator of the Office
21 of Juvenile Justice and Delinquency Prevention,
22 a representative sample of State agencies that
23 serve similar populations as the relevant Fed-
24 eral agencies, and other relevant Federal agen-
25 cies; and

1 “(B) external stakeholder groups—
2 “(i) including—
3 “(I) representatives from the
4 American Bar Association;
5 “(II) child welfare attorneys;
6 “(III) State protection and advo-
7 cacy systems;
8 “(IV) representatives from orga-
9 nizations dedicated to the civil lib-
10 erties of children and youth;
11 “(V) representatives from the
12 American Academy of Pediatrics;
13 “(VI) representatives from orga-
14 nizations dedicated to supporting the
15 parents or families of children and
16 youth;
17 “(VII) representatives from orga-
18 nizations dedicated to serving children
19 and youth in foster care and children
20 and youth with disabilities; and
21 “(VIII) representatives from or-
22 ganizations dedicated to children’s
23 mental health whose membership is
24 comprised of a majority of individuals
25 who have been admitted to a residen-

1 tial treatment facility (as defined in
2 section 438(e)(3)); and

3 “(ii) excluding individuals with any
4 ownership or other monetary interest in a
5 residential treatment facility (as so de-
6 fined) or the parent company of any such
7 facility.

8 “(d) ENFORCEMENT.—

9 “(1) FOR COVERED FACILITIES.—

10 “(A) ACCURATE, COMPLETE, AND TRUTH-
11 FUL REPORTS REQUIREMENT.—The Secretary
12 shall by regulation require a covered facility, in
13 the same manner required under section
14 438.606 of title 42, Code of Federal Regula-
15 tions (or any successor regulation), to certify
16 that the contents of any report submitted under
17 subsection (a), based on best information,
18 knowledge, and belief, are accurate, complete,
19 and truthful such that the operator of such fa-
20 cility is ultimately responsible for the contents
21 of any such report.

22 “(B) FAILURE TO MEET REPORTING RE-
23 QUIREMENTS.—In the case that the Secretary
24 identifies at least 3 instances of a failure of a
25 covered facility to meet the reporting require-

1 ment under subsection (a) within a 12 month-
2 period, the Secretary shall exclude the covered
3 facility from participation under a State plan
4 (or a waiver of such plan) under title XIX, title
5 XXI, and part B or E of title IV until such fa-
6 cility submits a report to correct each such in-
7 stance.

8 “(2) FOR STATES.—

9 “(A) IN GENERAL.—Subject to subpara-
10 graph (B), for each fiscal quarter beginning on
11 or after the date that is 2 years after the date
12 of enactment of this Act, if a State does not
13 satisfy the reporting requirement under sub-
14 section (b) for a quarter, the Federal medical
15 assistance percentage determined for the State
16 for the quarter under section 1905(b) shall be
17 reduced by the number of percentage points
18 (not to exceed 1 percentage point) equal to the
19 product of 0.25 percentage points and the num-
20 ber of fiscal quarters for which the State has
21 failed to satisfy such reporting requirements as
22 of such quarter.

23 “(B) CORRECTIVE ACTION PLAN; ADDI-
24 TIONAL AUTHORITY.—

1 “(i) IN GENERAL.—If the Secretary
2 determines that a State did not comply
3 with the reporting requirement under sub-
4 section (b) during the 90-day period fol-
5 lowing the completion of a fiscal quarter,
6 the Secretary may require the State to
7 submit and implement a corrective action
8 plan in accordance with clause (ii).

9 “(ii) CORRECTIVE ACTION PLAN.—A
10 State that receives a written notice from
11 the Secretary that the Secretary has deter-
12 mined that such State is not in compliance
13 with the reporting requirement under sub-
14 section (b) shall—

15 “(I) not later than 14 days after
16 receiving such notice—

17 “(aa) submit a corrective ac-
18 tion plan to the Secretary (who
19 shall notify the State of the ap-
20 proval or denial of the plan not
21 later than 21 days after the date
22 on which the plan is submitted);
23 and

24 “(bb) post such proposed
25 plan publicly on a State website

1 within 30 days of the adoption of
2 the plan with any patient-identi-
3 fying information removed or re-
4 dacted; and

5 “(II) not later than 14 days after
6 the date on which the State receives
7 notice that the plan is approved by
8 the Secretary, post the plan publicly
9 on a State website and begin imple-
10 mentation of such corrective action
11 plan.

12 “(iii) EFFECT OF FAILURE TO SUBMIT
13 OR IMPLEMENT A CORRECTIVE ACTION
14 PLAN.—If a State fails to comply with
15 clause (ii), the Secretary may, in addition
16 to any reduction applied under subpara-
17 graph (A) to the Federal medical assist-
18 ance percentage determined for the State
19 and any other remedy available to the Sec-
20 retary for the purpose of carrying out this
21 title, impose a civil money penalty of not
22 more than \$100,000 for each day a State
23 is not in compliance. Any penalties col-
24 lected under this clause shall be subject to

1 the reinvestment requirements described in
2 section 1903(d)(3)(C)(i).”.

3 “(e) RULE OF CONSTRUCTION.—Nothing in this sec-
4 tion shall be construed as replacing or affecting the obliga-
5 tion of a covered facility to comply with State licensing
6 requirements.

7 “(f) COVERED FACILITY DEFINED.—In this section,
8 the term ‘covered facility’ means any facility that—

9 “(1) is a residential treatment facility, as de-
10 fined in section 438(e)(3); and

11 “(2) is eligible to receive—

12 “(A) payment for providing medical assist-
13 ance under a State plan or waiver of such plan
14 under title XIX;

15 “(B) payment for providing child health
16 assistance or pregnancy-related assistance
17 under a State child health plan or waiver of
18 such plan under title XXI; or

19 “(C) foster care maintenance payments
20 under part E of title IV on behalf of children
21 or youth in foster care under the responsibility
22 of a State whom have been placed in such facil-
23 ity.

1 “(g) IMPLEMENTATION FUNDING.—There are appro-
2 priated, out of amounts in the Treasury not otherwise ap-
3 propriated, in addition to amounts otherwise available—

4 “(1) to the Administrator of the Centers for
5 Medicare & Medicaid Services—

6 “(A) for fiscal year 2027, \$50,000,000 for
7 purposes of establishing the reporting system
8 and standards required under this section, to
9 remain available until expended; and

10 “(B) for each fiscal year thereafter,
11 \$10,000,000 for purposes of maintaining such
12 system, to remain available until expended; and

13 “(2) to the Secretary, \$50,000,000 for fiscal
14 year 2027 and for each fiscal year thereafter, for
15 purposes of making payments to States, in such
16 amounts and based on such criteria as the Secretary
17 shall establish for expenditures attributable to com-
18 plying with the requirements of this section, to re-
19 main available until expended.”.

20 (b) CONFORMING AMENDMENTS.—

21 (1) TITLE XIX STATE PLAN REQUIREMENT.—
22 Section 1902(a) of the Social Security Act (42
23 U.S.C. 1396a(a)) is amended—

24 (A) in paragraph (88), by striking “and”
25 after the semicolon;

1 (B) in paragraph (89), by striking the pe-
2 riod at the end and inserting “; and”; and

3 (C) by inserting after paragraph (89) the
4 following new paragraph:

5 “(90) include a description of the steps the
6 State is taking to ensure that each covered facility
7 described in section 1121A(f) and the State reports
8 the information required by such section in accord-
9 ance with the uniform reporting system established
10 under such section.”.

11 (2) APPLICATION TO CHIP.—Section 2107(e)(1)
12 of such Act (42 U.S.C. 1397gg(e)(1)) is amended—

13 (A) by redesignating subparagraphs (I)
14 through (W) as subparagraphs (J) through (X),
15 respectively; and

16 (B) by inserting after subparagraph (H),
17 the following new subparagraph:

18 “(I) Section 1902(a)(90) (relating to re-
19 porting by covered facilities and States de-
20 scribed in section 1121A.”.

21 (3) TITLE IV—E STATE PLAN REQUIREMENT.—
22 Section 471(a) of the Social Security Act (42 U.S.C.
23 671(a)) is amended—

24 (A) in paragraph (36)(C), by striking
25 “and” after the semicolon;

1 (B) in paragraph (37), by striking the pe-
2 riod at the end and inserting “; and”; and

3 (C) by inserting after paragraph (37) the
4 following new paragraph:

5 “(38) include a description of the steps the
6 State is taking to ensure that each covered facility
7 described in section 1121A(f) and the State reports
8 the information required by such section in accord-
9 ance with the uniform reporting system established
10 under such section.”.

11 **SEC. 202. ANNUAL STATE SURVEYS OF RESIDENTIAL**
12 **TREATMENT FACILITIES FOR YOUTH.**

13 (a) STATE PLAN AMENDMENT.—Section
14 1902(a)(26) of the Social Security Act (42 U.S.C.
15 1396a(a)(26)) is amended—

16 (1) by striking “provide, with respect to” and
17 inserting “provide—

18 “(A) with respect to”;

19 (2) by inserting “and” after the semicolon; and

20 (3) by adding at the end the following:

21 “(B) for compliance with the requirements
22 of section 1905(h)(3) (relating to responsibility
23 for survey and certification of residential treat-
24 ment facilities);”.

1 (b) REQUIREMENTS.—Section 1905(h) of the Social
2 Security Act (42 U.S.C. 1396d(h)) is amended by adding
3 at the end the following new paragraph:

4 “(3)(A) Such term does not include services provided
5 during any calendar quarter under the State plan of any
6 State or under any waiver of such plan if the State fails
7 to carry out the survey and certification process and en-
8 forcement requirements specified in this paragraph.

9 “(B)(i) The State shall be responsible for certifying,
10 not less frequently than once every 12 months, the compli-
11 ance of each residential treatment facility (as defined in
12 section 438(e)(3)) located in the State with the conditions
13 of participation for the facility to be a participating pro-
14 vider under the State plan under this title or under a waiv-
15 er of such plan. The failure of the Secretary to issue regu-
16 lations to carry out this paragraph shall not relieve a State
17 of its responsibility under this paragraph.

18 “(ii) The Secretary shall be responsible for certifying,
19 not less frequently than once every 12 months, the compli-
20 ance of each State-owned or operated residential treat-
21 ment facility with the conditions of participation for the
22 facility to be a participating provider under the State plan
23 under this title or under a waiver of such plan described
24 in section 203 of the Better Results through In-commu-

1 nity Delivery, Greater Enforcement, and Stronger Services
2 for Kids Act.

3 “(iii) A survey conducted in response to a complaint
4 about a residential treatment facility shall not substitute
5 for the annual survey and certification requirement for the
6 facility.

7 “(iv)(I) Surveys under this paragraph shall be con-
8 ducted based upon the protocol specified by the Secretary
9 under subparagraph (E).

10 “(II) Any survey conducted under this paragraph
11 shall be conducted without prior notice to the facility. Any
12 individual who knowingly notifies (or causes to be notified)
13 a residential treatment facility of the time or date on
14 which such a survey is scheduled to be conducted is sub-
15 ject to a civil money penalty not to exceed \$5,000. The
16 provisions of section 1128A (other than subsections (a)
17 and (b)) shall apply to a civil money penalty under the
18 previous sentence in the same manner as such provisions
19 apply to a penalty or proceeding under section 1128A(a).
20 The Secretary shall review each State’s procedures for
21 scheduling and conducting such surveys to assure that the
22 State has taken all reasonable steps to avoid giving notice
23 of such a survey through the scheduling procedures and
24 the conduct of the surveys themselves.

1 “(III) No individual may be a member of a survey
2 team under this paragraph if the individual is serving (or
3 has served within the previous 2 years) as a member of
4 the staff of, or as a consultant to, the residential treat-
5 ment facility being surveyed (or the person responsible for
6 such facility) or who has a personal or familial financial
7 interest in the facility being surveyed.

8 “(v) The Secretary shall conduct onsite surveys of a
9 representative sample of residential treatment facilities in
10 each State, within 2 months of the date of surveys con-
11 ducted by the State under clause (i), in a sufficient num-
12 ber to allow inferences about the adequacies of each
13 State’s surveys conducted under such clause. In con-
14 ducting such surveys, the Secretary shall use the same
15 survey protocols as the State is required to use. If the
16 State has determined that an individual facility meets the
17 conditions for participation under the State plan or under
18 a waiver of such plan, but the Secretary determines that
19 the facility does not meet such requirements, the Sec-
20 retary’s determination as to the facility’s noncompliance
21 with such requirements is binding and supersedes that of
22 the State survey.

23 “(vi) Where the Secretary has reason to question the
24 compliance of a residential treatment facility with any con-
25 dition of participation under a State plan or under a waiv-

1 er of such plan, the Secretary shall conduct a survey of
2 the facility and, on the basis of that survey, make an inde-
3 pendent and binding determination concerning the extent
4 to which the facility meets such requirements.

5 “(C)(i) Each State and the Secretary shall maintain
6 procedures and adequate staff to investigate complaints
7 of violations of applicable requirements imposed on resi-
8 dential treatment facilities.

9 “(ii) The State and Secretary, as applicable, shall
10 conduct an investigation of an allegation described in
11 clause (iv) within 2 business days of the receipt of the
12 complaint. Any residential treatment facility that shares
13 ownership with a residential treatment facility in which
14 an allegation described in clause (iv) has been substan-
15 tiated shall be re-surveyed within 30 business days of the
16 date on which the allegation is determined to be substan-
17 tiated.

18 “(iii) In addition to the penalties described in sub-
19 paragraph (D), if an allegation described in clause (iv) has
20 been substantiated, the State shall—

21 “(I) impose civil monetary penalties, commensurate with the size of all of the facilities owned by
22 the parent company, calculated in a manner to be
23 established by the Secretary, on the facility’s owner
24 (including any parent company of the facility) to off-
25

1 set the cost of resurvey activities across all States;
2 and

3 “(II) disburse the penalty proceeds to the appli-
4 cable survey and certification entities.

5 “(iv) The allegations described in this clause are the
6 following:

7 “(I) An allegation that indicates noncompliance
8 has occurred and is likely to cause serious harm, in-
9 jury, impairment, or death.

10 “(II) An allegation of restraint or seclusion of
11 a resident of a residential treatment facility that re-
12 sulted in serious physical injury, impairment, or
13 death.

14 “(v) The State shall provide, through the agency re-
15 sponsible for surveys and certification of residential treat-
16 ment facilities under this paragraph, for a process for the
17 receipt, review, and investigation of allegations of indi-
18 vidual neglect and abuse (including injuries of unknown
19 source) by an individual who provides care in such facility,
20 or by the facility itself, or an allegation of misappropria-
21 tion of a resident’s property by an individual who provides
22 care in such facility, or by the facility itself. The State
23 shall, after notice to the accused individual and facility
24 involved and a reasonable opportunity for hearing for the
25 accused individual or facility to rebut allegations, make

1 a finding as to the accuracy of the allegations. If the State
2 finds that an individual or facility has neglected or abused
3 an individual whose care is being paid for by a State plan
4 (or waiver of such plan) under title XIX through the facil-
5 ity or that an individual or facility misappropriated a resi-
6 dent's property, the State shall notify the individual or fa-
7 cility against whom the finding is made and the State pro-
8 tection and advocacy system located in the same State as
9 the facility. A State shall not make a finding that an indi-
10 vidual or facility has neglected a resident receiving medical
11 assistance in or through a residential treatment facility
12 if the individual or facility demonstrates that such neglect
13 was caused by factors beyond the control of the individual
14 or facility. The State shall provide for public disclosure
15 of findings under this clause upon request and for inclu-
16 sion, in any such disclosure of such findings, of any brief
17 statement (or of a clear and accurate summary thereof)
18 of the individual or facility disputing such findings.

19 “(D)(i) If a State finds, on the basis of any survey
20 conducted under this paragraph, that a residential treat-
21 ment facility no longer meets the conditions of participa-
22 tion under the State plan or under a waiver of such plan,
23 the State shall terminate the facility's participation under
24 the State plan or waiver and shall provide in addition for
25 a civil money penalty. Nothing in this clause shall be con-

1 strued as restricting the remedies available to a State to
2 remedy a facility's deficiencies. If the State finds that a
3 facility meets such requirements but, as of a previous pe-
4 riod, did not meet such requirements, the State shall pro-
5 vide for a civil money penalty for the period during which
6 it finds that the facility was not in compliance with such
7 requirements.

8 “(ii) Each State shall establish by statute or regula-
9 tion at least the following remedy: A civil money penalty
10 assessed and collected, with interest, for each day in which
11 the facility is or was out of compliance with a condition
12 of participation under the State plan or under a waiver
13 of such plan. Funds collected by a State as a result of
14 imposition of such a penalty (or as a result of the imposi-
15 tion by the State of a civil money penalty under subpara-
16 graph (B)(iv)(II)) may be applied to reimbursement of in-
17 dividuals for personal funds, such as legal fees, lost due
18 to a failure of a residential treatment facility to meet the
19 requirements of such conditions of participation. The
20 State also shall specify criteria, as to when and how this
21 remedy is to be applied and the amounts of any penalties.
22 Such criteria shall be designed so as to minimize the time
23 between the identification of violations and final imposi-
24 tion of the penalties and shall provide for the imposition
25 of incrementally more severe penalties for repeated or un-

1 corrected deficiencies. The Secretary shall provide,
2 through regulations or otherwise, by not later than 1 year
3 after the date of enactment of this paragraph, guidance
4 to States in establishing such remedy; but the failure of
5 the Secretary to provide such guidance shall not relieve
6 a State of the responsibility for establishing such remedy.

7 “(iii)(I) With respect to State-owned or operated resi-
8 dential treatment facilities, the Secretary shall have the
9 authority and duties of a State under this subparagraph,
10 except that the civil money penalty described in subclause
11 (III) shall be substituted for the civil money penalty de-
12 scribed in clause (ii).

13 “(II) With respect to any other residential treatment
14 facility in a State, if the Secretary finds that a facility
15 no longer meets the conditions of participation under the
16 State plan or under a waiver of such plan, the Secretary
17 shall terminate the facility’s participation under the State
18 plan or waiver and may provide, in addition, for a civil
19 money penalty under subclause (III). If the Secretary
20 finds that a facility meets such requirements but, as of
21 a previous period, did not meet such requirements, the
22 Secretary may provide for a civil money penalty for the
23 period during which the Secretary finds that the provider
24 was not in compliance with such requirements.

1 “(III) If the Secretary finds on the basis of any sur-
2 vey conducted under this paragraph, that a residential
3 treatment facility no longer meets the conditions of par-
4 ticipation under the State plan or under a waiver of such
5 plan, the Secretary shall impose a civil money penalty in
6 an amount not to exceed \$10,000 for each day of non-
7 compliance or for each instance of noncompliance, as de-
8 termined appropriate by the Secretary. The provisions of
9 section 1128A (other than subsections (a) and (b)) shall
10 apply to a civil money penalty under the previous sentence
11 in the same manner as such provisions apply to a penalty
12 or proceeding under section 1128A(a). The Secretary shall
13 specify criteria, as to when and how this remedy is to be
14 applied and the amounts of any penalties. Such criteria
15 shall be designed so as to minimize the time between the
16 identification of violations and final imposition of the pen-
17 alties and shall provide for the imposition of incrementally
18 more severe penalties for repeated or uncorrected defi-
19 ciencies.

20 “(E)(i) The Secretary shall develop, by not later than
21 1 year after the date of enactment of this paragraph, sur-
22 vey protocols and methods for evaluating and ensuring the
23 quality of residential treatment facilities.

24 “(ii) The protocols and methods developed by the
25 Secretary under this subparagraph shall—

1 “(I) ensure, through methods other than reli-
2 ance on State licensure processes, that individuals
3 receiving medical assistance are protected from ne-
4 glect, physical and sexual abuse, financial exploi-
5 tation, inappropriate involuntary restraint or seclu-
6 sion, and the provision of health care services by un-
7 qualified personnel; and

8 “(II) prohibit a State from substituting licen-
9 sure of a residential treatment facility by an inde-
10 pendent accreditation body for State licensure of the
11 facility.

12 “(iii) The Secretary may, from time to time, revise
13 the requirements, protocols, and methods developed to
14 carry out this subparagraph.

15 “(iv) The Secretary’s authority under this subpara-
16 graph shall not be delegated to States.

17 “(v) Nothing in this subparagraph shall be construed
18 as preventing States from imposing requirements that are
19 more stringent than the requirements published or devel-
20 oped by the Secretary under this subparagraph.

21 “(F)(i) Each State, on the website of the State agen-
22 cy administering the State plan for such State, and the
23 Secretary, on the website of the Centers for Medicare &
24 Medicaid Services, shall make available to the public—

1 “(I) information respecting all surveys, reviews,
2 and certifications made under this paragraph re-
3 specting residential treatment facilities, including
4 statements of deficiencies;

5 “(II) copies of cost reports (if any) of such fa-
6 cilities filed under this title;

7 “(III) the most recent State reports submitted
8 under section 1121A(b);

9 “(IV) copies of statements of ownership under
10 section 1124; and

11 “(V) information disclosed under section 1126.

12 “(ii) If a State finds that—

13 “(I) a residential treatment facility has pro-
14 vided care of substandard quality with respect to an
15 individual, the State shall make a reasonable effort
16 to notify promptly—

17 “(aa) an immediate family member or
18 other caregiver (including a foster parent, a
19 guardian, or a kin caregiver) of each such indi-
20 vidual that such care of substandard quality
21 has occurred; and

22 “(bb) any other resident of the facility who
23 is eligible for medical assistance under the
24 State plan (or a waiver of such plan) and an
25 immediate family member or other caregiver

1 (including a foster parent, a guardian, a kin
2 caregiver, or an agency entrusted with the care
3 of such resident) that an incident of care of
4 substandard quality had occurred (without iden-
5 tifying the individual who was provided with
6 such care of substandard quality); or

7 “(II) the quality of care provided at a residen-
8 tial treatment facility is substandard, the State shall
9 make a reasonable effort to—

10 “(aa) notify promptly residents of the facil-
11 ity who are eligible for medical assistance under
12 the State plan (or under a waiver of such plan)
13 and immediate family members or other care-
14 givers of such residents (including foster par-
15 ents, guardians, kin caregivers, or an agency
16 entrusted with the care of such residents) of
17 such finding; and

18 “(bb) assist such immediate family mem-
19 bers or other caregivers in finding an alter-
20 native treatment arrangement for the residents
21 of such facility.

22 “(iii) Each State shall provide its State medicaid
23 fraud control unit (established under section 1903(q))
24 with access to all information of the State agency respon-

1 sible for surveys, reviews, and certifications under this
2 paragraph.

3 “(iv)(I) Each State shall submit all surveys con-
4 ducted under this paragraph to an Office of the Center
5 for Medicaid and CHIP Services designated by the Sec-
6 retary to have responsibility for overseeing the trans-
7 parency, coordination, collection and auditing of such sur-
8 veys (in this clause referred to as the ‘Office’).

9 “(II) If the Office identifies at least 3 instances de-
10 scribed in subclause (I) or (II) of clause (ii) that are re-
11 ported within the 12 month-period preceding a reported
12 instance, the Office shall—

13 “(aa) notify the facility that the facility shall
14 have the opportunity to effectuate a corrective action
15 plan within 1 month or shall have its medicaid pro-
16 vider status terminated;

17 “(bb) notify the State protection and advocacy
18 system of any State in which the facility operates
19 that the facility has been notified to effectuate a cor-
20 rective action plan and is subject to having its med-
21 icaid provider status terminated if the facility does
22 not comply; and

23 “(cc) assess whether the parent company of any
24 facility with at least 3 such instances has a systemic
25 pattern of failure or abuse and communicate the

1 findings of such assessment to the licensing entity of
2 each State in which such company operates a resi-
3 dential treatment facility.

4 “(III) Any residential treatment facility that is re-
5 quired to execute a corrective action plan shall be reevaluated by the State for a period of at least 1 year to confirm
6 that the corrective action plan is being implemented as
7 approved and that the deficiencies that led to the need
8 for the corrective action plan are being addressed.

10 “(IV) The Office shall promulgate regulations for
11 specific requirements for corrective action plans and re-
12 location of provider participation under a State plan under
13 this title or under a waiver of such plan that correspond
14 to each of the following infractions by a residential treat-
15 ment facility:

16 “(aa) An infraction in which there is no actual
17 harm to a resident but the potential for minimal
18 harm.

19 “(bb) An infraction in which there is no actual
20 harm to a resident but the potential for more than
21 minimal harm.

22 “(cc) An infraction in which there is actual
23 harm that does not subject a resident to immediate
24 jeopardy.

1 “(dd) An infraction in which there is immediate
2 jeopardy to resident health or safety.

3 “(V) The Secretary shall develop guidance on a proc-
4 ess between States to require—

5 “(aa) a State receiving an out-of-State indi-
6 vidual at an in-State facility to provide survey and
7 certification information collected under this para-
8 graph for such facility to the State sending the indi-
9 vidual to such facility;

10 “(bb) the State sending the individual to such
11 facility to review the survey and certification infor-
12 mation described in item (aa) or otherwise review
13 the appropriateness of such facility before transfer-
14 ring the individual to the out-of-State facility; and

15 “(cc) communication between such States in the
16 case of non-compliance with item (aa).”.

17 (c) INCREASED FMAP.—Section 1903(a)(3) of the
18 Social Security Act (42 U.S.C. 1396b(a)(3)) is amended—

19 (1) in subparagraph (F)(ii), by striking “plus”
20 after the semicolon and inserting “and”; and

21 (2) by inserting after subparagraph (F), the fol-
22 lowing new subparagraph:

23 “(G) 90 percent of so much of the sums
24 expended during such quarter as are attrib-
25 utable to payments for reasonable administra-

1 tive expenses related to annual survey and cer-
2 tification of residential treatment facilities (as
3 defined in section 438(e)(3)) in accordance with
4 section 1905(h)(3); and”.

5 (d) APPLICATION TO CHIP.—Section 2107(e)(1) of
6 the Social Security Act (42 U.S.C. 1397gg(e)(1)), as
7 amended by section 201(b)(2), is amended—

8 (1) by redesignating subparagraphs (C) through
9 (X) as subparagraphs (D) through (Y), respectively;
10 and

11 (2) by inserting after subparagraph (B), the
12 following:

13 “(C) Section 1902(a)(26)(B) and
14 1905(h)(3) (relating to responsibility for survey
15 and certification of residential treatment facili-
16 ties (as defined in section 438(e)(3)).”.

17 (e) FUNDING.—

18 (1) FUNDING FOR STATES.—

19 (A) APPROPRIATION.—Out of any money
20 in the Treasury of the United States not other-
21 wise appropriated, there are appropriated for
22 making payments to States, under this para-
23 graph, \$100,000,000 for fiscal year 2027 and
24 each fiscal year thereafter, to remain available
25 until expended.

1 (B) PAYMENT AUTHORITY AND
2 AMOUNTS.—

3 (i) IN GENERAL.—From the amount
4 appropriated under subparagraph (A) for a
5 fiscal year, the Secretary shall pay each
6 State (as defined in section 1101(a) of the
7 Social Security Act (42 U.S.C. 1301(a))
8 for purposes of title XIX of such Act) an
9 amount equal to the relative number of li-
10 censed residential treatment facilities pro-
11 portion amount determined for the State
12 under clause (ii) for such fiscal year.

13 (ii) RELATIVE NUMBER OF LICENSED
14 RESIDENTIAL TREATMENT FACILITIES
15 PROPORTION AMOUNT.—For purposes of
16 clause (i), the term “relative number of li-
17 censed residential treatment facilities pro-
18 portion amount” means, with respect to a
19 State, the product of—

20 (I) the amount appropriated for
21 a fiscal year under subparagraph (A);
22 and

23 (II) the licensed residential treat-
24 ment facility percentage.

1 (iii) LICENSED RESIDENTIAL TREAT-
2 MENT FACILITY PERCENTAGE DEFINED.—

3 The term “licensed residential treatment
4 facility percentage” means, with respect to
5 a State, the quotient of—

6 (I) the total number of licensed
7 residential treatment facilities in the
8 State; and

9 (II) the total number of licensed
10 residential treatment facilities in all
11 States.

12 (C) USE OF FUNDS.—Amounts paid to a
13 State under this paragraph may only be used
14 for expenditures of the State attributable to
15 complying with sections 1902(a)(26)(B) and
16 1905(h)(3) of the Social Security Act (as added
17 by subsections (a) and (b)) (relating to respon-
18 sibility for survey and certification of residential
19 treatment facilities (as defined in section
20 438(e)(3) of the Social Security Act (42 U.S.C.
21 629h(e)(3)) (as added by section 208(a)).

22 (D) LICENSED RESIDENTIAL TREATMENT
23 FACILITY DEFINED.—In this paragraph, the
24 term “licensed residential treatment facility”
25 means a residential treatment facility, as de-

1 fined in section 438(e)(3) of the Social Security
2 Act (42 U.S.C. 629h(e)(3)), as added by section
3 208(a), that satisfies the most recently applica-
4 ble licensing and conditions of participation re-
5 quirements imposed for the facility to be eligible
6 to participate in and receive payments for pro-
7 viding medical assistance under the State plan
8 under title XIX of the Social Security Act (or
9 under a waiver of such plan).

10 (2) FUNDING FOR CMS.—There are appro-
11 priated to the Administrator of the Centers for
12 Medicare & Medicaid Services, out of amounts in the
13 Treasury not otherwise appropriated, in addition to
14 amounts otherwise available, \$50,000,000 for fiscal
15 year 2027 and each fiscal year thereafter, to remain
16 available until expended. Amounts appropriated
17 under this paragraph shall only be used to imple-
18 ment and administer the requirements of sections
19 1902(a)(26)(B) and 1905(h)(3) of the Social Secu-
20 rity Act (as added by subsections (a) and (b)) (relat-
21 ing to responsibility for survey and certification of
22 residential treatment facilities (as defined in section
23 438(e)(3) of the Social Security Act (42 U.S.C.
24 629h(e)(3)) (as added by section 208(a)).

1 (f) EFFECTIVE DATE.—The amendments made by
2 this section take effect on the date that is 2 years after
3 the date of enactment of this Act.

4 **SEC. 203. PROMULGATION AND ANNUAL REEVALUATION OF**
5 **CONDITIONS OF PARTICIPATION IN MED-**
6 **ICAID AND CHIP FOR RESIDENTIAL TREAT-**
7 **MENT FACILITIES FOR YOUTH.**

8 (a) IN GENERAL.—Not later than 2 years after the
9 date of enactment of this Act, the Secretary of Health and
10 Human Services (in this section referred to as the “Sec-
11 retary”) shall promulgate regulations imposing conditions
12 of participation under titles XIX and XXI of the Social
13 Security Act (42 U.S.C. 1396 et seq., 1397aa et seq.) for
14 residential treatment facilities (as defined in section
15 438(e)(3) of the Social Security Act (42 U.S.C.
16 629h(e)(3)), as added by section 208(a).

17 (b) REQUIREMENTS.—In promulgating the regula-
18 tions required under subsection (a), the Secretary shall—

19 (1) consider the recommendations of the Inter-
20 agency Stakeholder Committee established under
21 section 108(b) regarding conditions of participation
22 in such titles XIX and XXI of the Social Security
23 Act for residential treatment facilities; and

24 (2) require that, not less frequently than once
25 every 12 months, the State agency responsible for

1 administering the State plan under title XIX of such
2 Act, and if different, the State agency responsible
3 for administering the State child health plan under
4 title XXI of such Act, determine that a residential
5 treatment facility participating as a provider under
6 either or both of such plans, (as applicable) satisfies
7 the most recently imposed conditions of participation
8 under such regulations.

9 (c) ANNUAL REEVALUATION AND UPDATES.—The
10 Secretary annually shall evaluate the conditions of partici-
11 pation in such titles XIX and XXI of the Social Security
12 Act imposed on residential treatment facilities under the
13 regulations promulgated under subsection (a) and as nec-
14 essary, shall revise such regulations to ensure the ade-
15 quacy of such conditions of participation in protecting the
16 health and safety of the children and youth who are fur-
17 nished care or services in such facilities.

18 **SEC. 204. CLARIFYING THE DEFINITION OF PATIENT SAFE-**
19 **TY WORK PRODUCT.**

20 (a) DEFINITION OF PATIENT SAFETY WORK PROD-
21 UCT.—Section 921(7) of the Public Health Service Act
22 (42 U.S.C. 299b–21(7)) is amended—

23 (1) in subparagraph (A)(i)(I), by inserting “ex-
24 clusively” after “provider”; and

25 (2) in subparagraph (B)—

1 (A) in clause (ii), in the first sentence, by
2 striking “system.” and inserting “system, even
3 if such separate information is lost or de-
4 stroyed.”;

5 (B) by redesignating clause (iii) as clause
6 (iv); and

7 (C) by inserting after clause (ii) the fol-
8 lowing:

9 “(iii) Information described in sub-
10 paragraph (A) does not include informa-
11 tion that is otherwise required to be col-
12 lected and reported as part of an external
13 reporting obligation, even if the only record
14 of such information is maintained within
15 the patient safety evaluation system.”.

16 (b) EXCEPTIONS FROM PRIVILEGE AND CONFIDEN-
17 TIALITY REQUIREMENTS RELATING TO PATIENT SAFETY
18 WORK PRODUCT.—Section 922(c)(1) of the of the Public
19 Health Service Act (42 U.S.C. 299b–22(c)(1)) is amended
20 by adding at the end the following:

21 “(D) Disclosure of nonidentifiable patient
22 safety work product to a Committee of the Sen-
23 ate or a Committee of the House of Representa-
24 tives, on the written request by the chair of
25 such a Committee.”.

1 **SEC. 205. ENSURING THAT PROTECTION AND ADVOCACY**
2 **SYSTEMS HAVE ROBUST RECORDS AND AC-**
3 **CESS TO RESIDENTIAL TREATMENT FACILI-**
4 **TIES.**

5 (a) DEFINITION OF FACILITIES.—Section 102(3) of
6 the Protection and Advocacy for Individuals with Mental
7 Illness Act (42 U.S.C. 10802(3)) is amended by striking
8 “and jails and prisons.” and inserting “community health
9 facilities for individuals who have a co-occurring mental
10 illness, and jails and prisons, including Federal detention
11 centers.”.

12 (b) DEFINITION OF INDIVIDUAL WITH MENTAL ILL-
13 NESS.—Section 102(4)(A) of the Protection and Advocacy
14 for Individuals with Mental Illness Act (42 U.S.C.
15 10802(4)(A)) is amended—

16 (1) by striking “significant”; and

17 (2) by striking “State; and” and inserting
18 “State, including an individual with a developmental
19 disability with a co-occurring mental health condi-
20 tion; and”.

21 (c) DEFINITION OF RECORDS.—Section 106(b) of the
22 Protection and Advocacy for Individuals with Mental Ill-
23 ness Act (42 U.S.C. 10806(b)) is amended—

24 (1) by amending paragraph (3)(A) to read as
25 follows:

26 “(3)(A) In this section, the term ‘records’—

1 “(i) means information and individual
2 records, whether written or in another medium,
3 draft or final, including handwritten notes, elec-
4 tronic files, photographs or video or audio tape
5 records, including information and records
6 stored or maintained in locations other than the
7 facility rendering care or treatment; and

8 “(ii) includes—

9 “(I) information and individual
10 records obtained in the course of providing
11 intake, assessment, evaluation, supportive,
12 or other services, including medical
13 records, financial records, and original re-
14 ports prepared or received by a member of
15 the staff of a facility rendering care or
16 treatment;

17 “(II) reports prepared by an agency
18 charged with investigating reports of inci-
19 dents of abuse, neglect, and injury occur-
20 ring at a facility rendering care or treat-
21 ment, or reports prepared by or for such
22 facility, that—

23 “(aa) describe—

24 “(AA) such incidents of
25 abuse, neglect, and injury; or

1 “(BB) the steps taken to in-
2 vestigate such incidents; or

3 “(bb) describe or include—

4 “(AA) reports and records,
5 including personnel records, pre-
6 pared or maintained by such fa-
7 cility in connection with such re-
8 ports of such incidents; or

9 “(BB) supporting informa-
10 tion that was relied upon in cre-
11 ating a report of an incident of
12 abuse, neglect, or injury at such
13 facility, including all information
14 and records used or reviewed in
15 preparing such a report, such as
16 records that describe individuals
17 who were interviewed, physical
18 and documentary evidence that
19 was reviewed, and related inves-
20 tigative findings;

21 “(III) discharge planning records;

22 “(IV) reports prepared by an indi-
23 vidual or entity (whether public or private)
24 that performs certification or licensure re-
25 views of a facility rendering care or treat-

1 ment, reports prepared by a professional
2 accreditation organization with respect to
3 such facility, or a related assessment pre-
4 pared for such facility by its staff, a con-
5 tractor, or a related entity;

6 “(V) professional, performance, build-
7 ing, or other safety standards, demo-
8 graphic information, or statistical informa-
9 tion relating to a facility rendering care or
10 treatment; and

11 “(VI) the synthesis of information
12 prepared or assembled for the reporting of
13 information, internally or externally, for
14 any report described in subclause (I), (II),
15 or (IV).”; and

16 (2) by adding at the end the following:

17 “(4) Nothing in this subsection shall be construed to
18 restrict access by an individual to records contrary to any
19 order by a court of competent jurisdiction granting such
20 individual access to such records.”.

21 (d) **SYSTEM REQUIREMENTS.**—Section 105 of the
22 Protection and Advocacy for Individuals with Mental Ill-
23 ness Act (42 U.S.C. 10805) is amended—

24 (1) in subsection (a)(5), by striking “the agency
25 of the State which administers the State plan under

1 title XIX of the Social Security Act” and inserting
2 “the agencies of the State which administer the
3 State plans under parts B and E of title IV of the
4 Social Security Act (42 U.S.C. 621 et seq., 670 et
5 seq.), the State plan under title XIX of such Act (42
6 U.S.C. 1396 et seq.), and the State child health plan
7 under title XXI of such Act (42 U.S.C. 1397aa et
8 seq.)”; and

9 (2) in subsection (b), by striking “the agency of
10 a State which administers its State plan under title
11 XIX of the Social Security Act shall provide the eli-
12 gible system of the State with a copy of each annual
13 survey report and plan of corrections for cited defi-
14 ciencies made pursuant to titles XVIII and XIX of
15 the Social Security Act” and inserting “the agencies
16 of a State which administer the State plans under
17 parts B and E of title IV of the Social Security Act
18 (42 U.S.C. 621 et seq., 670 et seq.), the State plan
19 under title XIX of such Act (42 U.S.C. 1396 et
20 seq.) and the State child health plan under title XXI
21 of such Act (42 U.S.C. 1397aa et seq.) shall provide
22 the eligible system of the State with a copy of each
23 annual survey report and plan of corrections for
24 cited deficiencies made pursuant to a requirement
25 established under part B or E of title IV, title

1 XVIII, title XIX, or title XXI of the Social Security
2 Act (42 U.S.C. 621 et seq., 670 et seq., 1395 et seq.,
3 1396 et seq., 1397aa et seq.)”.

4 (e) ADMINISTRATION.—Section 116 of the Protection
5 and Advocacy for Individuals with Mental Illness Act (42
6 U.S.C. 10826) is amended—

7 (1) by redesignating subsection (b) as sub-
8 section (c); and

9 (2) by inserting after subsection (a) the fol-
10 lowing:

11 “(b) STAFFING.—The Secretary shall maintain suffi-
12 cient staffing levels at the Substance Abuse and Mental
13 Health Services Administration to fully carry out this
14 title.”.

15 **SEC. 206. AUGMENTING STATE SURVEY ACTIVITY THROUGH**
16 **INVESTMENT IN CRITICAL OVERSIGHT IN-**
17 **FRASTRUCTURE.**

18 Section 117 of the Protection and Advocacy for Indi-
19 viduals with Mental Illness Act (42 U.S.C. 10827) is
20 amended by striking “this title” and all that follows
21 through the period at the end and inserting “this title—

22 “(1) \$45,000,000 for fiscal year 2026; and

23 “(2) such sums as may be necessary for each
24 of fiscal years 2027 through 2036.”.

1 **SEC. 207. STATE LICENSURE PROCESS REQUIREMENTS FOR**
2 **RESIDENTIAL TREATMENT FACILITIES FOR**
3 **YOUTH.**

4 (a) LICENSURE REQUIREMENT FOR RESIDENTIAL
5 TREATMENT FACILITIES.—

6 (1) IN GENERAL.—Any residential treatment
7 facility, as defined in section 438(e)(3) of the Social
8 Security Act (42 U.S.C. 629h(e)(3), as added by
9 section 208(a), that participates in the Medicaid
10 program established under title XIX of such Act (42
11 U.S.C. 1396 et seq.) or the State Children’s Health
12 Insurance Program established under title XXI of
13 such Act (42 U.S.C. 1397aa et seq.), or that re-
14 ceives funds under part E of title IV of such Act (42
15 U.S.C. 670 et seq.), is required to be licensed in ac-
16 cordance with subsection (b).

17 (2) GUIDANCE TO STATES.—The Administrator
18 for the Centers for Medicare & Medicaid Services
19 shall issue guidance to States regarding compliance
20 with the licensing requirements established under
21 subsection (b) not later than 1 year after the date
22 of enactment of this Act.

23 (b) STATE LICENSURE PROCESS.—

24 (1) IN GENERAL.—Each State shall establish
25 and maintain a comprehensive licensure process for
26 residential treatment facilities described in sub-

1 section (a) that ensures minimum standards for
2 safety, staffing, and quality of care. The licensing
3 requirement established under this subsection shall
4 be in addition to conditions of participation require-
5 ments imposed for any such facility to be eligible to
6 participate in and receive payments for providing
7 medical assistance under the State plan under title
8 XIX of the Social Security Act (or under a waiver
9 of such plan).

10 (2) DIRECT ADMINISTRATION REQUIREMENT.—

11 (A) IN GENERAL.—The State licensure
12 process described in paragraph (1) shall be ad-
13 ministered directly by the State and may not be
14 satisfied by, delegated to, or replaced through
15 private accreditation.

16 (B) ACCREDITATION FROM NATIONALLY-
17 OR STATE-RECOGNIZED ACCREDITING BOD-
18 IES.—A State may recognize accreditation by a
19 nationally- or State-recognized accrediting body
20 as only supplemental evidence of compliance
21 with the licensure requirements related to safe-
22 ty, staffing, and quality of care standards es-
23 tablished under paragraph (1).

24 (3) DIRECT INSPECTION, REVIEW, AND AP-
25 PROVAL REQUIREMENT.—Each State shall require

1 direct inspection, review, and approval of each resi-
2 dential treatment facility described in subsection (a)
3 at initial licensure and renewal of licensure.

4 (4) PERIOD OF LICENSURE.—A period of licen-
5 sure shall not exceed 2 years.

6 (5) PROVISIONAL LICENSURE.—

7 (A) IN GENERAL.—A State may issue a
8 provisional license to a residential treatment fa-
9 cility described in subsection (a) only in limited
10 circumstances, such as for—

11 (i) a newly established facility; or

12 (ii) a facility found to be in substan-
13 tial, but correctable, non-compliance, based
14 upon criteria established by the Secretary
15 through regulation, with the licensure
16 process established under paragraph (1).

17 (B) VALIDITY OF PROVISIONAL LI-
18 CENSE.—A provisional license issued under sub-
19 paragraph (A) shall—

20 (i) be valid for not longer than 1 year;

21 and

22 (ii) include a written corrective action
23 plan prepared by the facility specifying the
24 steps and timeline by which the facility
25 should achieve full compliance.

1 (C) REMEDY OF DEFICIENCIES.—A failure
2 by a facility to remedy any deficiency within the
3 timeline provided under subparagraph (B) shall
4 result in automatic reversion, suspension, or
5 revocation of the provisional license following a
6 subsequent inspection.

7 (6) AVAILABILITY OF LICENSURE INFORMA-
8 TION.—Each State shall, not less frequently than
9 quarterly—

10 (A) make publicly available information on
11 licensure status, inspection findings, complaints,
12 enforcement proceedings, facility ownership,
13 and corrective actions of each residential treat-
14 ment facility described in subsection (a); and

15 (B) transmit such information to the Sec-
16 retary of Health and Human Services.

17 (7) EFFECTIVE DATE.—Each licensure process
18 established by a State under this subsection shall go
19 into effect on the date that is 1 year after the date
20 described in subsection (a)(2).

21 (8) FUNDING FOR STATES.—

22 (A) APPROPRIATION.—Out of any money
23 in the Treasury of the United States not other-
24 wise appropriated, there are appropriated for
25 making payments to States, under this para-

1 graph, \$50,000,000 for fiscal year 2027 and
2 each fiscal year thereafter, to remain available
3 until expended.

4 (B) PAYMENT AUTHORITY AND
5 AMOUNTS.—

6 (i) IN GENERAL.—From the amount
7 appropriated under subparagraph (A) for a
8 fiscal year, the Secretary shall pay each
9 State (as defined in section 1101(a) of the
10 Social Security Act (42 U.S.C. 1301(a))
11 for purposes of parts B and E of title IV,
12 and title XIX of such Act) an amount
13 equal to the relative number of partici-
14 pating residential treatment facilities pro-
15 portion amount determined for the State
16 under clause (ii) for such fiscal year.

17 (ii) RELATIVE NUMBER OF PARTICI-
18 PATING RESIDENTIAL TREATMENT FACILI-
19 TIES PROPORTION AMOUNT.—For purposes
20 of clause (i), the term “relative number of
21 participating residential treatment facilities
22 proportion amount” means, with respect to
23 a State, the product of—

1 (I) the amount appropriated for
2 a fiscal year under subparagraph (A);
3 and

4 (II) the participating residential
5 treatment facility percentage.

6 (iii) PARTICIPATING RESIDENTIAL
7 TREATMENT FACILITY PERCENTAGE DE-
8 FINED.—The term “participating residen-
9 tial treatment facility percentage” means,
10 with respect to a State, the quotient of—

11 (I) the total number of partici-
12 pating residential treatment facilities
13 in the State; and

14 (II) the total number of partici-
15 pating residential treatment facilities
16 in all States.

17 (C) USE OF FUNDS.—Amounts paid to a
18 State under this paragraph may only be used
19 for expenditures of the State attributable to
20 complying with the requirements of this section.

21 (D) PARTICIPATING RESIDENTIAL TREAT-
22 MENT FACILITY DEFINED.—In this paragraph,
23 the term “participating residential treatment
24 facility” means a residential treatment facility,
25 as defined in section 438(e) of the Social Secu-

1 rity Act (42 U.S.C. 629h(e)(3)), as added by
2 section 208(a), that participates in the Med-
3 icaid program under title XIX of the Social Se-
4 curity Act (42 U.S.C. 1396 et seq.) or the State
5 Children’s Health Insurance Program estab-
6 lished under title XXI of such Act (42 U.S.C.
7 1397aa et seq.), or that receives funds under
8 part E of title IV of such Act (42 U.S.C. 670
9 et seq.).

10 **SEC. 208. AUGMENTING THE COURT IMPROVEMENT PRO-**
11 **GRAM TO PROVIDE GREATER EDUCATION**
12 **ABOUT RESIDENTIAL TREATMENT FACILI-**
13 **TIES FOR YOUTH.**

14 (a) IN GENERAL.—Section 438 of the Social Security
15 Act (42 U.S.C. 629h) is amended by adding at the end
16 the following new subsection:

17 “(e) EDUCATION AND TRAINING ON RESIDENTIAL
18 TREATMENT.—

19 “(1) CREATION OF TRAINING PROGRAMS AND
20 EDUCATIONAL MATERIALS FOR JUDGES, ATTOR-
21 NEYS, AND OTHER LEGAL PERSONNEL.—

22 “(A) IN GENERAL.—Not later than 1 year
23 after the date of enactment of this subsection,
24 the Secretary shall create, or identify under
25 subparagraph (B), training programs and edu-

1 cational materials, including bench books, for
2 the purpose of educating judges, attorneys, and
3 other legal personnel on community-based alter-
4 natives to placements in a residential treatment
5 facility (as defined in paragraph (3)) and over-
6 all outcomes resulting from placements in such
7 facilities.

8 “(B) USE OF EXISTING PROGRAMS AND
9 MATERIALS.—For purposes of this paragraph,
10 the Secretary may, instead of creating new
11 training programs and educational materials,
12 identify existing programs and materials that
13 are endorsed by 1 or more multi-stakeholder
14 consensus organizations (such as the American
15 Bar Association, the National Disability Rights
16 Network, and other stakeholder organizations
17 comprised of a majority of individuals with lived
18 experience of the child welfare system or place-
19 ments in residential treatment facilities (as de-
20 fined in paragraph (3)) and adapt them to con-
21 form with the requirements of subparagraph
22 (A).

23 “(C) CONTENT OF BENCH BOOKS.—The
24 bench books created or identified by the Sec-
25 retary under this paragraph shall—

1 “(i) include information (which shall
2 be specific to the jurisdiction involved) re-
3 lated to—

4 “**(I)** factors to consider in bal-
5 ancing a child’s treatment needs
6 against the risks of placing the child
7 in a residential treatment facility (as
8 defined in paragraph (3));

9 “**(II)** specific residential treat-
10 ment facilities (as so defined) in which
11 children from that jurisdiction may be
12 placed, including, with respect to each
13 such facility, information relating to
14 abuse and neglect complaints, open
15 investigations being conducted by
16 State protection and advocacy systems
17 and other Federal and State agencies
18 designated to oversee behavioral
19 healthcare settings, civil and criminal
20 penalties, the specialized treatment
21 provided by the facility, and the spe-
22 cific behavioral health needs that the
23 facility is required to treat;

24 “**(III)** best practices related to
25 determining appropriateness of a spe-

1 cific residential placement based on a
2 child’s specific needs; and

3 “(IV) alternatives to placement
4 in a residential treatment facility (as
5 so defined); and

6 “(ii) be updated annually by the Sec-
7 retary.

8 “(2) TRAINING PROGRAMMING ON PLACEMENTS
9 IN RESIDENTIAL TREATMENT FACILITIES FOR STATE
10 COURT IMPROVEMENT PROGRAMS.—

11 “(A) IN GENERAL.—Not later than 1 year
12 after the date of enactment of this subsection,
13 the Assistant Secretary for the Administration
14 for Children and Families, in coordination with
15 the Assistant Secretary for Mental Health and
16 Substance Use, shall produce, in consultation
17 with a multi-stakeholder group that includes a
18 majority of individuals with lived experience of
19 the child welfare system and placements in resi-
20 dential treatment facilities (as defined in para-
21 graph (3)) (such as Think of Us), organizations
22 with expertise in preventing abuse and neglect
23 in residential treatment facilities (as so defined)
24 (such as the National Disability Rights Net-
25 work), and organizations with expertise in chil-

1 agencies and State protection and advocacy
2 systems.

3 “(iv) Education on the short- and
4 long-term harms to children’s physical and
5 mental health associated with the use of
6 physical, mechanical, or chemical restraint,
7 seclusion, or lack of access to develop-
8 mentally appropriate activities in residen-
9 tial treatment facilities (as defined in para-
10 graph (3)).

11 “(v) Information on measured out-
12 comes (including any educational and eco-
13 nomic outcomes and data on long-term sta-
14 bility of children and youth after place-
15 ment in a residential treatment facility (as
16 defined in paragraph (3)) for children and
17 youth who are placed in a residential treat-
18 ment facility (as so defined) in comparison
19 to children and youth who are placed in a
20 foster family home and children and youth
21 who attain permanent placements.

22 “(vi) Education to help judges under-
23 stand the needs of LGBTQIA+ children
24 and youth who are placed in foster care.

1 “(vii) Education to help judges under-
2 stand the needs of children and youth who
3 have previously experienced trauma or ne-
4 glect.

5 “(viii) Best practices related to deter-
6 mining appropriateness of placement based
7 on a child’s needs, diagnoses, and prior
8 placements, especially as it relates to resi-
9 dential treatment.

10 “(C) DISSEMINATION OF TRAINING
11 THROUGH STATE COURT IMPROVEMENT PRO-
12 GRAM.—

13 “(i) IN GENERAL.—The training pro-
14 gramming produced under subparagraph
15 (A) shall be disseminated by the highest
16 State court through the court improvement
17 program financed by the grant under this
18 section.

19 “(ii) ADDITIONAL ACCESS.—Such
20 training programming shall also be made
21 available to State child welfare employees
22 and any other appropriate individuals who
23 make placement determinations for chil-
24 dren.

1 “(3) RESIDENTIAL TREATMENT FACILITY DE-
2 FINED.—In this subsection, the term ‘residential
3 treatment facility’—

4 “(A) means a facility or program intended
5 to address the behavioral, emotional, mental
6 health, or substance use needs of a child or
7 youth; and

8 “(B) includes a residential treatment facil-
9 ity (as defined in section 483.352 of title 42,
10 Code of Federal Regulations), a qualified resi-
11 dential treatment program (as defined in sec-
12 tion 472(k)(4)), therapeutic boarding schools,
13 therapeutic residential treatment centers, con-
14 gregate care facilities for youth, wilderness
15 camps or therapy programs, boot camps, and
16 behavior modification facilities.

17 “(4) FUNDING.—

18 “(A) APPROPRIATION.—There are appro-
19 priated to the Assistant Secretary for the Ad-
20 ministration for Children and Families, out of
21 amounts in the Treasury not otherwise appro-
22 priated, in addition to amounts otherwise avail-
23 able, \$15,000,000 for fiscal year 2027 and for
24 each fiscal year thereafter, for purposes of car-
25 rying out paragraphs (1) and (2). Amounts ap-

1 appropriated under the preceding sentence shall
2 remain available until expended.

3 “(B) USE OF FUNDS.—Amounts appro-
4 priated under subparagraph (A) shall be used
5 exclusively for the development or identification
6 of bench books, training programs, and edu-
7 cational materials described in paragraphs (1)
8 and (2), for updating and maintaining the accu-
9 racy and content of such books, programs, and
10 materials, and for ongoing dissemination of
11 such books, programs, and materials.”.

12 (b) CONFORMING AND TECHNICAL AMENDMENTS.—
13 Section 438 of the Social Security Act (42 U.S.C. 629h),
14 as amended by subsection (a), is further amended—

15 (1) by adding at the end of subsection (a) the
16 following new paragraph:

17 “(4) to disseminate the training programming
18 described in subsection (e)(2) to judges, attorneys,
19 and other legal personnel.”; and

20 (2) in subsection (b), in the matter following
21 paragraph (2), by striking “(C) in the case of a
22 grant for any purpose described in subsection (a),”
23 and inserting “(3)”.

1 **SEC. 209. GAO STUDY AND REPORT ON RESIDENTIAL**
2 **TREATMENT FACILITY PROVIDER MAR-**
3 **KETING PRACTICES AND INDUCEMENTS.**

4 (a) STUDY.—The Comptroller General of the United
5 States (in this section referred to as the “Comptroller
6 General”) shall conduct a study on the use of misleading
7 marketing materials to secure children for placement in
8 residential treatment facilities (as defined in section
9 438(e)(3) of the Social Security Act (42 U.S.C.
10 629h(e)(3)), as added by section 208(a)). To the extent
11 such information and data is available and reliable, such
12 study shall include—

13 (1) examples of marketing materials and in-
14 kind donations (including travel and lodging) used to
15 encourage the placement of children in a residential
16 treatment facility;

17 (2) an analysis of the relationship between Fed-
18 eral or State-funded child welfare agencies and for-
19 profit residential treatment facility providers;

20 (3) consultation with individuals with lived ex-
21 perience in residential treatment facilities (as so de-
22 fined); and

23 (4) any other information determined appro-
24 priate by the Comptroller General.

25 (b) REPORT.—Not later than 1 year after the date
26 of enactment of this Act, the Comptroller General shall

1 submit to Congress a report containing the results of the
2 study conducted under subsection (a), together with rec-
3 ommendations for such legislation and administrative ac-
4 tion as the Comptroller General determines appropriate.

5 **SEC. 210. HHS-OIG STUDY AND REPORT ON PLACEMENT OF**
6 **YOUTH IN OUT-OF-STATE RESIDENTIAL**
7 **TREATMENT FACILITIES.**

8 (a) STUDY.—The Inspector General of the Depart-
9 ment of Health and Human Services (in this section re-
10 ferred to as the “Inspector General”) shall conduct a
11 study on State placements of youth in residential treat-
12 ment facilities (as defined in section 438(e)(3) of the So-
13 cial Security Act (42 U.S.C. 629h(e)(3)), as added by sec-
14 tion 208(a)) located in another State (in this section re-
15 ferred to as an “out-of-State residential treatment facil-
16 ity”). To the extent such information and data is available
17 and reliable, such study shall include—

18 (1) the number of youth placed in an out-of-
19 State residential treatment facility, disaggregated by
20 State and placing entity;

21 (2) an explanation of why each State sought
22 such placement in an out-of-State residential treat-
23 ment facility, including whether the State exhausted
24 any available in-State placements;

1 (3) an explanation of the steps the State took
2 to verify that the out-of-State residential treatment
3 facility was the best alternative for the child's treat-
4 ment needs and that such facility demonstrated ap-
5 propriate quality of care and safety practices;

6 (4) the payer source for each such placement in
7 an out-of-State residential treatment facility;

8 (5) a description of the involvement, if any, of
9 a provider-funded advertising entity in securing such
10 placements in an out-of-State residential treatment
11 facility;

12 (6) demographic information (including sex,
13 gender identity, race, ethnicity, age, out-of-State sta-
14 tus, disability status, educational attainment, and
15 other information as defined by the Inspector Gen-
16 eral) for the youth placed in an out-of-State residen-
17 tial treatment facility;

18 (7) an overview of out-of-State oversight re-
19 sponsibilities, including an analysis of the use of the
20 Patient Safety and Quality Improvement Act of
21 2005 (Public Law 109-41) as a justification for
22 non-compliance with requests for information by au-
23 thorized oversight entities, and any challenges faced
24 by oversight entities in making out-of-State place-
25 ments; and

1 (8) any other information determined appro-
2 priate by the Inspector General.

3 (b) REPORT.—Not later than 1 year after the date
4 of enactment of this Act, the Inspector General shall sub-
5 mit to Congress a report containing the results of the
6 study conducted under subsection (a), together with rec-
7 ommendations for such legislation and administrative ac-
8 tion as the Inspector General determines appropriate.

9 **TITLE III—RAISING THE FLOOR**
10 **FOR STANDARDS IN RESIDEN-**
11 **TIAL TREATMENT FACILITIES**
12 **FOR YOUTH**

13 **SEC. 301. STAFFING AND SUPERVISORY REQUIREMENTS**
14 **FOR PROVIDERS OF INPATIENT PSYCHIATRIC**
15 **HOSPITAL SERVICES FOR INDIVIDUALS**
16 **UNDER AGE 21.**

17 (a) IN GENERAL.—Section 1905(h) of the Social Se-
18 curity Act (42 U.S.C. 1396d(h)), as amended by section
19 202(b), is amended—

20 (1) in paragraph (1)—

21 (A) by striking subparagraph (B) and in-
22 serting the following:

23 “(B) inpatient services which, in the case of any
24 individual, involve active treatment—

1 “(i) that meets such standards as may be
2 prescribed in regulations by the Secretary; and

3 “(ii) which are provided by an interdisdiscipli-
4 nary team that—

5 “(I) consists of mental health condi-
6 tion or substance use disorder providers
7 and other personnel qualified to make de-
8 terminations with respect to mental health
9 conditions or substance use disorders and
10 the treatment thereof, and individuals in
11 training to become credentialed, qualified
12 mental health condition or substance use
13 disorder providers, in a quantity and spe-
14 cialization coverage that is capable of
15 meeting the needs of the individual and the
16 other residents of the covered facility;

17 “(II) is supervised by a psychiatrist,
18 psychiatric mental health nurse practi-
19 tioner, psychologist, social worker, or other
20 mental health condition or substance use
21 disorder provider who—

22 “(aa) is licensed by the State in
23 which such services are provided;

24 “(bb) holds a doctoral or mas-
25 ter’s degree in a defined clinical area

1 from an accredited educational insti-
2 tution;

3 “(cc) has trained for a minimum
4 of 4000 supervised clinical hours, in-
5 cluding pre-degree and post-degree
6 training;

7 “(dd) has prior supervisory expe-
8 rience; and

9 “(ee) is onsite and carry out the
10 activities specified in paragraph (4) in
11 accordance with the requirements of
12 that paragraph; and

13 “(III) has determined—

14 “(aa) are medically necessary on
15 an inpatient basis and cannot be safe-
16 ly and appropriately provided in a
17 community-based setting; and

18 “(bb) can reasonably be expected
19 to improve the condition or disorder,
20 by reason of which such services are
21 necessary, to the extent that eventu-
22 ally such services will no longer be
23 necessary; and”; and

1 (B) in subparagraph (C), by striking the
2 semicolon at the end and inserting a period;
3 and

4 (2) by adding at the end the following new
5 paragraph:

6 “(4)(A) For purposes of paragraph (1)(B)(ii)(I)(ee),
7 the activities specified and requirements of this paragraph
8 are that a health provider described in paragraph
9 (1)(B)(ii)(I)—

10 “(i) is onsite at the institution (or distinct part
11 thereof) or other inpatient setting for a minimum of
12 12 hours per day in a therapeutically-appropriate
13 staffing ratio, as determined by the Secretary;

14 “(ii) directly supervises the staff providing
15 therapeutic care to the individual for whom inpatient
16 services are provided or who otherwise oversee such
17 care;

18 “(iii) identifies modifications to the policies and
19 procedures of the institution (or distinct part there-
20 of) or other inpatient setting based on individual pa-
21 tient needs and history;

22 “(iv) reviews and assesses appropriateness of
23 therapeutic modalities and an individual’s treatment
24 plan on an ongoing basis to ensure that therapeutic
25 care supports individual treatment goals;

1 “(5) The State shall be responsible for certifying, not
2 less frequently than once every 12 months, the compliance
3 of each residential treatment facility (as defined in section
4 438(e)(3)) in—

5 “(A) ensuring each child and youth provided
6 services at such facility receives the educational op-
7 portunities to—

8 “(i) meet the same challenging State aca-
9 demic standards (adopted pursuant to section
10 1111(b) of the Elementary and Secondary Edu-
11 cation Act of 1965) that all children in the
12 State are expected to meet; and

13 “(ii) participate in full or partial credit-
14 bearing coursework that enables such youth to
15 complete the requirements for a regular high
16 school diploma (as such term is defined in sec-
17 tion 8101 of the Elementary and Secondary
18 Education Act of 1965), including, if necessary,
19 after discharge from the facility;

20 “(B) providing such children and youth with
21 the services needed to make a successful transition
22 from such facility to further education or employ-
23 ment, including implementing—

24 “(i) procedures to ensure the timely re-en-
25 rollment of each transitioning student to sec-

1 ondary school, postsecondary education, and ca-
2 reer and technical education or the workforce;
3 and

4 “(ii) procedures to facilitate the transfer of
5 academic credits earned by students while
6 placed in such facility to an elementary or sec-
7 ondary school or institution of higher education,
8 no less than 30 days after receipt of request
9 from a previously enrolled student; and

10 “(C) carrying out activities, such as dropout
11 prevention, academic credit recovery, and career
12 counseling services.”.

13 (b) EFFECTIVE DATE.—The amendments made by
14 this section shall take effect on the date that is 1 year
15 after the date of enactment of this Act.

16 **SEC. 303. GAO STUDY AND REPORT ON EVIDENCE-BASED**
17 **BEST PRACTICES FOR PROVIDING CARE TO**
18 **YOUTH IN RESIDENTIAL TREATMENT FACILI-**
19 **TIES.**

20 (a) STUDY.—The Comptroller General of the United
21 States (in this section referred to as the “Comptroller
22 General”) shall conduct a study to assess the evidence
23 base and identify best practices for providing care in a
24 residential treatment facility to—

1 (1) children and youth with mental health con-
2 ditions and substance use disorder needs; and

3 (2) children and youth in the child welfare sys-
4 tem who are placed in a residential treatment facil-
5 ity.

6 (b) REQUIREMENTS.—The study conducted under
7 subsection (a) shall include assessments of the following:

8 (1) The evidence base for various therapeutic
9 treatment modalities for children and youth in use
10 in residential treatment facilities.

11 (2) The evidence base for using behavioral
12 modification techniques for children and youth, in-
13 cluding points systems, in use in residential treat-
14 ment facilities.

15 (3) The evidence base for restrictive disciplinary
16 measures and behavioral modification techniques, in-
17 cluding all types of restraint and seclusion, for chil-
18 dren and youth in use in residential treatment facili-
19 ties.

20 (4) The evidence base and best practices for
21 mental health conditions and substance use disorder
22 treatment delivered to children and youth in residen-
23 tial treatment facilities.

24 (c) REPORT.—Not later than 1 year after the date
25 of enactment of this Act, the Comptroller General shall

1 submit to Congress a report containing the results of the
2 study conducted under subsection (a), together with rec-
3 ommendations for such legislation and administrative ac-
4 tion as the Comptroller General determines appropriate.

5 (d) RESIDENTIAL TREATMENT FACILITY DE-
6 FINED.—In this section, the term “residential treatment
7 facility” has the meaning given that term in section
8 438(e)(3) of the Social Security Act (42 U.S.C.
9 629h(e)(3)), as added by section 208(a).

10 **SEC. 304. ENSURING LEGAL REPRESENTATION FOR EVERY**
11 **YOUTH IN FOSTER CARE AND EDUCATION**
12 **AND TRAINING FOR CHILD ADVOCATES.**

13 (a) STATE PLANS FOR CHILD WELFARE SERV-
14 ICES.—Section 422(b)(4) of the Social Security Act (42
15 U.S.C. 622(b)(4)) is amended—

16 (1) in subparagraph (A), by striking “and”
17 after the semicolon; and

18 (2) by striking subparagraph (B) and inserting
19 the following:

20 “(B) the child welfare services staff devel-
21 opment and training plans of the State, includ-
22 ing a description of education and training pro-
23 gramming for caseworkers, case managers,
24 independent legal representatives, including
25 court-appointed special advocates, guardian ad

1 litems, trained and certified attorneys who rep-
2 resent children, families, and agencies that are
3 involved in the child welfare system and provide
4 client-directed representation that values their
5 client as a unique individual (in this paragraph
6 referred to as ‘child advocates’), and other legal
7 personnel, on—

8 “(i) outcomes for children and youth
9 resulting from placements in residential
10 treatment facilities (as defined in section
11 438(e)(3)) as compared to placements in
12 foster family homes or in-community place-
13 ments, as defined by the Secretary;

14 “(ii) how to identify placements for
15 foster care children and youth that are in
16 a safe setting that is the least restrictive
17 (most family like) and most appropriate
18 setting; and

19 “(iii) how to assess whether a specific
20 facility proposed for placement of a child
21 or youth meets the treatment needs of the
22 child or youth, including assessment of ap-
23 plicable health and safety standards, as
24 specified by the Secretary;

1 “(C) the steps that the State will take to
2 ensure that, with respect to any judicial or ad-
3 ministrative proceeding involving a child whose
4 removal from home and placement in foster
5 care is under the responsibility of the State, in-
6 cluding any such proceeding occurring prior to,
7 or after, the child is placed in foster care under
8 the responsibility of the State, access to inde-
9 pendent legal representation is provided—

10 “(i) to the child (including any child
11 who has attained age 18 or such higher
12 age as the State has elected under section
13 475(8)(B)(iii)); and

14 “(ii) any individual who is a parent or
15 guardian, or has custody, of the child;

16 “(D) the steps that the State will take to
17 ensure that, if the proposed placement of a
18 child is in a residential treatment facility (as
19 defined in section 438(e)(3)), an independent
20 legal representative shall, on behalf of the child
21 and prior to such placement being finalized—

22 “(i) contact the State protection and
23 advocacy agency to determine whether any
24 complaints about the facility have been
25 made and whether such agency is moni-

1 toring, addressing, or investigating the fa-
2 cility;

3 “(ii) investigate the safety and appro-
4 priateness of the residential treatment fa-
5 cility (as so defined) as a placement for the
6 child, including through—

7 “(I) a review, with respect to the
8 4-year period prior to the date on
9 which the placement is to begin of—

10 “(aa) data regarding the use
11 of chemical or physical restraints
12 or seclusion at the facility;

13 “(bb) reports of abuse or ne-
14 glect at the facility or any other
15 serious incidents;

16 “(cc) police reports involving
17 the facility; and

18 “(dd) all facility and parent
19 company ownership information
20 for the facility, including, if the
21 facility had a change of owner-
22 ship in the 4-year period prior to
23 the date on which the placement
24 is to begin, all facility and parent
25 company ownership information

1 for the immediately previous
2 owner of the facility; and

3 “(II) a review of any information
4 relating to the facility in the uniform
5 reporting system established under
6 section 1121A; and

7 “(iii) submit a written report on the
8 results of the activities required by clauses
9 (i) and (ii) that includes all sources of the
10 information contained in the report for in-
11 clusion in the child’s case plan; and

12 “(E) the steps the State will take to en-
13 sure continuing legal education for child advo-
14 cates that includes, in addition to the training
15 described in subparagraph (B), training on—

16 “(i) understanding and implementing
17 client-directed representation;

18 “(ii) understanding procedures spe-
19 cific to the State and, if applicable, local
20 jurisdictions, for petitioning for the release
21 of a child from a residential treatment fa-
22 cility (as defined in section 438(e)(3));

23 “(iii) the State and local social welfare
24 agencies and resources; and

1 “(iv) facilitating the relationship be-
2 tween counsel and the State child welfare
3 agency and the State protection and advoca-
4 cacy system;”.

5 (b) FEDERAL FINANCIAL PARTICIPATION.—Section
6 474(a)(3) of the Social Security Act (42 U.S.C. 674(a)(3))
7 is amended—

8 (1) in subparagraph (D), by striking “; and”
9 and inserting a comma;

10 (2) by redesignating subparagraph (E) as sub-
11 paragraph (F); and

12 (3) by inserting after subparagraph (D), the
13 following new subparagraph:

14 “(E) for any fiscal quarter beginning after
15 December 31, 2026, 90 percent of so much of
16 such expenditures as are for education and
17 training required by section 422(b)(4)(B), pro-
18 viding access to independent legal representa-
19 tion in accordance with the requirements of sec-
20 tion 422(b)(4)(C), activities required by section
21 422(b)(4)(D), and continuing legal education
22 required by section 422(b)(4)(E); and”.

23 (c) EFFECTIVE DATE.—

1 (1) IN GENERAL.—The amendments made by
2 this section shall take effect on the date of enact-
3 ment of this Act.

4 (2) DELAY PERMITTED IF STATE LEGISLATION
5 IS REQUIRED.—If the Secretary of Health and
6 Human Services determines that State legislation
7 (other than legislation appropriating funds) is re-
8 quired in order for any State plan approved under
9 subpart 1 of part B of title IV of the Social Security
10 Act to meet the additional requirements imposed by
11 the amendments made by this section, the plan shall
12 not be regarded as failing to meet any of the addi-
13 tional requirements before the 1st day of the 1st cal-
14 endar quarter beginning after the 1st regular session
15 of the State legislature that begins after the date of
16 enactment of this Act. For purposes of the preceding
17 sentence, if the State has a 2-year legislative session,
18 each year of the session is deemed to be a separate
19 regular session of the State legislature.

20 **SEC. 305. STUDENT LOAN REPAYMENT FOR QUALIFIED**
21 **CHILD ADVOCATES FOR MEDICAID-ELIGIBLE**
22 **AND UNINSURED CHILDREN.**

23 (a) ESTABLISHMENT.—Not later than 1 year after
24 the date of enactment of this Act, the Secretary of Edu-
25 cation (referred to in this section as the “Secretary”) shall

1 establish a student loan repayment program for the quali-
2 fying educational loans of qualified child advocates.

3 (b) DEFINITIONS.—In this section:

4 (1) ACCREDITED LAW SCHOOL.—The term “ac-
5 credited law school” means any law school that is
6 accredited by—

7 (A) a nationally recognized accrediting
8 agency or association; or

9 (B) the highest appellate court of the State
10 in which the law school is located.

11 (2) QUALIFIED CHILD ADVOCATE.—The term
12 “qualified child advocate” means an attorney who—

13 (A) is licensed to practice law under the
14 laws of any State; and

15 (B) makes a commitment to work for not
16 less than 3 years, on a full-time basis and ei-
17 ther consecutively or non-consecutively within a
18 10-year period, providing direct legal services
19 to people under the age of 21, and in which not
20 less than 40 percent of their billable hours are
21 related to work furthering the welfare of clients
22 under the age of 21 who are—

23 (i) eligible for medical assistance
24 under a State plan under title XIX of the
25 Social Security Act (42 U.S.C. 1396 et

1 seq.) (or a waiver of such a plan) or for
2 child health assistance under a State plan
3 under title XXI of such Act (42 U.S.C.
4 1397aa et seq.); or

5 (ii) uninsured individuals, as defined
6 in section 1902(ss) of the Social Security
7 Act (42 U.S.C. 1396a(ss)).

8 (3) QUALIFYING EDUCATIONAL LOAN.—The
9 term “qualifying educational loan” means a loan—

10 (A)(i) made, insured, or guaranteed by the
11 Federal Government or a State or other public
12 entity or a nonprofit organization; or

13 (ii) that is a private education loan, as de-
14 fined in section 140 of the Truth in Lending
15 Act (15 U.S.C. 1650); and

16 (B) that was taken out to pay the edu-
17 cational costs to attend an accredited law
18 school.

19 (c) TERMS AND OPERATIONS.— In carrying out the
20 student loan repayment program established under this
21 section, the Secretary shall comply with the following:

22 (1) Make a payment on the principal and inter-
23 est due on a qualifying educational loan of a quali-
24 fied child advocate not less often than monthly di-
25 rectly only to the student loan servicer of such loan,

1 and which payments are not more than \$100,000 in
2 the aggregate on all such loans of such provider.

3 (2) May have multiple rounds or cohorts of dis-
4 bursements of payments so long as it does not ex-
5 tend beyond the applicable authorized level of fund-
6 ing.

7 (3) Establish a process for ensuring that quali-
8 fied child advocates are continuing to meet the quali-
9 fying service commitment that is not less than every
10 6 months before making loan repayment disburse-
11 ments. If the service commitment is not met, except
12 in extraordinary circumstances as determined by the
13 Secretary, the Secretary shall not make the loan re-
14 payment and the Secretary shall recoup any loan re-
15 payments made on behalf of the qualified child advo-
16 cate only for the time that the service commitment
17 was not met. Suspension or revocation of a law li-
18 cense shall not constitute an extraordinary cir-
19 cumstance for purposes of not meeting the service
20 commitment.

21 (4) Only repay an amount that is not more
22 than the qualifying educational loans owed by the
23 qualified child advocate, subject to the maximum
24 provided in paragraph (1).

1 (5) Define application criteria and eligibility,
2 and select awardees through a competitive process
3 that will allow the Secretary to evaluate the appli-
4 cants relative to the criteria established. The Sec-
5 retary may prioritize qualified child advocates with
6 cultural and linguistic competence that is likely to
7 reflect and respond to the needs of children de-
8 scribed in subsection (b)(2)(B)(i). The criteria shall
9 comply with Federal civil rights law and not
10 impermissibly discriminate based on race, ethnicity,
11 national origin, or any other Federally protected
12 classes or characteristics.

13 (d) NOT INCLUDED IN GROSS INCOME.—A payment
14 made under this section shall not be included in gross in-
15 come of the beneficiary for purposes of the Internal Rev-
16 enue Code of 1986.