



FOR IMMEDIATE RELEASE

Contact: [Nicole L'Esperance](#) (202) 224-4515

June 12, 2024

## **At Finance Committee Hearing, Wyden Sounds Alarm on Taxpayer-Funded Abuse at Residential Treatment Facilities**

Today, the Finance Committee meets to discuss the horrific abuse and neglect of children at too many residential treatment facilities, or RTFs – places that say they provide behavioral health care to vulnerable children, but often leave kids harmed and more traumatized than they started off.

Just this morning, the Committee released a new report with shocking details about the treatment of kids in these facilities, which get big dollars from programs under the Committee's jurisdiction, like Medicaid and the child welfare system. There are endless examples of sexual, physical and verbal abuse, improper restraint and seclusion on young children, unsafe and unsanitary conditions, and even a total lack of provision of behavioral health care.

And unfortunately, it seems that more often than not, abuse and neglect is the norm at these facilities, and they're set up to let this happen. The system is failing, except the providers running these treatment facilities, who have figured out exactly how to turn a profit off taxpayer-funded child abuse.

I do not say that lightly. My staff has spent two years looking into RTFs run by four of the biggest players – Universal Health Services, Acadia Healthcare, Devereux Advanced Behavioral Health, and Vivant Behavioral Healthcare. They've reviewed over 25,000 pages of company documents, had dozens of conversations with experts, pored over article after article, and saw the problems first-hand when they visited facilities themselves.

Overwhelmingly, it's clear that the operating model for these facilities is to warehouse as many kids as possible while keeping costs low in order to maximize profits. This means intentional understaffing with people who have zero experience or qualifications to provide the care these children need. As Jay Ripley, the co-founder of Vivant and two other previous RTF companies once remarked, "you can make money in [the RTF] business if you control staffing."

It also means facility conditions are often unsanitary and dangerous, and feel more like a prison than a safe place to help a child get through a difficult time. In these conditions, children can't get the care they need, like high-quality and individualized treatment.

As if profiting off rampant abuse and neglect of our country's most vulnerable children wasn't bad enough, these facilities are relying on federal funding. That means that American tax dollars are funding this abuse. In some cases, RTFs receive over \$1,200 per day per child from Medicaid. The experiences and trauma these kids are left with read like something out of a horror novel, and I'll just mention a few.

One facility routinely restrained children, drugged them, and placed them in seclusion, in clear violations of federal rules.

Another child ran away from his program in the middle of the night and was fatally struck by a truck. The staff at the facility tried to cover up their neglect and falsified documents about the child's whereabouts.

Another child was sexually abused by a staffer on an ongoing basis. When the facility caught onto the abuse, instead of firing the staffer, they simply moved them to a different wing of the same facility and each night, the staffer returned to the child's window to say goodnight.

These are instances of child fatalities, both at the hands of staff and death by suicide.

Tragically, the accounts of abuse we will hear today are not outliers. They represent a systemic culture of mistreating and abusing kids and turning a profit.

I gave the CEO of the nation's largest RTF provider the opportunity to testify before the committee and defend how the company treats the children in their care. It's disappointing, but not surprising, that he declined the invitation. His company's conduct -- and the entire RTF business model -- is simply indefensible.

So, the question everyone in this room should be asking themselves is this: where do we go from here? It's time to shut off the firehose of federal funding for these facilities to put an end to this cycle of abuse.

The buck stops here. In order to get a dime from Medicaid or any other program in my jurisdiction, all of these facilities are going to have to start providing actual care. Systemic failures at even a handful of these facilities is an indictment of the whole model. It's pretty simple: a facility shouldn't be getting a cent of taxpayer money if it can't prove it's not providing high-quality care.

But none of this matters if there is no oversight or enforcement. RTFs are often located in rural places and function as black-boxes left completely unchecked.

As a result, practices that should be used only in rare, extreme cases -- like restraint and seclusion -- are being used regularly and improperly by unqualified and poorly trained staff. At one Acadia facility in Arkansas, restraint and seclusion were used 110 times in one month alone.

Without clear, nationwide tracking of these facilities, this behavior slips through the cracks. Finally, there needs to be more community-based alternatives for care. We know this based on decades of research, this Committee's own experience passing the bipartisan Family First law, and from doctors and patients themselves -- children do better being served in their communities. The only people who disagree have a financial interest in keeping these places profitable.

In order to reduce our reliance on fraudulent facilities and to reduce the number of kids that end up in them, investing in high-quality community-based care should be a top priority. It's simple: if you provide more care and support to kids upfront, you reduce the need for residential treatment and the number of kids being subjected to these horrific abuses.

My investigation makes clear that too often, kids in the foster care system are warehoused in RTFs for months or years with no plan to exit, and no legitimate reason for being there. The federal government and American taxpayers have no business funding jail-like settings for foster care kids.

These findings demand bold action. In the coming months, I'll be introducing legislation in this Committee's jurisdiction to raise health and safety standards, require real oversight and enforcement, and invest in the community-based services that are proven to actually help kids.

Before I turn it over to Ranking Member Crapo, I want to acknowledge every survivor in this room. The work of this Committee wouldn't have happened without survivors like you coming forward to share your stories. Thank you for your bravery. As Chairman, I'm all in to ensure the Finance Committee does everything it can to put a stop to this cycle of abuse.

###