Better Results through In-community Delivery, Greater Enforcement, and Stronger Services (BRIDGES) for Kids Discussion Draft

December 18, 2025

Following a two-year investigation, the U.S. Senate Committee on Finance released *Warehouses of Neglect: How Taxpayers Are Funding Systemic Abuse in Youth Residential Treatment Facilities*. The report found that residential treatment facilities (RTFs) – which are intended to provide intensive behavioral health care – place all children at risk of physical, sexual, and emotional abuse and inadequate provision of care, with these risks endemic to the operating model. This legislation responds directly to findings of the report, aiming to dismantle the cycle of abuse and neglect by investing in community-centered solutions, increasing oversight of RTFs, and improving the conditions in these facilities.

TITLE I – INVESTING IN COMMUNITY-BASED ALTERNATIVES FOR CARE

Section 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. This provision increases the federal Medicaid matching rate to 90 percent for intensive home and community-based services provided to youth under age 21 with mental health and substance use conditions in outpatient or non-residential settings, including intensive care coordination; intensive in-home services; intensive outpatient services; peer supports for children, parents, and other caregivers; mobile crisis and stabilization services; short-term respite care; and other services as defined by the Secretary of Health and Human Services (HHS) in consultation with the Administrator of the Centers for Medicare & Medicaid Services (CMS) and the Assistant Secretary of the Administration for Children and Families (ACF).

To receive the enhanced match, states must use the additional federal funds to supplement, not supplant, base year state behavioral health spending for youth; maintain availability of services, and apply enhanced funding to expand and improve access; divert youth from institutional settings; fund developmentally-appropriate pro-social activities; fund transition planning into community settings; and provide resources to help families navigate behavioral health systems.

Section 102. Increasing Support for Kinship Foster Care Placements, Kinship Adoptions, Kinship Guardianships, and Kinship Navigators. This provision increases the Title IV-E federal matching rate by 20 percent for state and tribal expenditures on foster care maintenance payments for children placed with relatives, adoption assistance for children adopted by relatives, and kinship guardianship assistance, and removes asset tests for kinship placement eligibility.

Section 103. Demonstration Grants to Enhance Access to Peer Support for Kinship Caregivers for Children with Serious Mental Health or Substance Use Conditions. This provision establishes a $15 million federal grant program for eligible entities (state child welfare agencies and organizations that provide peer support services) to support one-year demonstration projects that enhance access to peer support for kinship caregivers for children with serious mental health or substance use conditions. The provision also makes HHS technical assistance available to grantees.

Section 104. CMS Study on State Best Practices to Provide Medicaid Care Navigation Services to Qualifying Children Through a Community-Based Team. This provision directs CMS, in consultation with ACF, to study and identify state best practices for providing children enrolled in Medicaid or who are eligible for Title IV-E assistance, and who have mental health conditions, developmental disabilities, or substance use conditions, with a community-based team that provides through Medicaid child-centered behavioral health service navigation and ensures all appropriate community-based services are exhausted prior to a child entering an RTF. The study will consider other state-level considerations, including workforce capacity, system coordination, reimbursement models, and state strategies for scaling and sustaining these approaches. The provision also directs CMS to produce a report to Congress on best practices for care planning, family engagement, discharge and transition support, and maintaining family and community connections for children receiving residential treatment. In addition, this provision provides CMS with administrative funding to conduct this analysis and draft the report.

Section 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. This provision allows states to retain the federal portion of funds recovered from Medicaid fraud or abuse investigations into RTFs conducted by specific enforcement agencies, including the Department of Justice (DOJ), State law enforcement, or Medicaid Fraud Control Units. The state must reinvest the federal portion of funds into intensive home and community-based services for youth with mental health and substance use conditions, as defined in Section 101, or in community-based behavioral health infrastructure, including workforce, as determined appropriate by the state and approved by the Secretary of HHS. States must initiate reinvestment within one year of settlement and exhaust funds within three years.

Section 106. Investing in the Community-Based Behavioral Health Provider Workforce. This provision establishes a $150 million federal grant program for eligible entities (state behavioral health agencies, educational institutions, advocacy organizations or provider associations, and other entities as defined by the Secretary of HHS) to support three-year demonstration projects that use community-driven approaches to recruit, educate, and train providers to expand the behavioral health workforce. This provision also stipulates grant application requirements, guidelines for use of funds, and reporting requirements for grantees.

Section 107. Student Loan Repayment for Qualified Behavioral Health Providers. This provision creates a student loan repayment program overseen by the Administrator of the Health Resources and Services Administration (HRSA) for qualified behavioral health providers (defined as child or adolescent psychiatrists, general pediatricians who are board certified in adolescent addiction medicine, psychologists, child psychiatric nurse practitioners, licensed clinical social workers, and other providers) who commit to serving a patient population, of which at least 40% is comprised of children enrolled in Medicaid, CHIP, or uninsured populations for at least three years within a 10 year period. The section also describes verification requirements, payment amounts, and application processes, and provides funds for a public awareness campaign.

Section 108. Improving Federal Agency Alignment Regarding Community and Family Placements for Children and Youth with Mental Health or Substance Use Conditions. This provision directs the Secretary of HHS to issue guidance, informed by a public stakeholder meeting and in consultation with the agencies named below, providing recommendations and best practices to states regarding financing and expanding community and family placements for children in foster care with behavioral health needs and increasing access to peer support services. This guidance will focus on coordinating services between Title IV-B, Title IV-E, Medicaid, and CHIP, incentivizing intensive home and community-based services for youth with mental health and substance use conditions, as defined in Section 101, educating providers about the benefits of these services, and supporting children being discharged from RTFs for effective community reintegration. The Secretary will also provide technical assistance to aid in the implementation of the guidance.

This provision also requires the Secretary of HHS to establish an Interagency Stakeholder Committee – with senior representation from CMS, ACF, Substance Abuse and Mental Health Services Administration (SAMHSA), DOJ, Department of Education, Bureau of Indian Affairs, and any other agencies as appropriate – to make recommendations on residential facility standards, review on an annual basis the conditions of participation for residential treatment facilities for youth, analyze dashboard data included in Section 201 of this legislation, and submit ongoing reports on the Interagency Stakeholder Committee's activities to Congress and the Secretary of HHS.

TITLE II – STRENGTHENING THE OVERSIGHT OF YOUTH RESIDENTIAL TREATMENT FACILITIES

Section 201. Uniform Reporting System for Youth Residential Treatment Facilities. This provision creates a standardized, federal reporting system through which RTFs that serve children and youth, must make quarterly reports to the appropriate state behavioral health authority on critical indicators. These metrics include ownership structure, any "doing business as" name used in the reporting period, per diem rates, licensure and accreditation status, inspection frequency and outcomes, multiple measures of lengths of stay, out-of-state placements, staffing levels and credentials, children's demographic information, and reports of serious occurrences, including restraint and seclusion. States must compile and submit this data to HHS for publication on a public dashboard to be developed and maintained by the agency. HHS is directed to penalize non-compliant facilities or states through civil money penalties or termination from participation in Medicaid, Title IV-B, or Title IV-E programs. In addition, states that fail to comply with reporting to HHS must submit and implement a corrective action plan or face civil money penalties. In addition, this provision provides CMS and states with administrative funding to stand up the uniform reporting system as well as additional resources thereafter to support reporting system maintenance.

Section 202. Annual State Surveys of Residential Treatment Facilities for Youth. This provision requires all Medicaid-enrolled psychiatric residential treatment facilities (PRTFs) to comply with annual, unannounced surveys undertaken by the state survey agency. This provision directs the state and the Secretary to conduct an investigation of any complaint of facility noncompliance with the state plan within two days. If the complaint is substantiated, the state

and Secretary will resurvey the facility and any facilities that share ownership within 30 days. In the event of three survey findings of substandard quality within a 12 month period, the state survey office must notify the facility, which is given the opportunity to cure the deficiency within one month or lose its Medicaid provider status. Additionally, this provision provides states with the authority to impose civil money penalties on residential treatment facilities for non-compliance with the State plan.

This provision also directs HHS to conduct additional onsite surveys of a representative sample of PRTFs in each state within 2 months of that state entity's survey to monitor state survey quality. It also mandates investigation of serious complaints within 2 days, re-surveys of affiliated facilities after substantiated reports of abuse or death, and public reporting of survey findings. Additionally, this provision offers a 90 percent federal match to states to cover the administrative costs of state surveys required under this provision and provides administrative funding to CMS and states to carry out these changes.

Section 203. Promulgation and Annual Reevaluation of Conditions of Participation in Medicaid and CHIP for Residential Treatment Facilities for Youth. This provision requires HHS, with recommendations from the Interagency Stakeholder Committee created in Section. 107, to promulgate additional Medicaid Conditions of Participation (COPs) for PRTFs, including the requirements in this bill and review and update existing PRTF COPs each year.

Sec. 204. Clarifying the Definition of Patient Safety Work Product. This provision clarifies the definition of Patient Safety Work Product (PSWP) under the Public Health Service Act. This augmented definition of PSWP makes clear that information that is otherwise collected and reported as part of external reporting obligations is not PSWP, even if a hospital manages the information within its Patient Safety Organization and is therefore excepted from confidentiality and privilege protections applying to PSWP.

Section 205. Ensuring that Protection & Advocacy Systems Have Robust Records and Access to Residential Treatment Facilities. This provision clarifies the definition of "records" that Protection and Advocacy (P&A) organizations have statutory authority to access in order to strengthen their ability to conduct comprehensive oversight of congregate care settings. Under their authorizing statutes, P&As have access authority to records held by entities relating to their clients, including case files, video recordings, critical incident reports, and other records related to the individual.

Section 206. Augmenting State Survey Activity through Investment in Critical Oversight Infrastructure. This provision increases funding to P&As, federally-mandated oversight entities that operate across the country and are statutorily mandated to conduct oversight of facilities where people with disabilities are served, such as RTFs. Increased P&A funding will enable P&As to continue their critical oversight work and expand their capacity to better protect youth in RTFs. The provision also increases the Protection and Advocacy for Individuals with Mental Illness Act appropriation to $45,000,000 per year.

Section 207. State Licensure Process Requirements for Residential Treatment Facilities for Youth. This provision requires that all RTFs (including PRTFs) be licensed directly by the state and prohibits the use of accreditation as a substitute ("deemed status"). Under this provision,

states must conduct their own inspections of RTFs at initial licensure and renewal, with licenses lasting no longer than two years. States may issue short-term provisional licenses— valid for no more than one year — only in limited circumstances and must include a corrective action plan and automatic reversion if deficiencies remain uncorrected. States must publicly report licensing status, inspection findings, and enforcement actions, and share quarterly data with HHS. In addition, this provision provides states with administrative funding to support the updated licensure requirements.

Section 208. Augmenting the Court Improvement Program to Provide Greater Education about Residential Treatment Facilities for Youth. This provision requires HHS to create training and educational materials for judges and attorneys on the potential harms of congregate care, community-based alternatives, special considerations for the needs of LGBTQIA+ children and youth as well as for children with prior experiences of trauma or neglect, and the long-term outcomes of different placement types. States must deliver this training through their court improvement programs, with content shaped by individuals with lived experience and national experts. This provision provides ACF with administrative funding to cover the cost of creating and delivering these new court improvement materials and programming.

Section 209. GAO Study and Report on Residential Treatment Facility Provider Marketing Practices and Inducement. This provision directs the Government Accountability Office (GAO) to study deceptive marketing practices and inducements, including in-kind donations, used by for-profit RTFs to solicit placement of children and evaluate relationships between federal and state child welfare entities and for-profit RTFs.

Section 210. HHS-OIG Study and Report on Placement of Youth in Out-of-State Residential Treatment Placements. This provision directs the HHS Office of the Inspector General (OIG) to study the use of out-of-state RTF placements, including the number and demographics of youth sent out-of-state, reason for placement, steps states undertake to verify appropriateness of placement, payer sources, role of advertising, and barriers to oversight and provide policy recommendations.

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

Section 301. Staffing and Supervisory Requirements for Providers of Inpatient Psychiatric Hospital Services for Individuals Under Age 21. This provision requires that PRTFs have a licensed psychiatrist, psychologist, counselor, social worker, or other mental or behavioral health provider with a doctoral- or master's-level degree on-site for at least 12 hours a day and available on-call for emergencies during the hours when a licensed, supervising provider is not on-site. This professional must 1) have completed a minimum of 4,000 hours of supervised clinical training (including pre- and post-degree training) and 2) have previously served in a supervisory capacity. This professional must supervise therapeutic staff, modify institutional policies and procedures based on individual needs, review and adjust treatment plans when barriers arise, and recommend timely discharge upon assessment that an individual's therapeutic goals have been met or that the placement is no longer appropriate.

Section 302. Education Requirements for Providers of Inpatient Psychiatric Hospital Services for Individuals Under Age 21. This provision requires states to annually certify RTFs' compliance with various educational requirements. While in an RTF, each child and young person would be required to receive educational opportunities that are challenging and credit-bearing and, in advance of discharge, be supported by the RTF in transitioning back to other educational facilities or employment.

Section 303. GAO Study and Report on Evidence-Based Best Practices for Providing Care to Youth in Residential Treatment Facilities. This provision directs the GAO to study the evidence-base and best practices for providing care to youth with mental and behavioral health needs, including assessing various therapeutic treatment modalities, behavioral modification techniques (like point systems), restrictive disciplinary measures (like restraint and seclusion), and the delivery of care in an RTF setting itself.

Section 304. Ensuring Legal Representation for Every Youth in Foster Care and Education and Training for Child Advocates. This provision requires states to provide legal representation to any child who is eligible for Title IV-E or receives services funded by Title IV-B. Additionally, prior to placing any such child in an RTF, the provision requires the attorney to investigate the facility's safety and compliance — reviewing data such as use of restraints, seclusion, police reports, ownership changes, and abuse allegations within the previous 4 years — and submit a written report for inclusion in the child's case plan that assesses these measures. This provision also requires states to describe the steps they will take to ensure that attorneys representing children in foster care receive continuing legal education focused on effective, child-centered advocacy. Training must include instruction on (1) client-directed representation, (2) state and local procedures for petitioning for a child's release from an RTF, (3) the structure and resources of relevant social welfare agencies, and (4) strategies for facilitating collaboration between counsel, state child welfare agencies, and P&As. This provision also provides additional federal funding to states to carry out required activities.

Section 305. Student Loan Repayment for Qualified Child Advocates for Medicaid-Eligible and Uninsured Children. This provision requires the Secretary of Education to establish a federal student loan repayment program for qualified child advocates — licensed attorneys who commit to at least three years of full-time work (within a 10-year period) representing a client base of which at least 40% are Medicaid-eligible or uninsured children. The program would make direct repayments for qualifying educational loans taken to attend accredited law schools, subject to annual and aggregate limits and conditioned on the recipient's continued service in qualifying work. The provision directs the Secretary to establish a competitive selection process that prioritizes applicants whose cultural and linguistic competence aligns with the needs of the populations they serve, consistent with federal civil rights law.