March 5, 2026

Appropriate Access to Residential Behavioral Health Treatment for Children in Medicaid

Draft policy recommendations

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MACPAC

Medicaid and CHIP Payment and Access Commission

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Overview

- Key findings
- Draft policy recommendations for consideration
- Next steps

Key Findings

Information on Facility and Bed Availability

- Difficulty finding real-time information on facility and bed availability and specialized care can hinder access to residential services
- Some state and federal sources provide information but there are gaps in information (e.g., state registries, FindTreatment.gov)
- Existing federal bed registry efforts and databases can be instructive regarding development and implementation
  - Centers for Disease Control and Prevention's (CDC) Hospital Bed Capacity Project: 12 to 18 month phase-in in three pilot states, state-run, voluntary participation, updates every 15 to 60 minutes, not accessible to the public
  - The Substance Abuse and Mental Health Services Administration's (SAMHSA) FindTreatment.gov: Phased-in approach, federally-run, voluntary participation in facility survey, updated annually and as needed, searchable database but does not provide bed availability

Data Collection, Sharing, and Analysis

- There is no single federal data source on the use of residential treatment, including in out-of-state facilities
- Psychiatric Residential Treatment Facility (PRTF) annual attestation statements to states must include the number of beneficiaries receiving the psych under 21 services in the facility, the number of out-of-state patients, and a list of states from which it has received payment for psych under 21 services
- Transformed Medicaid Statistical Information System (T-MSIS) behavioral health data book provided information on use of services by state, but does not differentiate between children and adults, in- or out-of-state users

Out-of-state Placements

- Out-of-state placements occur if in-state facilities are unable to meet a child's needs or denies admission but there is no national data source on these placements
- Interviewees indicated that facilities may prefer to admit out-of-state youth because they garner higher payment rates than in-state youth
- Out-of-state placements can make it difficult to maintain connections with family and transition back to the community in the sending state
- Federal rules for discharge planning are brief and do not address out-of-state considerations

Draft Policy Recommendations

Draft Policy Recommendations

Finding	Policy objective	Policy recommendation
Lack of information on facility and bed availability or areas of expertise	Ensuring the availability of up-to-date and complete information on facility and bed availability	Recommend Congress to require the Department of Health and Human Services (HHS) to develop and maintain a directory of youth residential treatment facilities
Lack of data on use of residential treatment services, including in out-of-state facilities	Increasing the availability of data on use of residential treatment services, particularly in out-of-state placements	Recommend the Centers for Medicare & Medicaid Services (CMS) to report on the use of residential treatment services, including non-PRTFs and out-of-state residential treatment providers
Placement in out-of-state facilities can make it difficult for children to maintain connections with family and transition back to their respective states of residence	To provide clarity on expectations for discharge planning to ensure those being discharged from out-of-state facilities return to the community in their home state and receive needed services	Recommend CMS to revise federal regulations to establish minimum requirements for discharge planning processes

Draft Recommendation 1: Directory of Youth Residential Treatment Facilities

To ensure that states, families, and providers have complete, accurate, and up-to-date information about residential treatment facilities and bed availability, Congress should require that the Secretary of the U.S. Department of Health and Human Services (HHS) develop, maintain, and make publicly available a federally-administered, up-to-date directory of youth residential treatment facilities serving Medicaid beneficiaries. The Secretary should work with HHS agencies, including the Centers for Medicare & Medicaid Services (CMS) and the Substance Abuse and Mental Health Services Administration (SAMHSA), state Medicaid agencies, state behavioral health agencies, and other stakeholders to develop and maintain this directory. At a minimum, this directory should include information on the behavioral health conditions facilities specialize in treating, ages served, regularly updated bed availability for in- and out-of-state Medicaid beneficiaries, and accessibility of facilities and services for individuals with disabilities. The Secretary should leverage information already being collected by federal agencies and states, while also integrating other information needed to determine whether the facility can meet beneficiary need

Draft Recommendation 1: Rationale

- There is no single source of information to help states, families, and providers identify Medicaid-serving residential treatment facilities, the conditions they treat, and bed availability, which can lead to delays in services for youth needing care
- There is no federal mandate that states or CMS produce such information about residential treatment facilities
- Information currently collected by federal and state agencies can be limited and is not always designed to provide bed availability

Draft Recommendation 1: Implications

- **Federal.** Federal agencies will need resources and staff to develop, implement, maintain, and oversee the registry
- **States.** States may experience greater ease in identifying facilities with available. States may be asked to take on responsibilities such as educating providers and users of the registry and monitoring use of the registry
- **Enrollees.** Enrollees may experience greater ease in identifying facilities with available beds
- **Plans.** Plans may experience greater ease in identifying facilities with available beds. Plans may have to take on some responsibilities such as working with facilities to update the registry or encouraging use of the registry
- **Providers.** Providers may experience greater ease in identifying facilities with available beds. Facilities will have to update the bed registry according to specifications

Draft Recommendation 2: Report on the Use of Residential Treatment Services

To ensure that reliable and consistently collected data are publicly available, the Secretary of the U.S. Department of Health and Human Services should direct the Centers for Medicare & Medicaid Services (CMS) to regularly report on the use of residential treatment services by children and youth in Medicaid, including services provided by psychiatric residential treatment facilities (PRTF), non-PRTFs, and out-of-state residential treatment providers. This report should provide available data on the characteristics of youth using the services including demographics, disability and co-occurring conditions, and urbanicity and rurality; types of services used; average length of stay; and discharge outcomes. The report should include data on the use of emergency departments for behavioral health needs, such as emergency department boarding by youth with Medicaid. If data are unavailable to report on key measures, CMS should develop a plan for collecting and publicly reporting on the data elements. CMS should engage states, providers, and other stakeholders in developing the data collection and reporting efforts

Draft Recommendation 2: Rationale

- Data are not readily available to understand use and outcomes of residential treatment facility services, which could be used to develop interventions to address access concerns
- Federal regulations do not require that CMS or states report information on the use of residential treatment in non-PRTF settings or out-of-state providers
- Congress has previously called for data on the use of out-of-state providers serving children with medical complexity in Section 1945A health homes

Draft Recommendation 2: Implications

- **Federal.** CMS will need staff and resources to review data, and develop and produce the report
- **States.** States may have to take on additional data collection and reporting. They may also experience some costs associated with systems changes. States will have new information on use of residential treatment services
- **Enrollees.** We do not anticipate any direct effects on enrollees
- **Plans.** We do not anticipate any direct effects on plans
- **Providers.** Providers may incur resource expenditures (e.g., related to systems changes, staff time)

Draft Recommendation 3: Minimum Requirements for Discharge Planning

To ensure that youth discharged from out-of-state residential treatment facilities return to their communities and receive needed services, the Secretary of the U.S. Department of Health and Human Services should direct the Centers for Medicare & Medicaid Services (CMS) to amend 42 CFR 441.155 to establish minimum requirements for discharge planning processes that mandate that the process involves families and caretakers, and identifies an appropriate community provider or alternative residential placement prior to discharge. CMS should also establish minimum requirements for coordinating and sharing information between the out-of-state provider and the post-discharge providers

Draft Recommendation 3: Rationale

- Research shows that discharge planning can help facilitate transitions from inpatient to other health care settings, including in the community
- Federal PRTF rules require a plan of care that includes a discharge plan, but does not elaborate on requirements for discharge planning, including for youth in out-of-state facilities
- CMS has expectations for discharge planning and beneficiaries returning to the community for other CMS programs (e.g., Section 1945A health homes, Medicare hospital discharge planning)

Draft Recommendation 3: Implications

- **Federal.** CMS will need staff resources to develop and publish new rules
- **States.** States may need to develop and disseminate guidance to plans and providers regarding discharge planning. States may need to engage in oversight and monitoring
- **Enrollees.** Enrollees in out-of-state placement and their families and caregivers will have a clearer understanding of how discharge plans should be developed. They may also experience improved transitions back to their communities
- **Plans.** Plans would establish guidance for network and non-network providers regarding discharge planning and coordinating the return to community of youth. Plans would gain information about the ongoing treatment needs of youth in out-of-state facilities
- **Providers.** Providers may need to spend more time on discharge planning than they currently do. Post-discharge providers will have information about the health care needs of youth coming into their care from out-of-state facilities

Next Steps

- Commissioner feedback on the following would be helpful:
  - Do the refined draft policy recommendations address the challenges identified through our work?
  - Are there additional considerations for the draft policy recommendations?
  - Are there any considerations that should be highlighted in a June 2026 chapter?
- Staff will revise the policy recommendations, and return during a future meeting for a vote on the draft recommendations and to present our draft June 2026 chapter

Draft Policy Recommendations

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Placement in out-of-state facilities can make it difficult for children to maintain connections with family and transition back to their respective states of residence	To provide clarity on expectations for discharge planning to ensure those being discharged from out-of-state facilities return to the community in their home state and receive needed services	Recommend CMS to revise federal regulations to establish minimum requirements for discharge planning processes

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