The Honorable Diane Feinstein  
United States Senate  
Washington, DC 20510

Dear Senator Feinstein:

I am writing on behalf of the County of Santa Barbara in support of S. 2689, the *Ensuring Medicaid Continuity for Children in Foster Care Act of 2021*.

Thank you for sponsoring S. 2689 which would exempt Qualified Residential Treatment Programs (QRTPs) from the Institutions for Mental Diseases (IMD) exclusionary rule. When Congress enacted the Family First Prevention Services Act, it created Qualified Residential Treatment Programs (QRTPs) as a new federal category for settings delivering trauma-informed treatment to foster children in a residential setting. The intent of Congress was to ensure the federal government funded interventions to address the symptoms of trauma and accompanying behavioral and emotional challenges for children with assessed need. QRTPs are now one of the few residential, or congregate, settings that are eligible for Title IV-E reimbursement.

Based on the Centers for Medicare and Medicaid Services (CMS) current application of the law, a QRTP over 16 beds is considered an Institution for Mental Diseases and thus ineligible for Medicaid reimbursements. This is in conflict with long-standing policy that foster children who are eligible for Title IV-E are categorically eligible for Medicaid. If a QRTP is defined as an IMD, then states are prohibited from drawing down federal Medicaid coverage for children in foster care while placed in that QRTP. If QRTPs are not exempted from the IMD exclusion, then the entire cost of medical, dental, behavioral and mental health care for each child placed into QRTPs with more than 16 beds could fall to the states.

Thank you for your support for the County’s foster care and behavioral health programs. We look forward to continuing to work with you as the legislation moves through the legislative process.

Sincerely yours,

Don Gilchrest  
Washington Representative

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