

Inside the Push to Treat Foster Youth in Families, Not Facilities

By [Ashleigh Hollowell](#) | March 23, 2026

Providers who work with foster youth populations say there is a clear, industry-wide shift away from traditional residential treatment as the default for adolescents with complex behavioral health needs.

Traditional residential treatment settings that serve foster youth populations have historically been saturated with allegations of safety and care violations ranging from misuse of restraints to physical and [sexual abuse](#).

Legacy providers like Universal Health Services (NYSE: UHS) and Acadia Healthcare (Nasdaq: ACHA) have been under fire in recent years amid [journalistic](#) and [federal investigations](#) that alleged [neglect and harm](#) to foster youth and other patients in their care.

The foster care system, similar to behavioral health, is often fragmented and can lead to oversights in care and gaps in getting them connected with the right resources. Children within the foster care system experience mental and behavioral health problems at much higher rates compared to their peers – around [80%](#) of foster youth have significant mental health issues compared to [20%](#) for those not in the system.

Entering the foster care system frequently comes with further trauma. The act of removing a child from their home and into a placement — which can turn into multiple placements and transitions throughout a case — leaves them at a [higher risk](#) for attachment disorders, adverse mental and physical impacts and a higher likelihood of substance misuse.

Then, for cases in which a child has behavioral health conditions that have been exacerbated by situations at home, removal, or both, removing them again and placing them into a residential treatment setting comes with its own layer of complexities.

Much of that is driving a shift from both providers and social workers to keep children in family-centric and community-based care settings instead of sending them to residential treatment, industry insiders told Behavioral Health Business.

“Since the early 2010s, there has been a lot more focus on kinship expansion, because some of the promising research about placing kids with kin rather than sending them to residential shows decreases in challenging behaviors,” Mike Stempkovski, Director of Clinical Services at Youth Villages, told BHB. “It’s also just more trauma-informed, because it was keeping kids in the local school system; it was keeping them closer to friends and things like that.”

Memphis, Tennessee-based Youth Villages is a nonprofit that provides care and services for youth and their families, including in-home treatment, foster care services, short-term residential treatment, and transitional support. The organization has 120 locations across 29 states.

Why alternative models matter

Stempkovski explained that while the organization still operates residential campuses, much of its care has shifted to intensive in-home services.

“I would say nationally, there’s much more emphasis on keeping kids in a family-like setting, so that they can have an attuned intervention, working with a caregiver to help that young person stay in that home care,” Stempkovski said. “I don’t know if I’d say I’ve seen changes in acuity, but more an emphasis on having that in-home care before they go to residential, or shorter lengths of time in residential, so stepping back down. The focus is on determining what’s the shortest possible dose of partial residential before you can get that young person in a therapeutic foster home or back with family or with kin.”

Two major criticisms of legacy residential behavioral health care for foster youth have involved allegations of [longer-than-needed stays](#) at these facilities, with generally worse outcomes and the act of sending kids to out-of-state facilities for residential treatment.

Both factors, the [length of stay](#) in residential treatment facilities and the distance that care and/or placements are from home, tend to be linked with poorer mental health outcomes than are seen in [family-based care](#) and community care models.

One study found that foster youth in residential care spend an [average of 335 days](#) in residential settings across stays. A separate investigation by [ProPublica](#) revealed that in 2018, at least 1,716 foster youth were sent to out-of-state facilities where, oftentimes, there were breakdowns in staff oversight and reports of abuse.

Youth Villages already works with a higher-acuity population, Stempkovski explained. While exclusionary criteria exist and in some cases, children do have to be sent to residential treatment, the organization’s Intercept model, an intensive home-based care approach, aims to keep them with their families or kin for care. The model was first developed in the 1990s and has continued to improve in terms of success and outcomes. There is a focus on in-home and community support services, parenting skill-building, family structure and delivering trauma-informed care multiple times a week, utilizing master’s level clinicians who are trained to handle these types of behavioral health cases.

“Intercept is a primary strategy that we’re doing to reduce out-of-home care in residential programs,” Stempkovski said. “With intercept being well supported in the clearinghouse, there’s a lot of discussion about how states can allocate funds to these intervention services. Sometimes the state doesn’t have very much money. They don’t have available residential programs anyway, so they’ll send a kid across state lines to another state. So I think in child welfare, commissioners like programs like Intercept, because they can draw down some of those federal dollars to pay for this.”

Stempkovski said reimbursement rates for Intercept vary across the 29 states where Youth Villages operates, but in general, they seek reimbursement to cover the continued training needed for their specialists and clinical supervisors to continue this work. Another major benefit of the model is the lower caseloads of between four or five on average per specialist, which allows for more intensive, focused care to be delivered and tailored to the kids and families these specialists work with.

The Intercept model is a short-term intervention blueprint with the eventual goal of stepping out of the situation after stability has been reached. Typically, Stempkovski said, it takes between four and six months for a foster youth situation to stabilize with Youth Villages’ Intercept model, and it costs less than residential care.

“We know that multiple out-of-home placements for young people can contribute to a worsening of condition acuity for them, because they’re feeling lost, they’re disconnected from family. There was a reason they were brought out,” Stempkovski said. “So for those young people who get brought into traditional foster care, maybe even therapeutic foster care, if those behaviors continue to escalate, those state leaders have to make a tough decision. If it seems like a young person needs residential-level care, but they don’t have available beds in West Virginia, they’re going to send them to Kentucky or Virginia or wherever they need to go.”

Dr. JP Shand, chief medical officer at PerformCare, a full-service behavioral health managed care company that is part of AmeriHealth Caritas, said their clinicians focus on medical necessity criteria to determine what type of interventional care can be provided to foster youth in home and community settings.

“We have care managers who are heavily involved with our individuals who often have high needs,” Shand said. “We help them navigate this whole process, ensuring that they really do have the highest level of access to outpatient care, the highest level of access to the interventions they need at the time that they need to really ensure that a lack of resources in the community isn’t driving people towards higher intensity interventions or out-of-home placement.”

The care managers’ mission, he explained, is really to “open doors and help them navigate this system,” build skills and provide resources so that care can take place in a way that allows foster youth to “live the most fulfilling and engaging way possible with the outpatient services.”

What could make these systems more effective for treating foster youth at large would really be better outcomes measurements and more seats at the table to bridge gaps in communication across the many complex systems that foster youth engage with: schools, therapists, primary care, legal and judicial, etc., Shand said.

“If we could somehow predict outcomes better, with which foster care youth or which youth in general would benefit from each different level of care, we would do it,” Shand said. “But in the moment, I think we should have more open dialogue around exactly the situation that this current youth is in. What is the holistic approach to the youth at large, and how can all of the systems that are involved communicate to reach the best possible outcome for this individual?”

Even going so far as to involve and utilize technologies like electronic health records to somehow be better equipped to capture the necessary information around a single youth’s case and behavioral needs all in one place, would do a lot for outcomes, he added.

“Knowledge is power, and I think that sometimes there are gaps in communication ... If everybody could come and have a voice at the table, including the youth, right, and ultimately influence and prognosis with information,” Shand said. “I think that that is the best-case scenario.”

Models at other organizations have also started to move toward a focus of keeping these kids in home and community care settings rather than residential treatment. At Hackensack, New Jersey-based nonprofit Family Focused Treatment Association (FFTA), they prioritize a [kinship care model](#) for foster youth.

Under this model, the FFTA states that its “vision is that children in out-of-home care with treatment needs can have those needs met by relatives or those with whom they have a family-like relationship, with access to the full array of training, services, and supports available through treatment foster care to help them stay safe, achieve permanency, and thrive.”

Villanova, Pennsylvania-based legacy behavioral health nonprofit Devereux Centers, which operates across 11 states, also has its [own foster care model](#). The behavioral health provider recruits foster parents specifically to “provide a safe, stable and caring home for individuals with disabilities.”

Seven of the 11 states Devereux operates in have locations dedicated to foster care, parent training, support groups and intensive mental health services.

As these models continue to grow in prominence across the behavioral health continuum, so will the importance of system communication, Stempkovski said, echoing Shand.

“We try to step into the gap to have those crucial conversations with that key player, with that judge, with the family, with the young person, to make sure we’re all on the ship going in the right direction,” Stempkovski said. “We’re literally going into the home, and we might need to build a family structure and what does that look like?”

A better way forward that Youth Villages has piloted in counties in Mississippi and Tennessee has an employee who serves as an assessor of local resources, the foster youth’s needs and what connections can be made for IOP vs. residential treatment. So before a judge makes a decision, Youth Villages employees can feed all of that information back to the judge who makes the decision about where a child needs to go and help make appropriate referrals.

More approaches like that would also help, Stempkovski explained.

“We have to have partnerships with the available resources that are local to that community,” he said. “By being a neutral assessor, we do get some of those referrals, but other referrals more appropriately go to maybe substance use, IOP or something like that.”