

REPORT HIGHLIGHTS



October 2026 | OAS-24-05-010

Kentucky Could Better Protect Children Residing in Qualified Residential Treatment Programs

Why OIG Did This Audit

- The Family First Prevention Services Act (Family First), enacted in February 2018, included requirements to ensure that placement of children in congregate care settings was based on the specialized behavioral and mental health needs or clinical disabilities of the child.
- Family First created a new category of child care institutions called qualified residential treatment programs (QRTPs), which are facilities for children in the foster care system who have serious emotional or behavioral disorders or disturbances.
- This audit examined whether Kentucky and its QRTPs complied with Federal and State requirements related to children in foster care who were eligible for assistance under Title IV-E of the Social Security Act (the Act).

What OIG Found

Kentucky and its QRTPs did not comply with Federal and State requirements related to children in foster care who were eligible for assistance under Title IV-E of the Act from October 1, 2023, through September 30, 2024. Specifically, we found:

- 70 instances of noncompliance in 25 of the 30 children's case files and records that we reviewed, including missing family support group documentation, court approvals, discharge plans, and health records and screenings.
- 165 instances of noncompliance across the 15 QRTPs that we reviewed related to requirements for background checks, personnel and training records, written policies, staffing, and physical environment.

These weaknesses exposed children in Kentucky's QRTPs to unsafe environments, inadequate care, and unqualified staff, and resulted in \$571,306 (\$416,009 Federal share) in improper Title IV-E payments during the placements.

What OIG Recommends

We made four recommendations to Kentucky, including that it work with the Administration for Children and Families to determine the portion of the \$416,009 in improper payments that must be refunded to the Federal Government. In addition, Kentucky should ensure the 15 QRTPs comply with background check requirements and that it conduct onsite monitoring of the facilities. The full recommendations are in the report.

Kentucky concurred with two recommendations and detailed steps it has taken and plans to take in response to them. Kentucky did not concur with the remaining two recommendations.