

For-profit youth psych facilities could expand without limit under new industry-friendly bill

by Lara Farrar

February 26, 2025 4:35 pm



Piney Ridge's Fayetteville treatment center for youth.

Credit: Brian Chilson

Arkansas legislators filed a bill on Wednesday that would reverse [hard-fought efforts to reform the state's youth psychiatric residential treatment facility industry](#), giving providers free rein to expand their operations and fill their beds with out-of-state children without interference from state regulators.

Psychiatric residential treatment facilities, or PRTFs, provide treatment for children and teens with a range of mental and behavioral health conditions. There are 13 PRTFs in Arkansas; some are nonprofits but most are for-profit businesses, including three that are owned by **Acadia Healthcare**, a mental health behemoth that has come under intense scrutiny across the country for questionable treatment practices, [including](#)

institutionalizing people against their will when not medically necessary. (Last year, Acadia agreed to pay a nearly \$20 million settlement for a federal investigation related to patient care and insurance fraud.)

A surprising feature of Arkansas’s psychiatric residential treatment facilities is how many of their residents are not from Arkansas. On any given day, about half of their occupied beds are filled by children from other states. Records from the **Arkansas Department of Human Services**, which has regulatory oversight of the facilities, document children brought in from dozens of states, including Wisconsin, South Dakota, Illinois and Ohio.

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In an emailed response, a DHS spokesperson said the agency is “reviewing this bill, and look forward to continued discussions on this topic as the Legislative session progresses.”

Some critics of the system say PRTF operators have built a lucrative business off of shipping out-of-state children to Arkansas, where they operate with less oversight than in some states.

Senate Bill 312, sponsored by Sen. **Matt Stone** (R-Camden) and Rep. **Howard Beaty** (R-Crossett), would lift a cap placed on PRTF bed expansion by the Arkansas Department of Health in 2008. That moratorium was put in place because the agency determined PRTF’s were expanding beyond the scope of population need in Arkansas, an ADH spokesperson told the *Arkansas Times*.

But the moratorium only applied to beds designated specifically for children on Arkansas Medicaid. Via a legal loophole, PRTFs subsequently added additional beds and filled them with children from other states. Some of these kids are sent directly by their families but many are placed in the facilities by child welfare agencies in other states that have run out of placement options for a child or because there are few residential treatment options.

Advocates say out-of-state children can fall through the cracks once they're locked in a facility in Arkansas, often hundreds of miles away from their home states. A stay in residential treatment often months, if not longer.

Read an *Arkansas Times* investigation [into out-of-state children at PRTFs here](#).

In 2021, Arkansas lawmakers passed [legislation to close the loophole](#), once again making it more difficult for PRTFs to add beds. There are about 700 total beds among the state's 13 facilities. Some of those beds are designated only for Arkansas Medicaid recipients and others that can be filled with out-of-state children or children with private insurance. Little Creek Behavioral Health in Conway, an Acadia facility, only serves children from other states.

SB312's filing comes at a time when Acadia Healthcare is actively expanding its three facilities in Arkansas, which include Piney Ridge Treatment Center in Fayetteville, Millcreek Behavioral Health in Fordyce and Little Creek.

Acadia executives have been seeking approval to add additional beds to its facilities from the various state regulatory entities, including the **Child Welfare Agency Review Board**. The board previously had approved the addition of beds even after the 2008 moratorium, but more recently it has been hamstrung by changes in the law and unable to approve Acadia's requests.

Andy Altom, chairman of the Child Welfare Agency Review Board, did not respond to an *Arkansas Times* request for comment on the legislation before publication of this story.

Acadia's proposed expansions in Arkansas include moving its **Piney Ridge Treatment Facility** to a recently-constructed building at a new address and changing its name to Yellow Rock Behavioral Health, a request that is being discussed during a Child Welfare Agency Review Board meeting on Wednesday.

Acadia executives have said the name change is necessary because the Piney Ridge operation is confused with a business with a similar name in Missouri. But it may also be for public relations purposes. Piney Ridge has a checkered past with allegations of neglecting or abusing patients and investigations that found the facility violated regulations related to the use of physical and chemical restraints.

PRTFs are part of the "troubled teen industry," which has come under fire in Arkansas and across the U.S. Children have died while undergoing treatment, with some deaths caused by staff members exerting extreme force on kids for minor infractions, like throwing a sandwich during a meal break.

Last year, **Disability Rights Arkansas**, a federally funded nonprofit that monitors PRTFs for abuse and neglect, [testified in front of the U.S. Senate Finance Committee](#) about the systemic problems of the PRTF industry and the abuses the organization has been tracking for years at the facilities in Arkansas.

In December, former President Joe Biden signed the **Stop Institutional Child Abuse Act** aimed at preventing abuse and other forms of maltreatment in youth residential facilities.

Lara Farrar's ongoing reporting on psychiatric residential treatment facilities was undertaken as a University of Southern California Annenberg Center for Health Journalism Data Fellowship grantee.