



Maryland
Hospital Association

**House Bill 772 – Workgroup on Behavioral Health Rate Methodology Modernization -
Establishment**

Position: *Support*
February 25, 2026
House Health Committee

MHA Position

On behalf of the Maryland Hospital Association's (MHA) member hospitals and health systems, we appreciate the opportunity to comment in support of House Bill 772.

MHA fully supports transparent, cost-based reimbursement methodologies for certified community behavioral health clinics and outpatient mental health centers. Engaging in rate reform is essential to expand behavioral health service capacity and strengthen the continuum of care. HB 772 directly supports this goal by creating a sustainable reimbursement structure that enables community providers to maintain services and meet growing demand.

Looking upstream to ensure access to behavioral health care in the community can also lead to cost savings by preventing crises and avoiding unnecessary use of higher-cost settings, like hospital emergency departments.

When youth and families cannot access appropriate community-based services, hospitals often become the default safety net, leading to pediatric hospital overstays. Maryland hospital emergency departments and inpatient units are inappropriately serving as living spaces for children and youth who have been medically cleared for discharge but remain in the hospital for days, weeks, or months because there is no other placement option.

With stronger community capacity, supported under HB 772, Maryland could reduce the frequency and duration of pediatric hospital overstays and allow more children to get the right care in the right setting.

According to the Maryland Department of Health, Maryland Department of Human Services, and MHA, as of Jan. 31, there were 33 children across Maryland experiencing a pediatric hospital overstay—13 girls and 20 boys. Seven were in the care and custody of DHS, 17 were pending a voluntary placement agreement, and five of the youth and their families were working with DHS.

One of the greatest challenges to solving this problem is the lack of behavioral health bed and service capacity. Generally, these youth are waiting for placement in a residential treatment center, therapeutic foster home, or group home. These children and youth are living in a restrictive hospital environment that does not serve their needs. Not only are these children and

youth impacted, but other sick pediatric patients with acute care needs are not able to access these beds. Those children must seek acute medical care elsewhere.

These children and youth deserve nothing less than our best. We, as a state, are failing them every single day that they continue to wait in acute care hospitals. We are also failing the children and youth who need access to behavioral health care in the community before they are in a state of crisis that necessitates a trip to the emergency department.

Solving these reimbursement issues, expanding bed and service capacity, and focusing upstream on preventive measures is the best investment the state can make to support our children, youth, and families.

For all of these reasons, we request a favorable report on HB 772.

For more information, please contact:

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