

SENATE BILL 696

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CF HB 962

By: **Senator Beidle**

Introduced and read first time: January 26, 2025

Assigned to: Finance

Committee Report: Favorable with amendments

Senate action: Adopted with floor amendments

Read second time: March 18, 2025

CHAPTER _____

1 AN ACT concerning

2 **Public Health – Pediatric Hospital Overstay Patients and Workgroup on**
3 **Children in Unlicensed Settings and Pediatric Overstays**

4 FOR the purpose of specifying that the scope of the Maryland Mental Health and Substance
5 Use Disorder Registry and Referral System includes both private and State inpatient
6 and outpatient mental health and substance use services; requiring the Maryland
7 Department of Health, ~~in coordination with~~ and the Department of Human Services,
8 under certain circumstances, to ensure pediatric hospital overstay patients are
9 placed in the least restrictive setting when clinically indicated and when possible;
10 authorizing a hospital to concurrently explore in-State and out-of-state placements
11 for pediatric hospital overstay patients; ~~establishing the~~ requiring the Maryland
12 Department of Health and the Department of Human Services to establish a
13 Pediatric Hospital Overstay Coordinator within the Governor’s Office for Children;
14 ~~requiring the Maryland Department of Health to conduct a certain study and review~~
15 ~~of residential treatment center and respite facility rates;~~ each department;
16 establishing the Workgroup on Children in Unlicensed Settings and Pediatric
17 Overstays in the State; and generally relating to pediatric hospital overstay patients
18 and children in unlicensed settings.

19 BY repealing and reenacting, with amendments,
20 Article – Health – General
21 Section 7.5–802(a) and (d)
22 Annotated Code of Maryland
23 (2023 Replacement Volume and 2024 Supplement)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 BY adding to

2 Article – Health – General

3 Section 19–388 through 19–390 to be under the new part “Part XII. Pediatric
4 Overstay”

5 Annotated Code of Maryland

6 (2023 Replacement Volume and 2024 Supplement)

7 ~~BY repealing and reenacting, with amendments,~~

8 ~~Article – State Government~~

9 ~~Section 9–2801~~

10 ~~Annotated Code of Maryland~~

11 ~~(2021 Replacement Volume and 2024 Supplement)~~

12 ~~BY adding to~~

13 ~~Article – State Government~~

14 ~~Section 9–2806~~

15 ~~Annotated Code of Maryland~~

16 ~~(2021 Replacement Volume and 2024 Supplement)~~

17 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,

18 That the Laws of Maryland read as follows:

19 **Article – Health – General**

20 7.5–802.

21 (a) (1) There is a Maryland Mental Health and Substance Use Disorder
22 Registry and Referral System in the Department.

23 (2) The purpose of the Registry and Referral System is to provide a
24 statewide system through which health care providers can identify and access available
25 **PRIVATE AND STATE** inpatient and outpatient mental health and substance use services
26 for patients in a seamless manner.

27 (3) Subject to the availability of funds, the Department shall develop and
28 implement the Registry and Referral System, in collaboration with the State–designated
29 Health Information Exchange.

30 (4) The Registry and Referral System shall include:

31 (i) A searchable inventory of any **PRIVATE OR STATE** provider of
32 mental health and substance use disorder services, including inpatient, crisis, and
33 outpatient services;

34 (ii) The capability to allow a provider of mental health and substance
35 use disorder services to update registry information including the real–time availability of
36 services; and

1 (iii) An electronic referral system that is available to any health care
2 provider in the State to facilitate electronic referrals to mental health and substance use
3 disorder providers.

4 (d) Each PRIVATE AND STATE hospital shall ensure the availability of staff to
5 identify appropriate and available services for patients in the hospital who are in need of
6 mental health or substance use disorder services and to assist the patient in accessing the
7 services.

8 **19-386. RESERVED.**

9 **19-387. RESERVED.**

10 **PART XII. PEDIATRIC OVERSTAY.**

11 **19-388.**

12 (A) IN THIS PART, ~~“PEDIATRIC HOSPITAL”~~ THE FOLLOWING WORDS HAVE
13 THE MEANINGS INDICATED.

14 (B) “COORDINATORS” MEANS THE PEDIATRIC OVERSTAY COORDINATOR IN
15 THE DEPARTMENT AND THE PEDIATRIC OVERSTAY COORDINATOR IN THE
16 DEPARTMENT OF HUMAN SERVICES.

17 (C) “PEDIATRIC HOSPITAL OVERSTAY PATIENT” MEANS A PATIENT UNDER
18 THE AGE OF 22 YEARS WHO REMAINS IN AN INPATIENT UNIT OR EMERGENCY
19 DEPARTMENT OF A HOSPITAL FOR MORE THAN ~~24~~ 48 HOURS AFTER BEING
20 MEDICALLY CLEARED FOR DISCHARGE OR TRANSFER.

21 **19-389.**

22 (A) (1) ~~THE DEPARTMENT, IN COORDINATION WITH THE DEPARTMENT~~
23 ~~OF HUMAN SERVICES, EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS~~
24 SUBSECTION, THE DEPARTMENT SHALL ENSURE THAT A PEDIATRIC HOSPITAL
25 OVERSTAY PATIENT IS TRANSFERRED TO AND TREATED IN THE LEAST RESTRICTIVE
26 SETTING WHEN CLINICALLY INDICATED AND WHEN POSSIBLE.

27 (2) THE DEPARTMENT OF HUMAN SERVICES, IN COORDINATION
28 WITH THE DEPARTMENT, SHALL ENSURE THAT A PEDIATRIC HOSPITAL OVERSTAY
29 PATIENT WHO IS A CHILD COMMITTED TO THE CARE AND CUSTODY OF THE
30 DEPARTMENT OF HUMAN SERVICES IS TRANSFERRED TO AND TREATED IN THE
31 LEAST RESTRICTIVE SETTING WHEN CLINICALLY INDICATED AND WHEN POSSIBLE.

1 **(B) IF A PEDIATRIC HOSPITAL OVERSTAY PATIENT REMAINS IN THE**
2 **HOSPITAL FOR MORE THAN 48 HOURS AND THE REGISTRY ESTABLISHED UNDER §**
3 **7.5-802 OF THIS ARTICLE INDICATES THAT AN APPROPRIATE INPATIENT BED IS**
4 **AVAILABLE, THE HOSPITAL SHALL SEEK THE TRANSFER TO MAINTAIN THE CLINICAL**
5 **STABILITY OF THE PATIENT.**

6 **(C) NOTWITHSTANDING ANY OTHER PROVISION OF LAW, TO ENSURE THAT**
7 **A PEDIATRIC HOSPITAL OVERSTAY PATIENT IS TREATED IN THE LEAST RESTRICTIVE**
8 **SETTING, A HOSPITAL MAY CONCURRENTLY EXPLORE IN-STATE AND**
9 **OUT-OF-STATE PLACEMENT OPTIONS.**

10 **19-390.**

11 **(A) THE DEPARTMENT AND THE DEPARTMENT OF HUMAN SERVICES**
12 **SHALL ESTABLISH A PEDIATRIC HOSPITAL OVERSTAY COORDINATOR WITHIN EACH**
13 **DEPARTMENT.**

14 **(B) THE COORDINATORS SHALL ACT IN THE BEST INTEREST OF A PEDIATRIC**
15 **OVERSTAY PATIENT BY COORDINATING BETWEEN HOSPITALS, RELEVANT STATE**
16 **AGENCIES AND PROGRAMS, AND PROVIDERS OF MENTAL HEALTH AND SUBSTANCE**
17 **USE DISORDER SERVICES.**

18 **(C) THE COORDINATORS SHALL:**

19 **(1) ADVOCATE ON BEHALF OF PEDIATRIC HOSPITAL OVERSTAY**
20 **PATIENTS WHILE MAINTAINING APPROPRIATE PATIENT CONFIDENTIALITY;**

21 **(2) REVIEW POLICIES AND PROCEDURES OF RELEVANT STATE**
22 **AGENCIES AND MAKE RECOMMENDATIONS FOR NECESSARY CHANGES TO THE**
23 **POLICIES AND PROCEDURES TO BETTER SERVE PEDIATRIC HOSPITAL OVERSTAY**
24 **PATIENTS;**

25 **(3) MAINTAIN DATA ON EACH PEDIATRIC HOSPITAL OVERSTAY**
26 **PATIENT, INCLUDING:**

27 **(I) PATIENT'S LENGTH OF STAY;**

28 **(II) THE RESPONSIBLE STATE AGENCY, IF APPLICABLE;**

29 **(III) SERVICES NEEDED;**

30 **(IV) PLACEMENT OPTIONS BEING SOUGHT BY THE PATIENT;**

1 (V) INFORMATION REGARDING PREVIOUS HOSPITAL
 2 ADMISSIONS FOR A BEHAVIORAL HEALTH DIAGNOSIS; AND

3 (VI) ANY OTHER RELEVANT DATA; AND

4 (4) REPORT ON THE DATA COLLECTED UNDER THIS SUBSECTION TO
 5 THE SECRETARY AND THE SECRETARY OF HUMAN SERVICES.

6 ~~(A) (1) FOR FISCAL YEAR 2026, THE GOVERNOR MAY INCLUDE IN THE~~
 7 ~~ANNUAL BUDGET BILL AN APPROPRIATION SUFFICIENT TO FILL ALL POSITIONS~~
 8 ~~AUTHORIZED FOR A REGIONAL INSTITUTE FOR CHILDREN AND ADOLESCENTS IN~~
 9 ~~THE STATE.~~

10 ~~(2) FOR FISCAL YEAR 2027 AND EACH FISCAL YEAR THEREAFTER,~~
 11 ~~THE GOVERNOR SHALL INCLUDE IN THE ANNUAL BUDGET BILL AN APPROPRIATION~~
 12 ~~SUFFICIENT TO FILL ALL POSITIONS AUTHORIZED FOR A REGIONAL INSTITUTE FOR~~
 13 ~~CHILDREN AND ADOLESCENTS IN THE STATE.~~

14 ~~(B) THE GOVERNOR MAY USE FUNDS DESIGNATED FOR THE ADOLESCENT~~
 15 ~~HOSPITAL OVERSTAY PROGRAM FOR THE PURPOSES IDENTIFIED IN SUBSECTION~~
 16 ~~(A) OF THIS SECTION.~~

17 ~~Article State Government~~

18 ~~9-2801.~~

19 ~~(a) In this subtitle the following words have the meanings indicated.~~

20 ~~(B) "COORDINATOR" MEANS THE PEDIATRIC HOSPITAL OVERSTAY~~
 21 ~~COORDINATOR WITHIN THE GOVERNOR'S OFFICE FOR CHILDREN.~~

22 ~~[(b)] (C) "Eligible neighborhood" means a neighborhood that includes census~~
 23 ~~tracts with more than 30% of children living in poverty and is served by, as defined by the~~
 24 ~~Office, a community school with a concentration of poverty level, as defined in § 5-223 of~~
 25 ~~the Education Article, of:~~

26 ~~(1) in fiscal year 2025 and 2026, at least 80%;~~

27 ~~(2) in fiscal year 2027 through fiscal year 2029, at least 75%;~~

28 ~~(3) in fiscal year 2030, at least 60%; and~~

29 ~~(4) in fiscal year 2031, and each fiscal year thereafter, at least 55%.~~

30 ~~[(e)] (D) "Fund" means the ENOUGH Grant Fund.~~

1 ~~[(d)] (E)~~ “Office” means the Governor’s Office for Children.

2 ~~(F) “PEDIATRIC HOSPITAL OVERSTAY PATIENT” HAS THE MEANING STATED~~
3 ~~IN § 19-388 OF THE HEALTH GENERAL ARTICLE.~~

4 ~~[(e)] (G)~~ “Program” means the Engaging Neighborhoods, Organizations, Unions,
5 Governments, and Households (ENOUGH) Grant Program.

6 ~~[(f)] (H)~~ “Special Secretary” means the Special Secretary of the Governor’s
7 Office for Children.

8 ~~9-2806.~~

9 ~~(A) THERE IS A PEDIATRIC HOSPITAL OVERSTAY COORDINATOR WITHIN~~
10 ~~THE OFFICE.~~

11 ~~(B) THE COORDINATOR SHALL ACT IN THE BEST INTEREST OF A PEDIATRIC~~
12 ~~HOSPITAL OVERSTAY PATIENT BY COORDINATING BETWEEN RELEVANT STATE~~
13 ~~AGENCIES AND PROGRAMS, INCLUDING PUBLIC BEHAVIORAL HEALTH CARE~~
14 ~~COORDINATION PROGRAMS.~~

15 ~~(C) (1) ON OR BEFORE JANUARY 1, 2026, THE OFFICE AND THE~~
16 ~~COORDINATOR SHALL ENTER INTO A MEMORANDUM OF UNDERSTANDING WITH THE~~
17 ~~MARYLAND DEPARTMENT OF HEALTH, THE DEPARTMENT OF HUMAN SERVICES,~~
18 ~~AND ANY OTHER RELEVANT STATE AGENCY FOR THE SHARING AND STORAGE OF~~
19 ~~INFORMATION AND DATA RELATED TO PEDIATRIC HOSPITAL OVERSTAY PATIENTS~~
20 ~~IN THE STATE.~~

21 ~~(2) THE MEMORANDUM OF UNDERSTANDING SHALL GOVERN THE~~
22 ~~ACCESS, USE, MAINTENANCE, DISCLOSURE, AND REDISCLOSURE OF PROTECTED~~
23 ~~HEALTH INFORMATION IN ACCORDANCE WITH FEDERAL AND STATE LAW,~~
24 ~~INCLUDING THE FEDERAL HEALTH INSURANCE PORTABILITY AND~~
25 ~~ACCOUNTABILITY ACT.~~

26 ~~(D) THE COORDINATOR SHALL:~~

27 ~~(1) WORK INDEPENDENTLY AND IMPARTIALLY, WHILE MAINTAINING~~
28 ~~APPROPRIATE PATIENT CONFIDENTIALITY, TO ADVOCATE ON BEHALF OF~~
29 ~~PEDIATRIC HOSPITAL OVERSTAY PATIENTS;~~

30 ~~(2) REVIEW POLICIES AND PROCEDURES OF RELEVANT STATE~~
31 ~~AGENCIES AND MAKE RECOMMENDATIONS FOR NECESSARY CHANGES TO THE~~

~~1 POLICIES OR PROCEDURES TO BETTER SERVE PEDIATRIC HOSPITAL OVERSTAY
2 PATIENTS; AND~~

~~3 (3) MAINTAIN DATA ON EACH PEDIATRIC HOSPITAL OVERSTAY
4 PATIENT, INCLUDING:~~

~~5 (I) THE PATIENT'S LENGTH OF STAY;~~

~~6 (II) THE RESPONSIBLE STATE AGENCY, IF APPLICABLE;~~

~~7 (III) SERVICES NEEDED;~~

~~8 (IV) PLACEMENT OPTIONS BEING SOUGHT BY THE PATIENT;~~

~~9 (V) INFORMATION REGARDING PREVIOUS HOSPITAL
10 ADMISSIONS FOR A BEHAVIORAL HEALTH DIAGNOSIS; AND~~

~~11 (VI) ANY OTHER RELEVANT DATA.~~

~~12 (E) ON OR BEFORE OCTOBER 1 EACH YEAR, BEGINNING IN 2026, THE
13 COORDINATOR SHALL REPORT TO THE GOVERNOR AND, IN ACCORDANCE WITH §
14 2-1257 OF THIS ARTICLE, THE SENATE FINANCE COMMITTEE AND THE HOUSE
15 HEALTH AND GOVERNMENT OPERATIONS COMMITTEE ON THE NUMBER OF
16 PEDIATRIC HOSPITAL OVERSTAY PATIENTS IN THE STATE AND DE IDENTIFIED
17 INFORMATION RELATED TO ACTION PLANS IN PLACE TO ACHIEVE APPROPRIATE
18 PLACEMENT.~~

~~19 SECTION 2. AND BE IT FURTHER ENACTED, That:~~

~~20 (a) The Maryland Department of Health shall:~~

~~21 (1) review the reimbursement rates paid to residential treatment centers
22 and respite care facilities in the State and determine the reimbursement rate that would
23 be necessary to cover the cost of care and prevent future bed closures in residential
24 treatment centers and respite care facilities in the State; and~~

~~25 (2) study the implementation of a prospective payment model for
26 residential treatment centers and respite care facilities in the State with the goal of
27 incentivizing the expansion of residential treatment center and respite care facility capacity
28 in the State.~~

~~29 (b) On or before December 1, 2025, the Department shall report the findings and
30 recommendations from the review and study conducted under subsection (a) of this section
31 to the Governor and, in accordance with § 2-1257 of the State Government Article, the
32 Senate Finance Committee and the House Health and Government Operations Committee.~~

1 SECTION 2. AND BE IT FURTHER ENACTED, That:

2 (a) (1) In this section, “child in an unlicensed setting” means an individual
3 under the age of 21 years in an out-of-home placement who is residing in a hotel, an office
4 building, a shelter, or any other unlicensed setting.

5 (2) “Child in an unlicensed setting” does not include an individual under
6 the age of 21 years who is receiving a self-independent living stipend, living with kin
7 awaiting approval for a placement, or on aftercare with a parent.

8 (b) (1) There is a Workgroup on Children in Unlicensed Settings and Pediatric
9 Hospital Overstays in the State.

10 (2) The Workgroup shall consist of representatives who have experience
11 and knowledge of working with children with behavioral health challenges, adverse
12 childhood experiences, and developmental disabilities, including:

13 (i) the Secretary of Health, or the Secretary’s designee;

14 (ii) the Secretary of Human Services, or the Secretary’s designee;

15 (iii) the Secretary of Juvenile Services, or the Secretary’s designee;

16 (iv) the State Public Defender, or the State Public Defender’s
17 designee; and

18 (v) the following members, appointed by the Governor:

19 1. one representative of the Maryland Association of
20 Resources for Families and Youth;

21 2. one representative of Disability Rights Maryland;

22 3. one representative of the Community Behavioral Health
23 Association of Maryland;

24 4. one representative of Maryland Legal Aid;

25 5. one representative of the Court Appointed Special
26 Advocates of Maryland;

27 6. one representative of the National Association of Social
28 Workers – Maryland who is a hospital-based clinical social worker;

29 7. one representative of the Maryland Chapter of the
30 American Academy of Pediatrics;

1 8. one representative of the Maryland Hospital Association;
2 9. one representative of a specialty psychiatric hospital;
3 10. one representative of a residential treatment provider in
4 the State; and

5 11. one representative of a family of a child in foster care, as
6 defined in § 8–101(h) of the Human Services Article.

7 (3) The members of the Workgroup shall elect the chair and vice chair of
8 the Workgroup.

9 (4) The Workgroup shall meet before August 1, 2025, and at least once
10 every 30 days thereafter.

11 (5) The State Council on Child Abuse and Neglect shall provide staff for
12 the Workgroup.

13 (6) A member of the Workgroup:

14 (i) may not receive compensation as a member of the Workgroup;
15 but

16 (ii) is entitled to reimbursement for expenses under the Standard
17 State Travel Regulations, as provided in the State budget.

18 (c) (1) The Workgroup shall:

19 (i) complete an assessment of the number, type, and cost of the
20 additional beds and supportive services needed to place all children in pediatric overstays
21 and other unlicensed settings in the least restrictive settings;

22 (ii) develop a comprehensive and sustainable resource development
23 plan designed to increase the number of licensed settings and end the use of pediatric
24 overstays and unlicensed settings;

25 (iii) develop an implementation plan with comprehensive data to
26 inform the plan; and

27 (iv) determine the anticipated timeline for when the practice of
28 placing children in unlicensed settings will cease.

29 (2) On or before October 1, 2025, the Workgroup shall report its findings
30 and recommendations to the Governor and, in accordance with § 2–1257 of the State
31 Government Article, the General Assembly.

1 SECTION 3. AND BE IT FURTHER ENACTED, That for fiscal year 2026, the
2 Governor may include in the annual budget bill an appropriation necessary to staff five
3 additional beds at the John L. Gildner Regional Institute for Children and Adolescents in
4 the State.

5 SECTION 4. AND BE IT FURTHER ENACTED, That ~~Section 2~~ Sections 1 and 3 of
6 this Act shall take effect ~~June~~ July 1, 2025.

7 SECTION ~~3~~ 5. AND BE IT FURTHER ENACTED, That, except as provided in
8 Section 4 of this Act, this Act shall take effect ~~July~~ June 1, 2025.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.