

Chapter 159

(House Bill 1181)

AN ACT concerning

Family Law – Children in Out-of-Home Placement – Voluntary Placement Agreements

FOR the purpose of altering provisions relating to children who are placed in an out-of-home placement by a local department of social services under a voluntary placement agreement; ~~altering the duties of the Workgroup on Children in Unlicensed Settings and Pediatric Hospital Overstays~~; requiring the Department of Human Services and the Maryland Department of Health to jointly submit a certain report concerning children who are placed in an out-of-home placement under a voluntary placement agreement; *establishing that certain child support due to the State before the effective date of this Act shall be unenforceable and uncollectable*; and generally relating to children in out-of-home placement and voluntary placement agreements.

BY repealing and reenacting, without amendments,
 Article – Family Law
 Section 5-525(a) and (d)
 Annotated Code of Maryland
 (2019 Replacement Volume and 2025 Supplement)

BY repealing and reenacting, with amendments,
 Article – Family Law
 Section 5-525(b), (c), and (e)
 Annotated Code of Maryland
 (2019 Replacement Volume and 2025 Supplement)

BY adding to
 Article – Family Law
 Section 5-525(m) through (p)
 Annotated Code of Maryland
 (2019 Replacement Volume and 2025 Supplement)

~~BY repealing and reenacting, with amendments,
 Chapter 479 of the Acts of the General Assembly of 2025
 Section 2~~

~~BY repealing and reenacting, with amendments,
 Chapter 480 of the Acts of the General Assembly of 2025
 Section 2~~

~~WHEREAS, Maryland's Voluntary Placement Agreement system was designed to allow families to access out-of-home treatment for children with serious mental illness or developmental disabilities without permanently surrendering custody; and~~

~~WHEREAS, Current statutory and administrative procedures have resulted in significant delays in placement, often exceeding 60 to 90 days, contributing to extended pediatric inpatient stays, emergency department boarding, and unnecessary family distress; and~~

~~WHEREAS, The local care team process, while intended to coordinate interagency services, has proven largely ineffective in facilitating timely or appropriate supports, and its required involvement has become a systemic bottleneck; and~~

~~WHEREAS, The 2022 General Assembly enacted legislation intended to streamline access to psychiatric residential treatment for Medicaid-eligible children by clarifying the authority of local behavioral health authorities to approve the educational component of residential placements; however, implementation challenges and unresolved interagency roles have limited the realization of that intent, perpetuating delays and inequities for families seeking timely psychiatric residential treatment; and~~

~~WHEREAS, The General Assembly recognizes the urgent need to codify timelines, clarify agency accountability, and eliminate duplicative procedural barriers to ensure that children in crisis receive timely, clinically appropriate care; now, therefore,~~

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
That the Laws of Maryland read as follows:

Article – Family Law

5–525.

(a) (1) In this section, “disability” means:

(i) a physical or mental impairment that substantially limits one or more of an individual’s major life activities;

(ii) a record of having a physical or mental impairment that substantially limits one or more of an individual’s major life activities; or

(iii) being regarded as having a physical or mental impairment that substantially limits one or more of an individual’s major life activities.

(2) “Disability” shall be construed in accordance with the ADA Amendments Act of 2008, P.L. 110–325.

(b) (1) The Administration shall establish a program of out-of-home placement for minor children:

(i) who are placed in the custody of a local department, for a period of not more than 180 days, by a parent or legal guardian under a voluntary placement agreement;

(ii) who are abused, abandoned, neglected, or dependent, if a juvenile court:

1. has determined that continued residence in the child's home is contrary to the child's welfare; and

2. has committed the child to the custody or guardianship of a local department; or

(iii) who, with the approval of the Administration, are placed in an out-of-home placement by a local department under a voluntary placement agreement subject to paragraph (2) of this subsection.

(2) (i) A local department may not seek legal **GUARDIANSHIP OR** custody of a child under a voluntary placement agreement if the child has a developmental disability or a mental illness and the purpose of the voluntary placement agreement is to obtain treatment or care related to the child's disability that the parent is unable to provide.

(ii) A child described in subparagraph (i) of this paragraph may remain in an out-of-home placement, **INCLUDING A RESIDENTIAL PLACEMENT**, under a voluntary placement agreement for more than 180 days if the child's disability necessitates care or treatment in the out-of-home placement and a juvenile court makes a finding that continuation of the placement is in the best interests of the child.

(iii) Each local department shall designate, from existing staff, a staff person to administer requests for voluntary placement agreements for children with developmental disabilities or mental illnesses.

(IV) IF A LOCAL DEPARTMENT RECEIVES A REQUEST FOR A VOLUNTARY PLACEMENT AGREEMENT, THE LOCAL DEPARTMENT SHALL:

1. WITHIN 5 BUSINESS DAYS AFTER RECEIVING THE REQUEST, SCHEDULE AN ASSESSMENT MEETING WITH THE CHILD'S FAMILY AND TREATING PROVIDER; AND

2. WITHIN 5 BUSINESS DAYS AFTER THE ASSESSMENT MEETING, ISSUE A WRITTEN ELIGIBILITY DETERMINATION TO THE CHILD'S FAMILY AND REFERRING PROVIDER.

(v) 1. EACH LOCAL DEPARTMENT SHALL REPORT ANY DELAY IN ASSESSING THE CHILD AND PROVIDING AN ELIGIBILITY DETERMINATION AS REQUIRED UNDER SUBPARAGRAPH (IV) OF THIS PARAGRAPH TO THE ADMINISTRATION, INCLUDING REASONS FOR THE DELAY AND CORRECTIVE ACTIONS TAKEN BY THE LOCAL DEPARTMENT.

2. NOTHING IN THIS SUBPARAGRAPH MAY BE INTERPRETED TO PREVENT A LOCAL CARE TEAM FROM PROVIDING THE CHILD AND FAMILY WITH ALTERNATIVE OR INTERIM SERVICES.

~~[(iv)]~~ **(vi)** Each local department shall report annually to the Administration on the number of requests for voluntary placement agreements for children with developmental disabilities or mental illnesses that have been received, the outcome of each request, and the reason for each denial.

~~[(v)]~~ On receipt of a request for a voluntary placement agreement for a child with a developmental disability or a mental illness, a local department shall discuss the child's case at the next meeting of the local care team for the purpose of determining whether any alternative or interim services for the child and family may be provided by any agency.]

(3) (i) The Administration shall establish a program of out-of-home placement for former CINAs:

1. whose commitment to a local department was rescinded after the individuals reached the age of 18 years but before the individuals reached the age of 20 years and 6 months; and

2. who did not exit foster care due to reunification, adoption, guardianship, marriage, or uniformed services duty.

(ii) The Administration shall adopt regulations that include eligibility requirements in accordance with federal law and regulations for providing assistance to individuals at least 18 years old.

(iii) A local department may not seek legal custody of a former CINA under a voluntary placement agreement.

(iv) A former CINA described in subparagraph (i) of this paragraph may remain in an out-of-home placement under a voluntary placement agreement for more than 180 days if the former CINA continues to comply with the voluntary placement agreement and a juvenile court makes a finding that the continuation of the placement is in the best interests of the former CINA.

(v) 1. A local department shall advise a child, in writing, before emancipation of the right to reenter care and the procedures for reentering care under this paragraph.

2. If a local department has knowledge that a former CINA described in subparagraph (i) of this paragraph is homeless, as defined in 42 U.S.C. § 11434a, including by obtaining information regarding the former CINA's homelessness in an application for public assistance or through contact between the former CINA and a caseworker, the local department shall contact the former CINA and advise the former CINA of the right to reenter care and procedures for reentering care under this paragraph.

(c) In establishing the out-of-home placement program the Administration shall:

(1) provide time-limited family reunification services to a child placed in an out-of-home placement and to the parents or guardian of the child, in order to facilitate the child's safe and appropriate reunification within a timely manner;

(2) concurrently develop and implement a permanency plan that is in the best interests of the child; and

(3) **IN CONSULTATION WITH THE MARYLAND DEPARTMENT OF HEALTH**, provide training on an annual basis for the staff at each local department who administer requests for voluntary placement agreements for children with developmental disabilities or mental illnesses under subsection (b) of this section, **INCLUDING TRAINING ON:**

(I) TIMELINE AND PROCEDURAL COMPLIANCE;

(II) TRAUMA-INFORMED FAMILY ENGAGEMENT; AND

(III) INTERAGENCY COORDINATION.

(d) (1) The local department shall provide 24-hour a day care and supportive services for a child who is committed to its custody or guardianship in an out-of-home placement on a short-term basis or placed in accordance with a voluntary placement agreement.

(2) (i) A child may not be committed to the custody or guardianship of a local department and placed in an out-of-home placement solely because the child's parent or guardian lacks shelter or has a disability or solely because the child's parents are financially unable to provide treatment or care for a child with a developmental disability or mental illness.

(ii) The local department shall make appropriate referrals to emergency shelter services and other services for the homeless family with a child which lacks shelter.

(e) (1) Unless a court orders that reasonable efforts are not required under § 3–812 of the Courts Article or § 5–323 of this title, reasonable efforts shall be made to preserve and reunify families:

(i) prior to the placement of a child in an out-of-home placement, to prevent or eliminate the need for removing the child from the child’s home; and

(ii) to make it possible for a child to safely return to the child’s home.

(2) In determining the reasonable efforts to be made and in making the reasonable efforts described under paragraph (1) of this subsection[.]:

(I) A CHILD’S PARENT OR LEGAL GUARDIAN NEED NOT EXHAUST ALL HOME- AND COMMUNITY-BASED SERVICES; AND

(II) the child’s safety and health shall be the primary concern.

(3) Reasonable efforts to place a child for adoption or with a legal guardian may be made concurrently with the reasonable efforts described under paragraph (1) of this subsection.

(4) If continuation of reasonable efforts to reunify the child with the child’s parents or guardian is determined to be inconsistent with the permanency plan for the child:

(i) reasonable efforts shall be made to place the child in a timely manner in accordance with the permanency plan, including consideration of both in-State and out-of-state placements, and to complete the steps to finalize the permanent placement of the child; and

(ii) in a case in which the parent of the child is receiving treatment in a residential substance use disorder treatment program with beds or services for patients’ children and the child is in the presence of the child’s parent for the duration of the child’s parent’s treatment, the local department shall file a report with the court that explains:

1. why the child was not placed with the parent;
2. any efforts the local department has made toward placement of the child; and
3. any difficulties with placing the child with the parent.

(M) (1) A PARENT OR LEGAL GUARDIAN WHO ENTERS INTO A VOLUNTARY PLACEMENT AGREEMENT UNDER THIS SECTION RETAINS ALL LEGAL AND EDUCATIONAL DECISION-MAKING RIGHTS, UNLESS OTHERWISE AGREED.

(2) A LOCAL DEPARTMENT MAY NOT REQUIRE A PARENT OR LEGAL GUARDIAN TO RELINQUISH CUSTODY OR GUARDIANSHIP OF A CHILD TO ACCESS SERVICES.

(N) (1) A LOCAL DEPARTMENT SHALL NOTIFY THE PARENT OR LEGAL GUARDIAN OF A CHILD SUBJECT TO A VOLUNTARY PLACEMENT AGREEMENT OF THE RIGHT TO PETITION THE COURT FOR A MODIFICATION OF AN EXISTING CHILD SUPPORT OBLIGATION.

(2) (i) 1. ~~THE EXCEPT AS PROVIDED IN SUBSUBPARAGRAPH 2 OF THIS SUBPARAGRAPH, THE ADMINISTRATION AND THE CHILD SUPPORT ENFORCEMENT ADMINISTRATION SHALL COLLABORATE TO ESTABLISH UNIFORM CRITERIA FOR WAIVING OR REDUCING CHILD SUPPORT OBLIGATIONS FOR LOW INCOME FAMILIES WHO ENTER~~ MAY NOT REFER A CHILD'S CASE TO THE CHILD SUPPORT ENFORCEMENT ADMINISTRATION IF THE CHILD'S FAMILY ENTERS INTO A VOLUNTARY PLACEMENT AGREEMENT UNDER THIS SECTION.

~~(ii) ON OR BEFORE OCTOBER 1, 2026, THE CHILD SUPPORT ENFORCEMENT ADMINISTRATION SHALL FILE A MOTION TO MODIFY ANY CHILD SUPPORT ORDER ISSUED UNDER A VOLUNTARY PLACEMENT AGREEMENT.~~

2. THE ADMINISTRATION MAY REFER THE CASE OF A CHILD WHOSE FAMILY HAS ENTERED INTO A VOLUNTARY PLACEMENT AGREEMENT UNDER THIS SECTION TO THE CHILD SUPPORT ADMINISTRATION IF A CHILD SUPPORT ORDER WILL NOT ADVERSELY AFFECT THE CHILD OR IMPEDE THE COMPLETION OF THE CHILD'S PERMANENCY PLAN.

(ii) THE COURT MAY NOT ORDER THE PAYMENT OF CHILD SUPPORT BY THE PARENT OR GUARDIAN OF A CHILD PLACED IN OUT-OF-HOME PLACEMENT BY A LOCAL DEPARTMENT IN ACCORDANCE WITH A VOLUNTARY PLACEMENT AGREEMENT UNDER THIS SECTION IF A CHILD SUPPORT ORDER WILL ADVERSELY AFFECT THE CHILD OR IMPEDE THE COMPLETION OF THE CHILD'S PERMANENCY PLAN.

(iii) THE STATE MAY NOT ACCEPT AN ASSIGNMENT OF THE RIGHT TO CHILD SUPPORT FOR A CHILD PLACED IN AN OUT-OF-HOME PLACEMENT BY A LOCAL DEPARTMENT IN ACCORDANCE WITH A VOLUNTARY PLACEMENT AGREEMENT UNDER THIS SECTION IF THE ADMINISTRATION DETERMINES THAT THE ASSIGNMENT OF AN EXISTING SUPPORT OBLIGATION TO THE STATE WILL

ADVERSELY AFFECT THE CHILD OR IMPEDE THE COMPLETION OF THE CHILD'S PERMANENCY PLAN.

(O) (1) ~~A~~ THE LOCAL BEHAVIORAL HEALTH AUTHORITY SHALL BE NOTIFIED OF A CHILD WITH SPECIAL NEEDS WHO IS THE SUBJECT OF A VOLUNTARY PLACEMENT AGREEMENT REQUEST FOR PSYCHIATRIC RESIDENTIAL TREATMENT AND WHO IS ELIGIBLE TO RECEIVE MEDICAL ASSISTANCE ~~SHALL BE REFERRED DIRECTLY TO THE LOCAL BEHAVIORAL HEALTH AUTHORITY.~~

(2) NOTHING IN THIS SUBSECTION MAY BE INTERPRETED TO PREVENT A LOCAL CARE TEAM FROM PROVIDING THE CHILD AND FAMILY WITH ALTERNATIVE OR INTERIM SERVICES.

(P) (1) ON OR BEFORE JULY 1, 2027, AND EACH JULY 1 THEREAFTER, EACH LOCAL DEPARTMENT SHALL REPORT TO THE DEPARTMENT:

(I) THE NUMBER OF VOLUNTARY PLACEMENT AGREEMENT REQUESTS RECEIVED IN THE PRECEDING YEAR;

(II) THE AVERAGE TIME IT TOOK FOR THE LOCAL DEPARTMENT TO MAKE A DETERMINATION AND PLACEMENT;

(III) THE NUMBER OF REQUESTS THAT WERE DENIED AND THE REASONS FOR THE DENIALS; AND

(IV) THE AVERAGE LENGTH OF A HOSPITAL STAY FOR A CHILD AWAITING A PLACEMENT.

(2) ON OR BEFORE ~~SEPTEMBER~~ DECEMBER 1, 2027, AND EACH ~~SEPTEMBER~~ DECEMBER 1 THEREAFTER, THE DEPARTMENT SHALL PUBLISH ON ITS WEBSITE AGGREGATED STATEWIDE DATA COMPILED FROM THE LOCAL DEPARTMENT REPORTS UNDER PARAGRAPH (1) OF THIS SUBSECTION.

~~Chapter 479 of the Acts of 2025~~

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

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

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

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

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

~~(i) the Secretary of Health, or the Secretary's designee;~~

~~(ii) the Secretary of Human Services, or the Secretary's designee;~~

~~(iii) the Secretary of Juvenile Services, or the Secretary's designee;~~

~~(iv) the State Public Defender, or the State Public Defender's designee; and~~

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

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

~~2. one representative of Disability Rights Maryland;~~

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

~~4. one representative of Maryland Legal Aid;~~

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

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

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

~~8. one representative of the Maryland Hospital Association;~~

~~9. one representative of a specialty psychiatric hospital;~~

~~10. one representative of a residential treatment provider in the State; and~~

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

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

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

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

~~(6) A member of the Workgroup:~~

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

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

~~(c) (1) The Workgroup shall:~~

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

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

~~(iii) develop an implementation plan with comprehensive data to inform the plan; [and]~~

~~(iv) determine the anticipated timeline for when the practice of placing children in unlicensed settings will cease;~~

~~(v) STUDY VOLUNTARY PLACEMENT AGREEMENTS FOR CHILDREN WITH A DEVELOPMENTAL DISABILITY OR MENTAL ILLNESS; AND~~

~~(vi) RECOMMEND STATUTORY AND BUDGETARY CHANGES NECESSARY TO TRANSFER FUNDING FROM THE DEPARTMENT OF HUMAN SERVICES TO THE MARYLAND DEPARTMENT OF HEALTH.~~

~~(2) On or before October 1, [2025] 2026, the Workgroup shall report its findings and recommendations to the Governor, THE JOINT COMMITTEE ON CHILDREN, YOUTH, AND FAMILIES, and, in accordance with § 2-1257 of the State Government Article, the General Assembly.~~

~~Chapter 480 of the Acts of 2025~~

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

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

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

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

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

- ~~(i) the Secretary of Health, or the Secretary’s designee;~~
- ~~(ii) the Secretary of Human Services, or the Secretary’s designee;~~
- ~~(iii) the Secretary of Juvenile Services, or the Secretary’s designee;~~
- ~~(iv) the State Public Defender, or the State Public Defender’s designee; and~~
- ~~(v) the following members, appointed by the Governor:~~

- ~~1. one representative of the Maryland Association of Resources for Families and Youth;~~
- ~~2. one representative of Disability Rights Maryland;~~
- ~~3. one representative of the Community Behavioral Health Association of Maryland;~~
- ~~4. one representative of Maryland Legal Aid;~~

- ~~5. one representative of the Court Appointed Special Advocates of Maryland;~~
- ~~6. one representative of the National Association of Social Workers Maryland who is a hospital-based clinical social worker;~~
- ~~7. one representative of the Maryland Chapter of the American Academy of Pediatrics;~~
- ~~8. one representative of the Maryland Hospital Association;~~
- ~~9. one representative of a specialty psychiatric hospital;~~
- ~~10. one representative of a residential treatment provider in the State; and~~
- ~~11. one representative of a family of a child in foster care, as defined in § 8-101(h) of the Human Services Article.~~

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

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

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

~~(6) A member of the Workgroup:~~

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

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

~~(e) (1) The Workgroup shall:~~

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

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

~~(iii) develop an implementation plan with comprehensive data to inform the plan; [and]~~

~~(iv) determine the anticipated timeline for when the practice of placing children in unlicensed settings will cease;~~

~~(V) STUDY VOLUNTARY PLACEMENT AGREEMENTS FOR CHILDREN WITH A DEVELOPMENTAL DISABILITY OR MENTAL ILLNESS; AND~~

~~(VI) RECOMMEND STATUTORY AND BUDGETARY CHANGES NECESSARY TO TRANSFER FUNDING FROM THE DEPARTMENT OF HUMAN SERVICES TO THE MARYLAND DEPARTMENT OF HEALTH.~~

~~(2) On or before October 1, [2025] 2026, the Workgroup shall report its findings and recommendations to the Governor, THE JOINT COMMITTEE ON CHILDREN, YOUTH, AND FAMILIES, and, in accordance with § 2-1257 of the State Government Article, the General Assembly.~~

SECTION 2. AND BE IT FURTHER ENACTED, That, on or before October 1, 2029, the Department of Human Services and the Maryland Department of Health shall submit a joint report to the Governor, the Joint Committee on Children, Youth, and Families, and, in accordance with § 2-1257 of the State Government Article, the General Assembly that contains the following information concerning children who are placed in an out-of-home placement under a voluntary placement agreement:

- (1) the impact on hospital discharge delays;
- (2) family outcomes and reunification rates;
- (3) the implementation status of voluntary placement agreement reform;

and

- (4) recommendations for changes in the law.

SECTION 3. AND BE IT FURTHER ENACTED, That the balance of any child support owed to the State before the effective date of this Act for a child whose parent or guardian has entered into a voluntary placement agreement with a local department shall be unenforceable and uncollectable on the taking effect of this Act.

SECTION ~~3~~ 4. AND BE IT FURTHER ENACTED, That this Act shall take effect ~~July~~ October 1, 2026.

Approved by the Governor, April 28, 2026.