

HOUSE BILL 1181

D4, J1

6lr2312
CF 6lr3667

By: **Delegate Bagnall**

Introduced and read first time: February 11, 2026

Assigned to: Appropriations and Health

A BILL ENTITLED

1 AN ACT concerning

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

4 FOR the purpose of altering provisions relating to children who are placed in an
5 out-of-home placement by a local department of social services under a voluntary
6 placement agreement; altering the duties of the Workgroup on Children in
7 Unlicensed Settings and Pediatric Hospital Overstays; requiring the Department of
8 Human Services and the Maryland Department of Health to jointly submit a certain
9 report concerning children who are placed in an out-of-home placement under a
10 voluntary placement agreement; and generally relating to children in out-of-home
11 placement and voluntary placement agreements.

12 BY repealing and reenacting, without amendments,
13 Article – Family Law
14 Section 5–525(a) and (d)
15 Annotated Code of Maryland
16 (2019 Replacement Volume and 2025 Supplement)

17 BY repealing and reenacting, with amendments,
18 Article – Family Law
19 Section 5–525(b), (c), and (e)
20 Annotated Code of Maryland
21 (2019 Replacement Volume and 2025 Supplement)

22 BY adding to
23 Article – Family Law
24 Section 5–525(m) through (p)
25 Annotated Code of Maryland
26 (2019 Replacement Volume and 2025 Supplement)

27 BY repealing and reenacting, with amendments,

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 Chapter 479 of the Acts of the General Assembly of 2025
2 Section 2

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

6 Preamble

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

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

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

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

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

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

28 **Article – Family Law**

29 5–525.

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

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

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

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

3 (2) "Disability" shall be construed in accordance with the ADA
4 Amendments Act of 2008, P.L. 110-325.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

33 (iv) A former CINA described in subparagraph (i) of this paragraph
34 may remain in an out-of-home placement under a voluntary placement agreement for
35 more than 180 days if the former CINA continues to comply with the voluntary placement

1 agreement and a juvenile court makes a finding that the continuation of the placement is
2 in the best interests of the former CINA.

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

6 2. If a local department has knowledge that a former CINA
7 described in subparagraph (i) of this paragraph is homeless, as defined in 42 U.S.C. §
8 11434a, including by obtaining information regarding the former CINA's homelessness in
9 an application for public assistance or through contact between the former CINA and a
10 caseworker, the local department shall contact the former CINA and advise the former
11 CINA of the right to reenter care and procedures for reentering care under this paragraph.

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

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

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

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

23 (I) **TIMELINE AND PROCEDURAL COMPLIANCE;**

24 (II) **TRAUMA-INFORMED FAMILY ENGAGEMENT; AND**

25 (III) **INTERAGENCY COORDINATION.**

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

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

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

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

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

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

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

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

14 **(II) the child's safety and health shall be the primary concern.**

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

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

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

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

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

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

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

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

11 **(2) THE ADMINISTRATION AND THE CHILD SUPPORT ENFORCEMENT**
12 **ADMINISTRATION SHALL COLLABORATE TO ESTABLISH UNIFORM CRITERIA FOR**
13 **WAIVING OR REDUCING CHILD SUPPORT OBLIGATIONS FOR LOW-INCOME FAMILIES**
14 **WHO ENTER INTO A VOLUNTARY PLACEMENT AGREEMENT UNDER THIS SECTION.**

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

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

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

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

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

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

29 **(2) ON OR BEFORE SEPTEMBER 1, 2027, AND EACH SEPTEMBER 1**
30 **THEREAFTER, THE DEPARTMENT SHALL PUBLISH ON ITS WEBSITE AGGREGATED**
31 **STATEWIDE DATA COMPILED FROM THE LOCAL DEPARTMENT REPORTS UNDER**
32 **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;

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

3 8. one representative of the Maryland Hospital Association;

4 9. one representative of a specialty psychiatric hospital;

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

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

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

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

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

15 (6) A member of the Workgroup:

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

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

20 (c) (1) The Workgroup shall:

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

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

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

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

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

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

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

10 **Chapter 480 of the Acts of 2025**

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

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

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

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

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

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

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

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

26 (iv) the State Public Defender, or the State Public Defender’s
27 designee; and

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

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

31 2. one representative of Disability Rights Maryland;

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

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

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

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

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

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

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

23 (1) the impact on hospital discharge delays;

24 (2) family outcomes and reunification rates;

25 (3) the implementation status of voluntary placement agreement reform;
26 and

27 (4) recommendations for changes in the law.

28 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect July
29 1, 2026.