



February 18, 2025

Senate Bill 696 - Public Health - Pediatric Hospital Overstay Patients

Senate Finance Committee

Position: SUPPORT WITH AMENDMENTS

The Maryland Association of Resources for Families and Youth (MARFY) appreciates the opportunity to submit written testimony in support of Senate Bill 696, with amendments. MARFY is an association of private child-caring organizations dedicated to providing foster care, treatment, and independent living programs to Maryland's most vulnerable children—those in out-of-home placements due to abuse, neglect, severe mental health conditions, or medical needs. Our members serve children in group homes, treatment foster care programs, and independent living arrangements, working to ensure their safety, stability, and well-being.

While we recognize and commend the intent of SB 696 to address the issue of pediatric hospital overstay, we strongly believe that this legislation must be amended to encompass a broader scope that includes all unlicensed settings where youth may be placed. The current framework of the bill primarily focuses on hospital overstay, yet we know that misplacement and lack of appropriate care extend far beyond hospital settings. If we solely address hospital overstay, we are failing to create a long-term, sustainable solution that fully meets the needs of Maryland's youth. This legislation presents a great opportunity to save lives and move forward in a cohesive effort to improve child welfare in our state.

We urge the committee to adopt the amendments that follow our written testimony which address the broader issue of misplacement in all unlicensed settings. Without these amendments, the bill will fall short of providing a comprehensive solution that truly safeguards the well-being of Maryland's children – and unfortunately, it would be remiss to support legislation that does not address these concerns.

We appreciate your consideration of these critical amendments and look forward to working with the bill sponsor and the committee to strengthen SB 696 to meet the full scope of youth placement challenges in Maryland.

PROPOSED SB0696 AMENDED VERSION (AMENDMENTS NOTED IN BLUE):

FOR the purpose of specifying that the scope of the Maryland Mental Health and Substance Use Disorder Registry and Referral System includes both private and State inpatient and outpatient mental health and substance use services; requiring the Maryland Department of Health, in coordination with the Department of Human Services, to ensure pediatric hospital overstay patients are placed in the least restrictive setting possible; ~~authorizing a hospital to concurrently explore in-State and out-of-state placements for pediatric hospital overstay patients;~~ establishing the Pediatric Hospital Overstay **and Unlicensed Placement** Coordinator within the Governor’s Office for Children; requiring the Maryland Department of Health to conduct a certain study and review of residential treatment center and respite facility rates; **requires the DHS and MDH to conduct a data-driven study of the characteristics and needs of children and youth in ER and hospital overstays, as well as those in unlicensed placements and the contracted beds to serve the children with those needs; develop a comprehensive plan to end the practice of ER and hospital overstays with a report due to the Legislature by 12/25;** and generally relating to pediatric hospital overstay patients **and children and youth in DHS custody in unlicensed settings.**

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

**BY adding to
Article – Health – General
Section 19–388 through 19–390 to be under the new part “Part XII. Pediatric Overstay **AND UNLICENSED SETTINGS**”
PART XII. PEDIATRIC OVERSTAY AND UNLICENSED SETTINGS.
19–388.**

BY repealing and reenacting, with amendments,
Article – State Government
Section 9–2801
Annotated Code of Maryland

(2021 Replacement Volume and 2024 Supplement)
BY adding to
Article – State Government
Section 9–2806

Annotated Code of Maryland

(2021 Replacement Volume and 2024 Supplement)

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

Article – Health – General

7.5–802.

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

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

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

(4) The Registry and Referral System shall include:

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

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

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

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

19–386. RESERVED.

19–387. RESERVED.

PART XII. PEDIATRIC OVERSTAY AND UNLICENSED SETTINGS.

19–388.

IN THIS PART, “PEDIATRIC HOSPITAL OVERSTAY PATIENT” MEANS A PATIENT UNDER THE AGE OF 22– 21 YEARS WHO REMAINS IN AN INPATIENT UNIT OR EMERGENCY DEPARTMENT OF A HOSPITAL FOR MORE THAN 24 HOURS AFTER BEING MEDICALLY CLEARED FOR DISCHARGE OR TRANSFER.

“CHILD IN UNLICENSED SETTING” MEANS A CHILD IN OUT OF HOME PLACEMENT RESIDING IN HOTELS, OFFICE BUILDINGS,

SHELTERS, OR OTHER UNLICENSED SETTINGS EXCLUDING YOUTH RECEIVING SILA STIPEND OR THOSE WITH KIN AWAITING APPROVAL.

19-389.

(A) THE DEPARTMENT, IN COORDINATION WITH THE DEPARTMENT OF HUMAN SERVICES, SHALL ENSURE THAT A PEDIATRIC HOSPITAL OVERSTAY PATIENT AND CHILD IN UNLICENSED SETTINGS WITH THE EXCEPTION OF KIN OR SILA RECIPIENTS IS TRANSFERRED TO AND TREATED IN THE LEAST RESTRICTIVE SETTING POSSIBLE.

(B) NOTWITHSTANDING ANY OTHER PROVISION OF LAW, TO ENSURE THAT A PEDIATRIC HOSPITAL OVERSTAY PATIENT IS TREATED IN THE LEAST RESTRICTIVE SETTING, A HOSPITAL DHS MAY CONCURRENTLY EXPLORE IN-STATE AND 15 OUT-OF-STATE PLACEMENT OPTIONS.

19-390.

(A) (1) FOR FISCAL YEAR 2026, THE GOVERNOR MAY INCLUDE IN THE ANNUAL BUDGET BILL AN APPROPRIATION SUFFICIENT TO FILL ALL POSITIONS AUTHORIZED FOR A REGIONAL INSTITUTE FOR CHILDREN AND ADOLESCENTS IN THE STATE THAT IS MANDATED TO ACCEPT CHILDREN FROM ALL JURISDICTIONS.

(2) FOR FISCAL YEAR 2027 AND EACH FISCAL YEAR THEREAFTER, 22 THE GOVERNOR SHALL INCLUDE IN THE ANNUAL BUDGET BILL AN APPROPRIATION 23 SUFFICIENT TO FILL ALL POSITIONS AUTHORIZED FOR A REGIONAL INSTITUTE FOR 24 CHILDREN AND ADOLESCENTS IN THE STATE.

(B) ~~THE GOVERNOR MAY USE FUNDS DESIGNATED FOR THE ADOLESCENT HOSPITAL OVERSTAY PROGRAM~~ THE DHS MAY USE FUNDS OTHERWISE DESIGNATED TO FUND UNLICENSED SETTINGS TO STRENGTHEN SERVICES AND STAFFING FOR THE PURPOSES IDENTIFIED IN SUBSECTION (A) OF THIS SECTION.

9-2801

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

(B) “COORDINATOR” MEANS THE PEDIATRIC HOSPITAL OVERSTAY AND UNLICENSED SETTINGS COORDINATOR WITHIN THE GOVERNOR’S OFFICE FOR CHILDREN.

[(b)] (C) “Eligible neighborhood” means a neighborhood that includes census tracts with more than 30% of children living in poverty and is served by, as defined by the 5 Office, a community school with a concentration of poverty level, as defined in § 5-223 of 6 the Education Article, of:

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

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

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

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

[(c)] (D) “Fund” means the ENOUGH Grant Fund.

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

(F) “PEDIATRIC HOSPITAL OVERSTAY PATIENT” AND “CHILD IN UNLICENSED SETTINGS” HAS THE MEANING STATED IN § 19–388 OF THE HEALTH – GENERAL ARTICLE.

[(e)] (G) “Program” means the Engaging Neighborhoods, Organizations, Unions, 16 Governments, and Households (ENOUGH) Grant Program.

[(f)] (H) “Special Secretary” means the Special Secretary of the Governor’s 18 Office for Children.

9–2806.

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

(B) THE COORDINATOR SHALL ACT IN THE BEST INTEREST OF A PEDIATRIC HOSPITAL OVERSTAY PATIENT BY COORDINATING BETWEEN RELEVANT STATE AGENCIES AND PROGRAMS, INCLUDING PUBLIC BEHAVIORAL HEALTH CARE AND PROGRAMS FOR CHILDREN WITH AUTISM AND OTHER DEVELOPMENTAL DISORDERS COORDINATION PROGRAMS.

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

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

(D) THE COORDINATOR SHALL:

(1) WORK INDEPENDENTLY AND IMPARTIALLY, WHILE MAINTAINING APPROPRIATE PATIENT CONFIDENTIALITY, TO ADVOCATE ON BEHALF OF PEDIATRIC HOSPITAL OVERSTAY PATIENTS AND CHILDREN IN UNLICENSED SETTINGS;

(2) MANAGE A NEEDS ASSESSMENT OF PLACEMENT AND CLINICAL RESOURCES, LOOKING AT WHAT THE NEEDS ARE IN THE SYSTEM AND WHAT AND HOW MANY RESOURCES THE CHILDREN NEED,

~~(2)~~ **(3) REVIEW POLICIES AND PROCEDURES OF RELEVANT STATE AGENCIES AND MAKE RECOMMENDATIONS FOR NECESSARY CHANGES TO THE POLICIES OR PROCEDURES TO BETTER SERVE PEDIATRIC HOSPITAL OVERSTAY PATIENTS AND CHILDREN IN UNLICENSED SETTINGS; AND**

~~(3)~~ **(4) MAINTAIN DATA ON EACH PEDIATRIC HOSPITAL OVERSTAY 16 PATIENT, INCLUDING: INCLUDING:**

(I) THE PATIENT’S LENGTH OF STAY;

(II) THE RESPONSIBLE STATE AGENCY, INCLUDING THOSE PATIENTS FOR WHOM A STATE AGENCY HAS RESPONSIBILITY FOR MAKING A PLAN, IF APPLICABLE;

(III) SERVICES NEEDED;

(IV) PLACEMENT OPTIONS BEING SOUGHT BY THE PATIENT RECOMMENDED ON BEHALF OF THE PATIENT;

(V) INFORMATION REGARDING PREVIOUS HOSPITAL ADMISSIONS FOR A BEHAVIORAL HEALTH DIAGNOSIS AND/OR DEVELOPMENTAL DISABILITY, INCLUDING AUTISM; AND

(VI) ANY OTHE RELEVANT INFORMATION, INCLUDING DIAGNOSES, RACE, AGE, EDUCATIONAL NEEDS, ETC.

(E) ON OR BEFORE OCTOBER 1 EACH YEAR, BEGINNING IN 2026, THE COORDINATOR SHALL REPORT TO THE GOVERNOR AND, IN ACCORDANCE WITH § 26 2–1257 OF THIS ARTICLE, THE SENATE FINANCE COMMITTEE AND THE HOUSE HEALTH AND GOVERNMENT OPERATIONS COMMITTEE ON THE NUMBER OF PEDIATRIC HOSPITAL OVERSTAY PATIENTS AND CHILDREN PLACED IN UNLINCENSED SETTINGS IN THE STATE AND DE–IDENTIFIED INFORMATION RELATED TO ACTION PLANS IN PLACE TO ACHIEVE APPROPRIATE PLACEMENTS; PLANS TO END THE PRACTICE OF CHILDREN RESIDING IN HOSPITAL OVERSTAYS AND UNLICENSED SETTINGS, DATA THAT INFORMS HOW THE PLANS WILL BE IMPLEMENTED, AND THE ANTICIPATED DATE WHEN THE PRACTICES WILL CEASE.

SECTION 2. AND BE IT FURTHER ENACTED, That:

- (a) The Maryland Department of Health shall:**
- (1) review the reimbursement rates paid to residential treatment centers and respite care facilities in the State and determine the reimbursement rate that would be necessary to cover the cost of care and prevent future bed closures in residential treatment centers and respite care facilities in the State; and**
- (2) study the implementation of a prospective payment model for residential treatment centers and respite care facilities in the State with the goal of incentivizing the expansion of residential treatment center and respite care facility capacity in the State.**

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

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2025.

For more information call or email:

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