



Written Testimony

House Bill 1181 – Family Law – Children in Out-of-Home Placement – Voluntary Placement Agreements

House Health Committee

March 3, 2026

On behalf of Sheppard Pratt, the nation's largest private nonprofit behavioral health system, serving more than 80,000 patients and their families annually, thank you for the opportunity to submit testimony in strong support of House Bill 1181.

Every week, our pediatric inpatient units care for children who are clinically ready for discharge but remain hospitalized solely because Maryland's Voluntary Placement Agreement (VPA) process is slow, confusing, inconsistent across counties, and functionally unworkable. Today, roughly 75% of our pediatric overstay cases are specifically delayed by the VPA process.

These delays worsen children's symptoms, destabilize units, prolong ED boarding statewide, and leave families without clear answers. HB1181 finally addresses the structural causes of these delays.

Why Reform is Urgently Necessary

- **The current VPA process is a systemic bottleneck.**
 - LCT/FTDM meetings routinely take weeks to schedule and often add no meaningful information. They do not approve or deny VPAs and frequently block progression by insisting families exhaust PRP, TCM, or other lower-level services, even for children who have been hospitalized for months or exhibit unsafe behaviors that make community-based treatment clinically inappropriate.
 - Meanwhile, children remain in inpatient psychiatric care, an environment that is not designed or staffed for long-term stabilization.
- **There are no enforceable timelines.**
 - The lack of statutory deadlines allows steps in the VPA process to drift for weeks or months.

- DSS offices interpret eligibility differently: some send residential referral packets before VPA completion; others refuse to begin any step until all paperwork is finalized, further prolonging hospital stays.
- **Families face unnecessary custody and child support barriers.**
 - Families often fear signing a VPA because it requires full transfer of physical custody, even when only temporary placement, not guardianship, is needed.
 - Families are routinely assessed \$800–\$1,800 per month in child support, amounts that are unaffordable and push families to abandon the VPA process altogether.
- **A 2022 legislative fix was never implemented.**
 - Maryland already passed legislation allowing Local Behavioral Health Authorities (LBHAs) to authorize education funding for Medicaid-eligible children entering RTCs. That reform should have eliminated VPAs for many children, but DHS never executed it.
 - As a result, families still enter child welfare solely so the state will pay for education, even when Medicaid covers treatment.

How HB1181 Fixes the System

HB1181 implements targeted, practical reforms that providers, families, and agencies have been calling for.

- **Removes the LTC as a mandatory gatekeeper.**
 - The bill makes LCT consultation optional, ending its role as a procedural choke point while preserving its utility for cases where service coordination may help.
 - This aligns the process with clinical reality: by the time a child needs RTC placement, the LCT meeting no longer adds value and only prolongs hospitalization.
- **Establishes enforceable timelines and accountability.**
 - HB1181 requires DSS to schedule assessment meetings, issue eligibility determinations, and report delays on a set timeline.
 - This gives families, hospitals, and state agencies a process that is predictable, trackable, and enforceable, and reflects what is already intended in policy but rarely followed in practice.
- **Corrects misuse of the “exhaust all services” standard.**
 - HB1181 codifies the correct legal requirement: families must make “reasonable efforts,” not “exhaust all possible services.” (This is already the standard in COMAR, but counties apply an incorrect “exhaustion” test.)

- This protects children from being denied needed residential treatment simply because they have not tried PRP or TCM while inpatient.
- **Implements the 2022 reform allowing RTC access without a VPA.**
 - By moving the education funding for Medicaid-eligible RTC placements from DHS to MDH, HB1181:
 - Ends the need for VPAs in cases where Medicaid already covers treatment.
 - Prevents families from entering child welfare solely to secure education payment.
 - Aligns responsibility with the behavioral health system, where it belongs.
- **Creates a partial-custody alternative.**
 - HB1181 allows a pathway where parents do not have to relinquish physical custody, reducing stigma and preserving family integrity.
 - This alternative would prevent abandonment and CINA filings that now occur because families fear losing parental rights.
- **Improves child-support fairness and family transparency.**
 - HB1181 requires clear information to parents about their right to appeal child support determinations; and state agencies to develop ways to reduce obligations for low-income families.
 - This prevents families from abandoning the VPA process, increasing timely placement and reducing hospital overstays.
- **Requires statewide reporting, oversight, and training.**
 - HB1181 introduces Maryland's first statewide dataset on:
 - VPA timelines
 - Denials and delays
 - Placement duration
 - Pediatric hospital overstays
 - It also establishes annual DHS-MDH training to ensure consistency across counties.
- **Aligns with the Pediatric Overstay Workgroup.**
 - Integrating reforms into the ongoing state workgroup ensures implementation and prevents another multi-year delay like the unimplemented 2022 law.

Clinical Impact: What HB1181 Means for Children

From our inpatient units:

- Children wait months for VPA paperwork, even when psychiatrists agree they no longer need inpatient care.

- Children receive no school, lose structure, watch peers come and go, and deteriorate emotionally.
- Some children break doors, assault staff, or regress behaviorally out of fear, abandonment, and uncertainty.

HB1181 does not solve the entire pediatric continuum, but it removes one of the largest, most fixable barriers currently keeping children hospitalized when they do not need to be.

Conclusion

House Bill 1181 is a thoughtful, targeted, urgently necessary reform. It does not expand government authority, create expensive new programs, or invoke contentious debates. It simply:

- Removes duplicative barriers,
- Ensures predictable timelines,
- Supports families, and
- Gets children into the right level of care faster.

For these reasons, Sheppard Pratt respectfully urges a favorable report on House Bill 1181.

Thank you for your consideration.