Maryland
Hospital Association

House Bill 1559 - Children in Unlicensed Settings and Pediatric Hospital Overstay Patients – Placement

Position: *Support*
March 31, 2026
Senate Finance Committee

MHA Position

On behalf of the Maryland Hospital Association's (MHA) member hospitals and health systems, we appreciate the opportunity to comment in support of House Bill 1559.

We are grateful to Speaker Joseline Peña-Melnyk for introducing this legislation and for her steadfast advocacy on behalf of these youth. We are also appreciative of Chair Shetty, legislators who participated in the legislative work group, Department of Health, Department of Human Services and the Governor's Office for amending this bill in a way that moves us closer to creating a true system of care for Maryland's children, youth, and families.

Hospitals as Unlicensed Out-of-Home Placements
Maryland hospitals are not licensed by the Department of Health (MDH) or Department of Human Services (DHS) to serve as an out-of-home placement. Despite this, hospitals are serving as de-facto placements for youth who have been medically cleared for discharge. Acute care hospital beds are meant for short-term stabilization. They were never meant for long-term stays and are not appropriate or licensed for the long-term non-medical care of a child. The inappropriate use of these beds is harmful.

Generally, these youth are waiting to be placed in a residential treatment center, therapeutic foster home, or group home. Sometimes a facility has accepted these youth, but a bed is not yet available. In these circumstances, hospitals become holding sites, where children wait for an unknown amount of time for appropriate care, while frontline hospital staff do their best to meet their needs and provide a sense of normalcy.

As amended, HB 1559 rightfully classifies hospital inpatient units or emergency rooms as an unlicensed setting once the child or youth has been medically cleared for discharge and no longer needs to be staying within the hospital.

Advisory Council on Maryland's System of Care for Children, Youth, and Families
HB 1559 establishes an Advisory Council consisting of a diverse group of stakeholders and requires a subgroup of this Council to complete a bed assessment of the licensed, staffed and physical beds by agency and categorization. This is critical. As a state, we do not know how many foster homes we have—both public and private, treatment and traditional. We do not know

how many group homes are available. There are also bed types that helped in the past, such as respite and crisis beds, but it is unclear if these beds exist today and if so, how many. Collecting and sharing this information sits squarely within the state's purview and it is critical to understanding what currently exists and how many more beds are needed to serve these youth.

One of the greatest challenges to solving and preventing pediatric hospital overstays is the lack of capacity and services across the behavioral health continuum, within child welfare, and within the purview of the Developmental Disabilities Administration. There is especially a need for beds that serve youth with developmental disabilities, Autism diagnoses, and an IQ less than 55 or between 55 and 69. The placement options are limited in the state for patients with these profiles. As such, when a bed is needed there can be long waitlists, which results in the patient having to stay in an acute setting and/or contemplate placement out of state. Additional challenges present for youth with a history of aggressive behaviors, impulse control issues, and chronic untreated or undertreated medical issues.

The bill also requires the Advisory Council to explore the New Jersey System of Care Model. The New Jersey model, which is the gold standard, prioritizes prevention and early intervention, focusing on mobile crisis response that is customized for children. When the crisis hotline receives a call, there is no evaluation of whether in-person intervention is needed, someone is dispatched to the home. The rationale is that if a parent or guardian felt compelled enough to call a crisis hotline, then some level of support is needed immediately. The New Jersey model is also agnostic of agency-involvement and payer.

State Accountability & Oversight

One of the contributing factors and barriers to longer lengths of stay for youth involved with a state agency is the lack of clear understanding of which agency has responsibility to act in the best interest of the youth. This is especially apparent when a youth's parent(s) or guardian(s) are no longer engaging in decisions about the youth's care and when a youth is pending a voluntary placement agreement. In these circumstances, youth are left in limbo with no clear decision maker in their life. When this happens, the hospital is left as the only responsible party, but without any authority to make decisions on behalf of the youth. HB 1559 closes this gap and further builds off the organizational structures established by House Bill 962/Senate Bill 696, which required MDH and DHS to hire a Pediatric Hospital Overstay Coordinator for each department. HB 1559 requires the Governor's Office of Children (GOC) to hire a Special Advisor who can oversee the work of both coordinators, as well as of a newly created Rapid Response Placement Team. Together, the Advisor, Coordinators, and other members of the Placement Team will collaborate to ensure that every pediatric hospital overstay patient is accounted for and moved to a more appropriate setting of care as soon as possible. This is a positive step forward to ensure a timely response and a sense of urgency.

Improve Data Collection and Tracking

To the best of our knowledge, according to MDH, DHS and MHA, as of Jan. 31, 2026, there were 33 children across Maryland experiencing a pediatric hospital overstay—13 girls and 20 boys. Of these youth, seven were in the care and custody of DHS, 17 were pending a voluntary placement agreement, and five of the youth and their families were working with DHS**.** These

data provide a reference point for understanding the scope of the problem and identifying these children and youth. However, this is a manual process for the state and for Maryland hospitals. MHA will continue to work with the state to improve data tracking. However, without a dedicated system that compiles this data in one place, this process will remain manual and fraught with errors. It is incredibly challenging to know on a given day how many children and youth are in an overstay status, their length of stay, the bed type they need, the number of beds available to meet their needs, the location and availability of these beds, etc. State intervention and collaboration is needed to develop a systematic process with live data. MHA has collected data, but these are point-in-time estimates that are impossible to keep up to date. HB 1559 engages the right stakeholders to discuss this issue, identify an action plan, and implement it.

Conclusion

Pediatric hospital overstays and the placement of foster youth in unlicensed settings is, unfortunately, a long-standing problem. However, Maryland has solved this problem before and can do so again. Additionally, with the right structure and accountability in place, the state can prevent this problem from impacting children and youth in the future.

For these reasons, we request a favorable report on HB 1559 as amended.

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