



DEPARTMENT OF HUMAN SERVICES

Wes Moore, Governor · Aruna Miller, Lt. Governor · Gloria Brown Burnett, Interim Secretary

March 31, 2026

The Honorable Pamela Beidle, Chair  
Senate Finance Committee  
11 Bladen Street  
Annapolis, Maryland 21401

**RE: TESTIMONY ON HB1559 - CHILDREN IN UNLICENSED SETTINGS AND PEDIATRIC HOSPITAL OVERSTAY PATIENTS - PLACEMENT - POSITION: FAVORABLE**

Dear Chair Beidle and Members of the Senate Finance Committee:

The Maryland Department of Human Services (DHS) thanks the Committee for its consideration and respectfully requests a favorable report for House Bill 1559 (HB 1559).

With offices in every one of Maryland's jurisdictions, DHS provides preventative and supportive services, economic assistance, and meaningful connections to employment development and career opportunities to assist Marylanders in reaching their full potential. Our Social Services Administration (SSA) implements the Child and Family Well-Being program which is affected by HB 1559. This legislation prohibits foster youth placement in unlicensed settings, including hotels, homeless shelters, office buildings, and some non-residential environments in Maryland's Out-of-Home Placement (OOH) program. HB 1559 also establishes new joint systems for oversight of pediatric hospital overstay patients and ultimately prohibits pediatric overstays for youth by including hospital "inpatient unit or emergency department" among the new definitions of unlicensed settings. Finally, the bill establishes a new advisory group to evaluate existing services and opportunities for youth in out-of-home care.

HB 1559 supports DHS's commitment to end placements in unlicensed settings. Under the Moore-Miller Administration, DHS remains steadfast in creating a continuum of care that addresses youth's behavioral health needs in the least restrictive setting that meets their needs. Beginning with the 2024 legislative session, Governor Moore's budget included language that reformed how residential care providers are paid, which helped expand capacity for youth whose unique needs require intensive services or settings. That same year, we expanded options for placement in the least restrictive family settings through [a bill](#) (SB 708, 2024) the legislature passed that prioritizes placement with kin when a child requires out-of-home care. Later, DHS

amended our contracts with attorneys who represent youth to reinforce that advocating for placements in unlicensed settings, like hotels, is inappropriate under Maryland's legal ethics rules. With these structural placement improvements in place, then-Secretary Rafael López issued a [directive](#) on October 22, 2025, mandating that all 24 local departments immediately cease facilitating stays in unlicensed settings. While we made significant progress, our work is not yet finished. HB 1559 will codify existing DHS policy and improve upon existing inter-agency collaboration that is necessary to eliminate unlicensed placements and fulfill the Moore-Miller Administration's vision .

A primary challenge in resolving pediatric hospital overstay is the unique and complex needs of individual youth. The existing continuum of placement options sometimes are unable to immediately meet the combination of behavioral health and medical needs of youth resulting in a pediatric hospital overstay. Additionally, in their attempts to access treatment services, youth and their families are frequently served by different or multiple state systems. DHS created an Interagency Planning Committee to coordinate care for youth with high-intensity behavioral health and medical needs that explores individual youth's service needs. HB 1559 codifies this commitment by:

- Prohibiting stays in unlicensed settings for youth in the care and custody of the Department;
- Establishing the Child and Youth Placement Review Panel and Rapid Response Placement Teams to ensure real-time data tracking and to provide immediate, high-level intervention for youth in hospitals or unlicensed settings;
- Creating a Senior Advisor for Placement role within the Governor's Office for Children to streamline cross-agency decision-making; and
- Developing an advisory group to explore system-level opportunities to address statewide treatment services and refine a continuum of residential care options.

We appreciate the opportunity to offer favorable testimony to the Committee for consideration during your deliberations. DHS looks forward to continuing our partnership with the Speaker's Office on this important work. If you require additional information, please contact Justin Hayes, Acting Director of Government Affairs, at [justin.hayes1@maryland.gov](mailto:justin.hayes1@maryland.gov).

In service,



Gloria Brown Burnett  
Interim Secretary