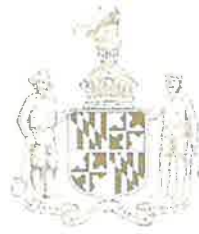


**HEATHER BAGNALL**  
*Legislative District 33*  
Anne Arundel County

Health and Government Operations  
Committee



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**THE MARYLAND HOUSE OF DELEGATES**  
**ANNAPOLIS, MARYLAND 21401**  
**April 3, 2026**

**HB1181 Family Law - Children in Out-of-Home Placement - Voluntary Placement Agreements**

Good afternoon Mr. Chairman, Mr. Vice Chair and members of the Judicial Proceedings Committee. Thank you for the opportunity to speak with you about House Bill 1181.

A Voluntary Placement Agreement (VPA) temporarily places a child in physical custody, not legal custody, of the Department of Human Services (DHS) so they can receive out-of-home care. This process allows children with a documented developmental disability or mental illness to access care in residential treatment centers (RTCs) when their family cannot afford it.

When entering into a VPA, families are often not fully aware of the significant delays and financial burden they will face to secure the necessary care for their child. According to the Maryland Department of Health (MDH), approximately half of pediatric overstay cases across Maryland are the result of delays in the VPA process. Families with children in a VPA are subject to child support payments that were intended to offset part of the residential treatment expenses paid for by their local department of social services (LDSS). These child support payments can exceed \$1,000 per month, an insurmountable price to pay for many families. Parents that cannot make these payments may be forced to withdraw from the VPA process, blocking their children from a higher level of care when they need it the most.

For many years, we have discussed the ongoing challenges of placing adolescents with developmental disabilities or mental illness in proper facilities with the medically-necessary support for their acuity level. Children continue to be left in hospital rooms languishing for days, weeks, and even months at a time awaiting placement.

Current VPA requirements and policies have created significant barriers for families seeking medically necessary treatment for their children. As such, some families feel they have no choice but to relinquish full custody of their children to the State in order to access essential treatment. Families should

not feel the need to make these unconscionable/deeply unjust decisions in pursuit of their child's well-being.

HB1181 streamlines the VPA process and improves transparency. The bill clarifies that children are eligible for a residential placement via a VPA if their family has made "reasonable efforts" to prevent an out-of-home placement. This eliminates the misconception that families must exhaust every home- and community-based service before seeking a VPA for residential treatment center placement.

Additionally, the VPA request timeline is clearly defined: LDCSSs must schedule an assessment meeting within 5 business days after receiving a VPA request and must provide families with a written eligibility decision within 5 business days after the assessment meeting. clarifies that the local care team can continue to pursue other alternative or interim services and further clarifies the roles of the local behavioral health authorities and care teams.

HB1181 also removes obsolete, arbitrary and unnecessary barriers to essential care. The bill prohibits the Administration from referring a child's case to Child Support Services if the child's family enters into a voluntary placement agreement and requires the Child Enforcement Administration to file a motion to modify any existing orders issued under a VPA on or before October 1.

HB 1181 also establishes a yearly training in coordination with the Maryland Department of Health on the administration of Voluntary Placement Agreements.

Finally, HB 1181 establishing a reporting requirement on the impact of VPAs on hospital discharge delays, family outcomes and reunification rates, the implementation status of voluntary placement agreement reform, and recommendations for changes in the law.

Expediting the VPA process and removing unnecessary financial obstacles will allow VPAs to better achieve their purpose – connecting children with the care they need to feel safe. I respectfully request a favorable report on House Bill 1181.

# HOUSE BILL 1181

D4, J1

6lr2312  
CF 6lr3667

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By: **Delegate Bagnall**

Introduced and read first time: February 11, 2026

Assigned to: Appropriations and Health

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## 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,~~

1 ~~Chapter 470 of the Acts of the General Assembly of 2025~~  
2 ~~Section 2~~

3 ~~BY repealing and reenacting, with amendments,~~  
4 ~~Chapter 490 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

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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:

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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) 1. 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.

2. NOTHING IN THIS SUBPARAGRAPH MAY BE INTERPRETED TO  
PREVENT A LOCAL CARE TEAM FROM PROVIDING THE CHILD AND FAMILY WITH ALTERNATIVE OR  
INTERIM SERVICES.

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

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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.

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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) (i) ~~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 MAY NOT REFER A CHILD'S CASE TO THE CHILD SUPPORT ENFORCEMENT ADMINISTRATION IF THE~~  
CHILD'S FAMILY ENTERS INTO A VOLUNTARY PLACEMENT AGREEMENT UNDER THIS SECTION.

(ii) ON OR BEFORE OCTOBER 1, 2026, THE CHILD SUPPORT ENFORCEMENT  
ADMINISTRATION SHALL FILE A MOTION TO MODIFY ANY CHILD SUPPORT ORDER ISSUED UNDER A  
VOLUNTARY PLACEMENT AGREEMENT.

15 (O) ~~A (1) THE LOCAL BEHAVIORAL HEALTH AUTHORITY SHALL BE NOTIFIED OF 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.~~

(2) NOTHING IN THIS SUBSECTION MAY BE INTERPRETED TO PREVENT A LOCAL  
CARE TEAM FROM PROVIDING THE CHILD AND FAMILY WITH ALTERNATIVE OR INTERIM SERVICES.

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~~ DECEMBER 1, 2027, AND EACH ~~SEPTEMBER~~ DECEMBER 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.

1 ~~Chapter 479 of the Acts of 2025~~

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

3 ~~(a) (1) In this section, "child in an unlicensed setting" means an individual~~  
 4 ~~under the age of 21 years in an out-of-home placement who is residing in a hotel, an office~~  
 5 ~~building, a shelter, or any other unlicensed setting.~~

6 ~~(2) "Child in an unlicensed setting" does not include an individual under~~  
 7 ~~the age of 21 years who is receiving a self-independent living stipend, living with kin~~  
 8 ~~awaiting approval for a placement, or in aftercare with a parent.~~

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

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

- 14 ~~(i) the Secretary of Health, or the Secretary's designee;~~
- 15 ~~(ii) the Secretary of Human Services, or the Secretary's designee;~~
- 16 ~~(iii) the Secretary of Juvenile Services, or the Secretary's designee;~~
- 17 ~~(iv) the State Public Defender, or the State Public Defender's~~  
 18 ~~designee; and~~
- 19 ~~(v) the following members, appointed by the Governor:~~

20 ~~1. one representative of the Maryland Association of~~  
 21 ~~Resources for Families and Youth;~~

22 ~~2. one representative of Disability Rights Maryland;~~

23 ~~3. one representative of the Community Behavioral Health~~  
 24 ~~Association of Maryland;~~

25 ~~4. one representative of Maryland Legal Aid;~~

26 ~~5. one representative of the Court-Appointed Special~~  
 27 ~~Advocates of Maryland;~~

28 ~~6. one representative of the National Association of Social~~  
 29 ~~Workers—Maryland who is a hospital-based clinical social worker;~~

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- 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 ~~(2) 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 ~~(e) (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 an 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 ~~3. one representative of the Community Behavioral Health-~~  
2 ~~Association of Maryland;~~

3 ~~4. one representative of Maryland Legal Aid;~~

4 ~~5. one representative of the Court Appointed Special-~~  
5 ~~Advocates of Maryland;~~

6 ~~6. one representative of the National Association of Social-~~  
7 ~~Workers - Maryland who is a hospital-based clinical social worker;~~

8 ~~7. one representative of the Maryland Chapter of the-~~  
9 ~~American Academy of Pediatrics;~~

10 ~~8. one representative of the Maryland Hospital Association;~~

11 ~~9. one representative of a specialty psychiatric hospital;~~

12 ~~10. one representative of a residential treatment provider in-~~  
13 ~~the State; and~~

14 ~~11. one representative of a family of a child in foster care, as-~~  
15 ~~defined in § 8-101(h) of the Human Services Article;~~

16 ~~(3) The members of the Workgroup shall elect the chair and vice chair of-~~  
17 ~~the Workgroup;~~

18 ~~(4) The Workgroup shall meet before August 1, 2025, and at least once-~~  
19 ~~every 90 days thereafter;~~

20 ~~(5) The State Council on Child Abuse and Neglect shall provide staff for-~~  
21 ~~the Workgroup;~~

22 ~~(6) A member of the Workgroup~~

23 ~~(i) may not receive compensation as a member of the Workgroup;~~  
24 ~~but~~

25 ~~(ii) is entitled to reimbursement for expenses under the Standard-~~  
26 ~~State Travel Regulations, as provided in the State budget;~~

27 ~~(e) (1) The Workgroup shall~~

28 ~~(i) complete an assessment of the number, type, and cost of the-~~  
29 ~~additional beds and supportive services needed to place all children in pediatric overstays-~~  
30 ~~and other unlicensed settings in the least restrictive settings;~~

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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.



HB1181/973629/1

AMENDMENTS  
PREPARED  
BY THE  
DEPT. OF LEGISLATIVE  
SERVICES  
  
19 MAR 26  
11:09:33

BY: Delegate Bagnall  
(To be offered in the Appropriations Committee)

AMENDMENTS TO HOUSE BILL 1181  
(First Reading File Bill)

AMENDMENT NO. 1

On page 1, strike beginning with “altering” in line 6 down through “Overstays;” in line 7.

On pages 1 through 2, strike in their entirety the lines beginning with line 27 on page 1 through line 5 on page 2, inclusive.

AMENDMENT NO. 2

On page 2, strike in their entirety lines 6 through 25, inclusive.

On page 4, in line 7, after “(V)” insert “1.”; after line 11, insert:

“2. NOTHING IN THIS SUBPARAGRAPH MAY BE INTERPRETED TO PREVENT A LOCAL CARE TEAM FROM PROVIDING THE CHILD AND FAMILY WITH ALTERNATIVE OR INTERIM SERVICES.”

On page 7, in line 11, after “(2)” insert “(I)”; strike beginning with “AND” in line 11 down through “ENTER” in line 14 and substitute “MAY NOT REFER A CHILD’S CASE TO THE CHILD SUPPORT ENFORCEMENT ADMINISTRATION IF THE CHILD’S FAMILY ENTERS”; after line 14, insert:

“(II) ON OR BEFORE OCTOBER 1, 2026, THE CHILD SUPPORT ENFORCEMENT ADMINISTRATION SHALL FILE A MOTION TO MODIFY ANY CHILD SUPPORT ORDER ISSUED UNDER A VOLUNTARY PLACEMENT AGREEMENT.”;

in line 15, strike "A" and substitute "(1) THE LOCAL BEHAVIORAL HEALTH AUTHORITY SHALL BE NOTIFIED OF A"; strike beginning with "SHALL" in line 17 down through "AUTHORITY" in line 18; after line 18, insert:

"(2) NOTHING IN THIS SUBSECTION MAY BE INTERPRETED TO PREVENT A LOCAL CARE TEAM FROM PROVIDING THE CHILD AND FAMILY WITH ALTERNATIVE OR INTERIM SERVICES."

in line 29, in each instance, strike "SEPTEMBER" and substitute "DECEMBER".

On pages 8 through 12, strike in their entirety the lines beginning with line 1 on page 8 through line 16 on page 12, inclusive.