

Department of Legislative Services
Maryland General Assembly
2025 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

Senate Bill 696

(Senator Beidle)

Finance

Health and Government Operations

**Public Health - Pediatric Hospital Overstay Patients and Workgroup on
Children in Unlicensed Settings and Pediatric Overstays**

This bill requires the Maryland Department of Health (MDH) to ensure that a “pediatric hospital overstay patient” is transferred to and treated in the least restrictive setting when clinically indicated and when possible. The bill requires MDH and the Department of Human Services (DHS) to establish a pediatric hospital overstay coordinator in each department. The bill establishes a Workgroup on Children in Unlicensed Settings and Pediatric Hospital Overstays staffed by the State Council on Child Abuse and Neglect (SCCAN). The workgroup must report its findings and recommendations to the Governor and the General Assembly by October 1, 2025. For fiscal 2026, the Governor *may* include in the annual budget bill an appropriation necessary to staff five additional beds at the John L. Gildner (JLG) Regional Institute for Children and Adolescents (RICA). The bill also specifies that the Maryland Mental Health and Substance Use Disorder Registry and Referral System includes *private and State* inpatient and outpatient mental health and substance use services. **The bill generally takes effect July 1, 2025; workgroup provisions take effect June 1, 2025.**

Fiscal Summary

State Effect: General fund expenditures increase by approximately \$3.0 million annually beginning in FY 2026 to fund staffing for five additional beds at the JLG RICA. MDH and DHS can designate pediatric hospital overstay coordinators and SCCAN can staff the workgroup using existing budgeted resources. Revenues are not affected.

(in dollars)	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
Net Effect	(\$3,000,000)	(\$3,000,000)	(\$3,000,000)	(\$3,000,000)	(\$3,000,000)

Note: () = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate increase; (-) = indeterminate decrease

Local Effect: None.

Small Business Effect: None.

Analysis

Bill Summary: “Pediatric hospital overstay patient” means a patient younger than age 22 who remains in an inpatient unit or emergency department (ED) of a hospital for more than 48 hours after being medically cleared for discharge or transfer.

DHS, in coordination with MDH, must ensure that a pediatric hospital overstay patient who is a child committed to the care and custody of DHS is transferred to and treated in the least restrictive setting when clinically indicated and when possible.

If a pediatric hospital overstay patient remains in the hospital for more than 48 hours and the Maryland Mental Health and Substance Use Disorder Registry and Referral System indicates that an appropriate inpatient bed is available, the hospital must seek the transfer to maintain the clinical stability of the patient. To ensure that a pediatric hospital overstay patient is treated in the least restrictive setting, a hospital may concurrently explore in-state and out-of-state placement options.

Pediatric Hospital Overstay Coordinators

The coordinators must act in the best interest of a pediatric hospital overstay patient by coordinating between hospitals, relevant State agencies and programs, and providers of mental health and substance use disorder (SUD) services. The coordinators must also:

- advocate on behalf of pediatric hospital overstay patients while maintaining appropriate patient confidentiality;
- review policies and procedures of relevant State agencies and make recommendations for necessary changes to better serve pediatric hospital overstay patients;
- maintain data on each pediatric hospital overstay patient, as specified; and
- report on the data collected to the Secretary of Health and the Secretary of Human Services.

Workgroup on Children in Unlicensed Settings and Pediatric Hospital Overstays

“Child in an unlicensed setting” means an individual younger than age 21 in an out-of-home placement who is residing in a hotel, an office building, a shelter, or any other

unlicensed setting. “Child in an unlicensed setting” does not include an individual younger than age 21 who is receiving a self-independent living stipend, living with kin awaiting approval for a placement, or on aftercare with a parent.

The workgroup must meet before August 1, 2025, and at least once every 30 days thereafter. The workgroup must:

- complete an assessment of the number, type, and cost of the additional beds and supportive services needed to place all children in pediatric overstay and other unlicensed settings in the least restrictive settings;
- develop a comprehensive and sustainable resource development plan designed to increase the number of licensed settings and end the use of pediatric overstay and unlicensed settings;
- develop an implementation plan with comprehensive data to inform the plan; and
- determine the anticipated timeline for when the practice of placing children in unlicensed settings will cease.

The workgroup must consist of representatives who have experience and knowledge of working with children with behavioral health challenges, adverse childhood experiences, and developmental disabilities, including:

- the Secretary of Health (or their designee);
- the Secretary of Human Services (or their designee);
- the Secretary of Juvenile Services (or their designee);
- the State Public Defender (or their designee);
- members appointed by the Governor, including one representative of (1) the Maryland Association of Resources for Families and Youth; (2) Disability Rights Maryland; (3) the Community Behavioral Health Association of Maryland; (4) Maryland Legal Aid; (5) the Court Appointed Special Advocates of Maryland; (6) the National Association of Social Workers - Maryland who is a hospital-based clinical social worker; (7) the Maryland Chapter of the American Academy of Pediatrics; (8) the Maryland Hospital Association; (9) a specialty psychiatric hospital; (10) a residential treatment provider in the State; and (11) a family of a child in foster care.

Current Law:

Adolescent Hospital Overstay Program

The Maryland Children’s Cabinet established a [three-year plan](#) for 2021-2023 for (1) identifying children in crisis and meeting their needs; (2) developing residential

treatment center (RTC) capacity for individuals with dual diagnoses; and (3) near real-time tracking by DHS of youth with behavioral health needs who are in hospitals. The Children's Cabinet had a special interest in reducing the number of children placed out-of-state. To address out-of-state placements, the plan expressed the need for reestablishing interagency collaboration and development of quality educational, treatment, and residential services in Maryland, and the establishment of a workgroup to study and develop recommendations to address adolescent hospital overstay.

In response, MDH established the Adolescent Hospital Overstay Grant Program. In 2021, MDH announced a request for proposals for \$5.0 million in grant funds to expand RTC capacity. The focus of the grants is to provide care to children and adolescents who are the hardest to move out of hospitals, resulting in hospital overstay. By expanding bed capacity in RTCs for adolescents, the program aims to free up inpatient hospital beds that would otherwise be occupied by patients who are ready to be discharged for another setting. The increased availability of inpatient and RTC beds helps reduce ED wait time for adolescents who need those services.

Residential Treatment Centers

A "residential treatment center" means a psychiatric institution that provides campus-based intensive and extensive evaluation and treatment of children and adolescents with severe and chronic emotional disturbances who require a self-contained therapeutic, educational, and recreational program in a residential setting.

MDH oversees two RICAs in the State. RICA-Baltimore is a mental health residential treatment facility located in Baltimore City that provides treatment and educational programs for adolescents (aged 11 to 18) who are experiencing emotional, behavioral and learning difficulties. Program services include psychiatric evaluation and treatment; 24-hour nursing/residential services; individual, group, and family therapy; crisis intervention; special education; extended-year education program; alternative learning; rehabilitation services; and community reintegration.

JLG RICA is a residential and day treatment center in Rockville providing mental health treatment, education, and rehabilitative services to children and adolescents and their families.

Maryland Mental Health and Substance Use Disorder and Registry and Referral System

The Maryland Mental Health and Substance Use Disorder Registry and Referral System provides a statewide system through which health care providers can identify and access available inpatient and outpatient mental health and substance use services for patients. Subject to the availability of funds, MDH must develop and implement the registry and

referral system, in collaboration with the State-designated health information exchange. The registry and referral system must include (1) a searchable inventory of any provider of mental health and SUD services; (2) the capability to allow a provider to update registry information including the real-time availability of services; and (3) an electronic referral system that is available to any health care provider in the State to facilitate electronic referrals to mental health and SUD providers.

Each hospital must ensure the availability of staff to identify appropriate and available services for patients in the hospital who are in need of mental health or SUD services and to assist the patient in accessing the services.

State Council on Child Abuse and Neglect

Under § 5-7A-06 of the Criminal Law Article, SCCAN is tasked with evaluating the extent to which State and local agencies are effectively discharging their child protection responsibilities. SCCAN must coordinate its activities with the State Citizens Review Board of Children, local citizen review panels, and child fatality review teams in order to avoid unnecessary duplication of effort. Under § 5-7A-09 of the Criminal Law Article, SCCAN must report and make recommendations annually to the Governor and the General Assembly on matters relating to the prevention, detection, prosecution, and treatment of child abuse and neglect, including policy and training needs.

SCCAN must also coordinate with the Child Abuse Medical Providers (Maryland CHAMP) Initiative and include information on activities of the Maryland CHAMP Initiative in its annual report to the Governor and the General Assembly, including any data the initiative has collected on child abuse and neglect diagnoses and treatment.

State Expenditures: The bill specifies that, for fiscal 2026, the Governor *may* include in the annual budget bill an appropriation necessary to staff five additional beds at the JLG RICA. MDH advises that staffing five additional beds at the JLG RICA will cost approximately \$3.0 million *annually*, beginning in fiscal 2026, and necessitate filling 31 of 47 vacant positions.

The fiscal 2026 budget as passed by the General Assembly includes a total of \$6.0 million in general funds to address pediatric hospital overstay. Funds not expended for this purpose may not be transferred by budget amendment or otherwise to any other purpose and must revert to the general fund. Although these funds are not contingent on the enactment of the bill, this analysis assumes that at least one-half of this funding is allocated to staff five additional beds at the JLG RICA. Accordingly, the fiscal 2026 budget includes sufficient funding to meet the bill's requirements. Annually thereafter, this analysis assumes general fund expenditures of approximately \$3.0 million are incurred to maintain continuous staffing of the five additional beds at the JLG RICA.

Additional Comments: Pediatric hospital overstay patients may remain in an inpatient hospital unit or ED for more than 48 hours after being medically cleared for discharge or transfer for several reasons, including aggressive behaviors, developmental disabilities or autism with psychiatric features, sexually reactive behaviors, or because they are too young or too old for available [out-of-home placements](#). As such, in-state placements are not always possible, particularly due to medical service needs or geographic location.

Additional Information

Recent Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: HB 962 (Delegate Pena-Melnyk, *et al.*) - Health and Government Operations and Appropriations.

Information Source(s): Governor's Office; Department of Budget and Management; Maryland Department of Health; Department of Human Services; Department of Legislative Services

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