

Department of Legislative Services
 Maryland General Assembly
 2026 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

Senate Bill 870
 Finance

(Senator A. Washington)

Health

**Maryland Department of Health - Adolescent Psychiatric Inpatient Beds -
 Reports on Capacity and Outcomes**

This bill requires the Maryland Department of Health (MDH), by December 1, 2026, and in consultation with the National Association of State Mental Health Program Directors and the Prince George’s County local behavioral health authority (LBHA), to study and report to the Governor and the General Assembly on the resources, staffing parameters, treatment plans, and therapeutic environments that would ensure (1) the best possible outcomes for adolescents receiving care in adolescent psychiatric inpatient beds and (2) that the correct services are provided to the adolescents. MDH may partner with relevant organizations in conducting the study. Also, by December 1, 2026, and annually thereafter until 2030, MDH must report specified information regarding adolescent psychiatric inpatient beds to the Governor and the General Assembly. **The bill takes effect June 1, 2026.**

Fiscal Summary

State Effect: Likely no effect in FY 2026. MDH general fund expenditures increase by \$100,000 in FY 2027 only for consultant services to complete the one-time report on resources, staffing parameters, treatment plans, and therapeutic environments. MDH can complete the annual report on adolescent psychiatric inpatient beds with existing resources. Revenues are not affected.

(in dollars)	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	100,000	0	0	0	0
Net Effect	(\$100,000)	\$0	\$0	\$0	\$0

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

Local Effect: Prince George's County can likely consult with MDH using existing budgeted resources. Revenues are not affected.

Small Business Effect: None.

Analysis

Bill Summary: By December 1, 2026, and annually thereafter until 2030, MDH must report on (1) the number and location of licensed adolescent psychiatric inpatient beds by county; (2) metrics for pediatric psychiatric emergency department boarding and overstay; (3) any barriers to staffing licensed adolescent psychiatric inpatient beds, including licensure barriers; and (4) recommendations for rate or regulatory changes needed to maintain sufficient capacity of licensed adolescent psychiatric inpatient beds.

MDH must use available data systems, including the State inpatient psychiatric registry and referral system, to generate data for the report.

Current Law: The Behavioral Health Administration within MDH is responsible for coordinating State programs to prevent, treat, and support individuals with mental illness, substance use disorders (SUDs), problem gambling disorders, and co-occurring conditions. The State oversees five adult psychiatric hospitals that provide residential behavioral health treatment.

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 the Department of Human Services (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 overstays.

In response, MDH established the Adolescent Hospital Overstay Grant Program. In 2021, MDH announced a request for proposal 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 overstays. 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 emergency department (ED) wait time for adolescents who need those services.

Pediatric Hospital Overstays

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

Chapters 479 and 480 of 2025 requires 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. 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.

Workgroup on Children in Unlicensed Settings and Pediatric Hospital Overstays

Chapters 479 and 480 also established the Workgroup on Children in Unlicensed Settings and Pediatric Hospital Overstays to:

- complete an assessment of the number, type, and cost of the additional beds and supportive services needed to place all children in pediatric overstays 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 overstays 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.

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 Fiscal Effect: The bill requires MDH, in consultation with the Prince George's County LBHA, to study and report on the resources, staffing parameters, treatment plans, and therapeutic environments for adolescents receiving specified inpatient care by December 1, 2026.

MDH advises that, given the December 1, 2026 deadline, consultant services are required to complete the required study and report on adolescents receiving specified inpatient care. Therefore, MDH expenditures increase by \$100,000 in fiscal 2027 only. Although the bill takes effect June 1, 2026 (fiscal 2026), this analysis assumes that consultant services are not procured until fiscal 2027.

Additional Information

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

Designated Cross File: HB 1092 (Delegate Martinez, *et al.*) - Health.

Information Source(s): Prince George's County; Maryland Department of Health; Department of Legislative Services

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