

**HB 1181 – Family Law – Children in Out-of-Home Placement –
Voluntary Placement Agreement
House Appropriations Committee
March 3, 2026
Position: FAVORABLE**

Mental Health Association of Maryland (MHAMD) is a nonprofit education and advocacy organization that brings together consumers, families, clinicians, advocates and concerned citizens for unified action in all aspects of mental health and substance use disorders (collectively referred to as behavioral health). We appreciate the opportunity to provide this testimony in support of HB 1181.

HB 1181 will implement several measures to improve the Voluntary Placement Agreement (VPA) process in Maryland.

HB 1181 will not fix Maryland's pediatric hospital overstay crisis. Nor will it completely resolve the many current problems with Maryland's VPA process. The bill will, however, reduce some instances of youth in hospital overstay status, and will prevent some families from deciding to relinquish full custody of their child to child welfare and lose all parental rights in order to access medically necessary residential treatment for their child.

VPAs are poorly understood, and the VPA process in Maryland is incredibly complicated and cumbersome, leading to further confusion. The included fact sheet and flow chart provide detailed information on VPAs. Here I will address some of the current specific problems with VPAs and how the bill will address them.

Clarify an eligibility requirement

Sensibly, a child should not enter an out-of-home placement unless reasonable efforts have been made to avoid such a placement, including trying lower levels of care. Maryland statute specifies that before a VPA request is approved, "*reasonable*" efforts must be made to avoid an out-of-home placement. COMAR and the Social Services Administration (SSA) policy directives use the same language - "*reasonable efforts.*" Nonetheless, Local Departments of Social Services (LDSSs), which are tasked with approving or denying a VPA request, will not approve a VPA unless a family has "*exhausted*" *all community-based resources*. This standard can be entirely clinically inappropriate. The family of a child with the most acute level of need can have their VPA request denied because they haven't tried a much lower level of care, such as a psychiatric rehabilitation program. Yet the child is way past that level of care being even remotely practicable.

DHS develops annual reports on VPA requests, approvals, and denials. In the period 2022-2024, 36% of VPA requests were approved and 64% were denied. Of the denials, 28% were denied because the family failed to “exhaust” community-based resources.¹ By clarifying that “exhaust” is not the standard, but instead it is “reasonable efforts,” HB 1181 will result in more VPAs being approved that should be approved and prevent a child from lingering in a hospital.

Remove the Local Care Team (LCT) requirement

Currently, an LCT meeting must be held before an LDSS can make a VPA determination.

- The sole purpose of an LCT meeting is to inform a family about community-based services, and they serve little purpose at this juncture. By the time a family comes to the extreme measure of seeking a VPA, the vast majority are already well-aware of the resources in their jurisdiction, having been informed by multiple providers and school staff, and tried most if not all of them.
- LCTs can neither approve nor deny a VPA request.
- The LCT requirement can delay the VPA process, since the LCTs in some jurisdictions do not meet regularly.
- In those rare instances where a family seeking a VPA has not tried a lower level of service that might be appropriate, the LDSS worker, who manages the VPA application and is aware of the services available in their jurisdiction, can provide the family with that information.

Require that LDSSs provide full information to families about child support obligations

Child support requirements for families entering into a VPA should be wholly revamped. When a child temporarily leaves the family home, there is no decrease in a family’s rent or mortgage payment, car payment, utility bill, insurance payments (including health insurance payments - a child in a VPA must be kept on their parent’s insurance), or other necessary expenses. Families are required to provide clothing, toiletries, and any other incidental expenses for their child in the out-of-home placement. Yet child support payments can be levied in amounts of \$800 to \$1,800/month. The threat of an onerous child support payment can be used to dissuade families from seeking a VPA for medically necessary treatment. HB 1181 requires that parents must be notified that they can appeal an initial determination with the Clerk of Court, resulting in a good possibility that the initial amount will be reduced.

In the annual DHS VPA Reports, 2022-2024, 47% of the VPA requests denied were denied for the reason “parents withdrew/did not follow through/did not meet VPA criteria.”² This is an overly broad category, but we know that the reason many parents withdraw and do not follow through on a VPA request is because they are unable to afford the preliminarily established child support obligation.

¹ Voluntary Placement Agreements for Children and Young Adults Annual Report. DHS.
[https://dlslibrary.state.md.us/publications/Exec/DHS/SSA/FL5-505.1\(d\)_2022.pdf](https://dlslibrary.state.md.us/publications/Exec/DHS/SSA/FL5-505.1(d)_2022.pdf)
[https://dlslibrary.state.md.us/publications/Exec/DHS/SSA/FL5-505.1\(d\)_2023.pdf](https://dlslibrary.state.md.us/publications/Exec/DHS/SSA/FL5-505.1(d)_2023.pdf)
[https://dlslibrary.state.md.us/publications/Exec/DHS/SSA/FL5-505.1\(d\)_2024.pdf](https://dlslibrary.state.md.us/publications/Exec/DHS/SSA/FL5-505.1(d)_2024.pdf)

² DHS VPA Report

Require that Maryland's child-serving agencies establish ways to reduce the child support obligation of low-income families

For the reasons stated above, child support requirements for families entering into a VPA must be wholly revised.

Implement the provision that in certain cases, VPAs are not needed, by moving funding for the education cost of certain residential treatment center (RTC) stays from the Department of Human Services (DHS) to the Maryland Department of Health (MDH)

- If a Medicaid-eligible child, who will be going to a facility that accepts Maryland Medicaid, has a non-public school placement on their IEP, their family need not enter into a VPA, but need only contact their Local Behavioral Health Authority/Core Service Agency for authorization and assistance applying to RTCs.
- In most cases, the family of that same child, who does not have a non-public school placement on their IEP, must go through the VPA process. As in all VPAs, these families must give child welfare the physical custody of their child. They must have a home study done by DSS, go to court if the child is in the RTC longer than 180 days, and make onerous child support payments.
- All Maryland's Medicaid-eligible children who are entering a facility that accepts Maryland Medicaid should be able to access the psychiatric treatment they require without their family having to enter the child welfare system simply to have their child's education paid for.
- Currently, for children in VPAs, DHS pays for the education component of an RTC stay with state general funds.³ Those dollars could (and should) run through MDH instead of DHS to avoid the need for a VPA.

RTCs are an important component of the system of care for children and youth with intensive mental health needs. Onerous and unreasonable VPA requirements prevent families from accessing medically necessary care for their child, leading to hospital overstays and the act of absolute custody relinquishment, whereby a family relinquishes all their parental rights to child welfare so that their child can access needed treatment. HB 1181 will make some improvements to the current system, therefore we urge a favorable report.

³ MDH/DHS. VPA Review and Access to Intensive Behavioral health Services (2021) p.9.
https://dlslibrary.state.md.us/publications/JCR/2021/2021_250-251.pdf