

Senate Bill 696 – Public Health – Pediatric Hospital Overstay Patients

Senate Finance Committee

February 18, 2025

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 strong support of SB 696.

SB 696 would do several things to begin to address the pediatric hospital overstay issue. The requirements of the bill would serve to both reduce the number of children and youth currently in hospital overstay status and set the stage for further reductions in the future, by directing the Department of Health to review the reimbursement rates for residential treatment centers (RTCs), as well as look at alternate payment models.

The problem of youth in hospital overstays is significant. Complete data is hard to come by, but in 2022, the Maryland Hospital Association reported a weekly census of 50 youth in overstay status, as reported by a total of 39 hospitals.¹ The problem of overstays has far-reaching consequences. Youth stuck in psychiatric inpatient units cause more youth to be stuck in emergency departments, which are ill-equipped to address their needs and horrible places for a child to linger, leading to increased emotional distress. Youth stuck in inpatient units also do not receive the appropriate level of care, or education, or even the ability to go outside. Finally, overstays result in financial losses for hospitals.

There are multiple reasons for this crisis. Over the last decade, Maryland has lost a tremendous number of RTC beds, either due to the closing of facilities or due to staffing problems, and there has been an increasing (and legitimate) reluctance to place youth in out-of-state facilities. At the same time, the availability of robust, intensive community-based services for youth with more serious behavioral health conditions has declined. Not surprisingly, the result has been children and youth stuck in hospital emergency departments and inpatient psychiatric units.

Since 2016, four Maryland RTCs have closed. There are currently six RTC facilities in Maryland, but one is highly specialized – serving only youth in the custody of DJS who have been adjudicated sex offenders with mild developmental disabilities. The five remaining facilities

¹ Not all hospitals reported data, and some youth are stuck in hospitals outside of Maryland. Maryland Hospital Association. Pediatric hospital overstay data collection project (2022). https://mgaleg.maryland.gov/cmte_testimony/2022/app/14I-S_o5hYUDorM40m8F6EtEtBpcAyyUF.pdf

report monthly capacity and vacancy totals. **The last report, for November 2024, indicated that the five facilities had 317 licensed beds, but only 207 operational beds.** The difference is largely due to staffing issues. The combination of low salaries along with very challenging work and an overall behavioral health workforce crisis has made it extremely difficult for RTCs to operate at anywhere near capacity. Simply increasing the number of beds will have little effect – salaries for RTC employees must increase, and the behavioral health workforce crisis must be addressed.²

Moreover, Maryland’s RTCs don’t currently have the capability to appropriately address the serious and complex needs of youth who are stuck in hospitals. These youth require high staffing levels, specialized services, and enhanced security measures so that they can be safe and receive effective treatment. Medicaid, the funding source for most children and youth in RTCs, does not provide sufficient reimbursement for RTCs to adequately address the needs of these children. For these reasons, Maryland RTCs are unable to accept most of the youth who are in hospital overstay status.

The various components of SB 696 – expanding the Registry and Referral System, allowing hospitals to consider out-of-state placement options, adequately funding the RICAs (the state RTCs) so that they can fill all positions, and creating an Overstay Coordinator position within GOC to coordinate care, create and manage data, and recommend needed changes – all will help to tackle the hospital overstay crisis, but there are additional measures that should be taken:

1. **Expand crisis services that are designed specifically for youth and families.** This keeps youth out of hospitals in the first place, by deescalating crises and providing intensive in-home supports to parents and caregivers. The Mobile Response and Stabilization Services (MRSS) model is the gold standard for serving kids, and Maryland piloted several MRSS programs with ARPA dollars, but as these funds are expiring, additional funds are needed from the State.
2. **Support MDH’s efforts to improve and expand intensive community-based mental health services.** MDH has drafted a new 1915(i) State Plan Amendment to substantially reform the existing poorly performing 1915(i) program. Robust community-based services both prevent youth from requiring RTC level of care and allow youth currently in RTCs to be successfully and more rapidly discharged, thereby increasing RTC capacity.
3. **Increase reimbursement rates for RTCs and explore alternate payment models.** As SB 696 directs, MDH should develop ways to adequately reimburse facilities so that they can appropriately serve youth with highly acute behavioral health needs.

Therefore MHAMD urges a favorable report on SB 696 and also asks that further actions be considered.

² See the recommendations of the Maryland Workforce Assessment Report (October 2024), required by 2023 legislation HB 418/SB 283 https://marylandmatters.org/wp-content/uploads/2024/11/Full-Report_Maryland-BH-Workforce-Assessment-Final-Oct-2024.pdf