

Department of Legislative Services  
Maryland General Assembly  
2016 Session

**FISCAL AND POLICY NOTE**  
**First Reader - Revised**

House Bill 1429 (Delegate S. Howard, *et al.*)  
Health and Government Operations

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**Recovery Home Residential Rights Protection Act**

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This bill requires the Department of Health and Mental Hygiene (DHMH) to adopt regulations for the certification of recovery homes in the State. DHMH must also establish a public registry of certified recovery homes to facilitate the transition of an individual to a recovery home from a licensed behavioral health program. A person may not operate a recovery home without certification. Additionally, a licensed behavioral health program may not refer program participants to a recovery home that is not certified. A violation of the bill's provisions is a misdemeanor, subject to a fine of up to \$1,000.

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**Fiscal Summary**

**State Effect:** General fund expenditures for DHMH increase, potentially significantly, for the department to certify recovery homes under the bill, as discussed below. General fund revenues may also increase to the extent DHMH sets fees for certification.

**Local Effect:** Local expenditures may increase to the extent local health departments conduct inspections of certified recovery residences, as discussed below. Revenues are not affected.

**Small Business Effect:** Potential meaningful for any such homes that are small businesses and must become certified to operate and receive referrals.

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**Analysis**

**Bill Summary:** "Recovery home" means a home that provides temporary residential accommodation, guidance, supervision, and personal adjustment services for a group of three or more individuals recovering from alcohol or drug addiction. The definition does

not include a behavioral health program or a private group home, as defined in the Health-General Article.

DHMH's regulations for the certification of recovery homes must include specified information, including (1) standards for staff; (2) a requirement for the demonstration of need for the recovery home; (3) certification fees; (4) application and renewal procedures; (5) requirements to demonstrate compliance with federal, State, and local laws regarding health and safety standards for housing; and (6) requirements that owners of certified recovery homes perform criminal history records checks for each resident in a recovery home.

Additionally, certified recovery homes must submit specified information to DHMH, including (1) specified information about residents; (2) rates charged by the recovery home; and (3) whether residents have access to public transportation.

Before denying an application for certification, DHMH must give the applicant an opportunity for a hearing. DHMH may inspect a certified recovery home to ensure the recovery home is operating in compliance with certification standards.

**Current Law/Background:** Under § 7.5-101 of the Health-General Article, "behavioral health program" means a substance-related disorders program, a mental health program, or an addictive disorders program or a program that consists of more than one of these programs. Further, § 10-514 of the Health-General Article defines "private group home" as a residence in which individuals who have been or are under treatment for a mental disorder may be provided care or treatment in a homelike environment.

Additionally, under § 7.5-101 and § 8-101 of the Health-General Article, "recovery residence" means a service that (1) provides alcohol-free and illicit-drug-free housing to individuals with substance-related disorders or addictive disorders or co-occurring mental disorders and substance-related disorders or addictive disorders and (2) does not include clinical treatment services.

A behavioral health program must be licensed by the Secretary of Health and Mental Hygiene before program services may be offered in Maryland. However, the Secretary may exempt specified entities from licensure requirements, including recovery residences.

DHMH's Behavioral Health Administration (BHA) advises that, in 2013, the Maryland Recovery Organization Connecting Communities (M-ROCC) established its supportive housing affiliate, Maryland State Association for Recovery Residences (M-SARR), through a three-year grant from BHA (\$100,000 annually). BHA advises that there are more than 200 properties with M-SARR membership. Recovery housing providers are required to pay membership dues annually and units are inspected by M-SARR.

Additionally, BHA staff monitors the conditions of the grant award and also participates in investigations of complaints. BHA additionally advises that recovery housing providers that are not part of M-ROCC/M-SARR are not eligible to receive BHA grant funds for recovery housing. The three-year grant expires on January 1, 2017; however, BHA advises that, following grant expiration, recovery residences are still required to be certified by M-SARR in order to receive State funds through other means (*e.g.*, the Maryland Recovery Net or Recovery Support Service).

**State Fiscal Effect:** BHA advises that the bill's definition of "recovery home" may create confusion among recovery residence providers, as the bill's definition may encompass recovery residences (which are separately defined under existing State law). BHA additionally advises that certification of "recovery homes," as defined in the bill, creates a new process for BHA as these entities are not currently certified by the State. However, BHA is unable to estimate the number of recovery homes that would be subject to the bill's certification requirements.

BHA notes that State-funded recovery residences are currently certified by M-SARR through \$100,000 in annual grant funding from BHA. Additionally, BHA and the Office of Health Care Quality (OHCQ) note that, currently, an initial survey of a new adult behavioral health program for certification requires 20 hours to complete and that surveying for program renewal and complaint investigation both require 8 hours (each) to complete. Therefore, OHCQ likely requires additional staff to complete certification requirements under the bill. Although OHCQ is unable to estimate the total number of recovery homes subject to certification, OHCQ estimates that a surveyor, coordinator, and administrative staff are needed for every 100 recovery homes that are subject to certification.

Therefore, the Department of Legislative Services advises that general fund expenditures for DHMH increase, potentially significantly, for DHMH to certify "recovery homes"; the extent of the increase depends on the number of recovery homes required to be certified under the bill's requirements. Expenditures may be offset to some extent by certification fees, as set by DHMH.

BHA additionally notes that the bill establishes additional requirements for recovery homes that do not currently exist for other BHA-credentialed or approved programs, specifically, the bill's data collection requirements regarding recovery home residents, the rates charged, and whether residents have access to public transportation. BHA also notes that these requirements, and the requirement that BHA create a public registry, may violate confidentiality laws.

The criminal penalty provision of the bill likely does not have a material impact on State revenues or expenditures.

**Local Expenditures:** The bill authorizes inspections of certified recovery homes to verify compliance with certification standards. BHA advises that local health departments may be asked to complete these inspections. Therefore, local expenditures may also increase, to the extent local health departments conduct inspections of certified recovery homes under the bill.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Department of Health and Mental Hygiene, Department of Legislative Services

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Analysis by: Sasika Subramaniam

Direct Inquiries to:  
(410) 946-5510  
(301) 970-5510