

**2026 Session - MHCC - SB 444 - CON - ICF Position**

Uploaded by: Douglas Jacobs

Position: FAV



**2026 SESSION**  
**POSITION PAPER**

**BILL NUMBER: SB 444**

**COMMITTEE: Finance**

**POSITION: Support**

**TITLE: Certificate of Need – Intermediate Health Care Facilities**

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**BILL ANALYSIS**

*Senate Bill 444 – Certificate of Need – Intermediate Health Care Facilities* reestablishes a requirement that intermediate care facilities offering American Society of Addiction Medicine (ASAM) Level 3.7 substance use disorder (SUD) treatment obtain approval from the Maryland Health Care Commission (MHCC) before adding bed capacity. The bill establishes an expedited review process to either create a new Level 3.7 SUD facility or expand bed capacity at any existing facility. Rather than full certificate of need (CON) review, an applicant must demonstrate that its project meets certain standards and serves the public interest.

**POSITION AND RATIONALE**

Recent investigative reporting by *The Baltimore Banner* emphasizes the need for both additional SUD treatment and additional oversight over treatment facilities to ensure quality services.<sup>1,2,3</sup> This bill balances these interests by requiring a Level 3.7 SUD treatment facility to undergo a public interest review whether it is establishing a new facility or expanding capacity at an existing facility while ensuring a faster decision than a full CON review.

Under existing law, a CON is required to establish or relocate a facility providing ASAM Level 3.7 SUD treatment.<sup>4</sup> For most types of facilities that MHCC regulates, a CON would also be required to add bed capacity to an existing facility; however, *no* review is currently required to add additional capacity to an ASAM Level 3.7 SUD treatment facility.

This has created a disconnect between the project initially presented to MHCC for CON review and the project ultimately implemented. For example, an applicant obtained a CON approval to establish a 21 bed ICF. Within one year of opening, the facility provided notice of its plan to add 81 beds, more than triple the capacity of the approved facility.

More troubling, some ICFs have increased bed capacity by adding more beds to existing rooms without changing the physical space or environment of the physical facility. There is no regulatory limit on the number of beds that can be added to each room, and some facilities have placed six people to a room, jeopardizing patient care. Overcrowding in behavioral health settings has led to increased violence, suicide, and injury.<sup>5,6</sup> Despite policymakers' frequent concerns about how increased capacity may negatively impact the quality, medical efficacy, and safety of patients, MHCC does not have the authority to prevent an expansion of capacity once the project has received a CON.

MHCC supports *SB 444* because it will create a single consistent regulatory framework for all Level 3.7 SUD treatment facilities, whether it is a new facility or one that is expanding bed capacity. The legislation would require these facilities request approval from MHCC through a process MHCC calls exemption from CON. Under this process, an applicant would still be required to address all standards of the State Health Plan chapter governing these facilities,<sup>7</sup> including those related to serving patients with Medicaid or without insurance, maintaining appropriate accreditation, and documenting appropriate admission standards, treatment protocols, staffing standards, and physical plant configuration. The applicant would also have to demonstrate how the project would be in the public interest. However, this process differs from a CON in that competitors are unable to intervene and a decision must be made within 45 days.

MHCC believes this change strikes an appropriate regulatory balance in that it provides more oversight over capacity expansion, creates a faster process for new establishments, and prevents providers from taking advantage of the current loophole in CON regulation. This outcome benefits patients and families by providing more choices and enables MHCC to have better regulatory oversight over the availability of Level 3.7 SUD treatment beds. In addition, *SB 444* benefits the industry by establishing a faster process to obtain review.

For the stated reasons above, we ask for a favorable report on *SB 444*.

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<sup>1</sup> Zhu, A, Gallagher, J, Cohn, M (2024). They Entered Treatment. Drugs, Overdoses and Deaths Followed. The Baltimore Banner. <https://www.thebanner.com/community/public-health/baltimore-oid-drug-treatment-investigation-AOTRDIBQAJGHFFCLJ3NW2J5JN4/>.

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<sup>7</sup> COMAR 10.24.14.



# **SB444\_Gaudenzia\_FAV**

Uploaded by: Lauren Graziano

Position: FAV

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202-740-4429



**Date:** February 17, 2026

**Committee:** Senate Finance

**Bill:** Senate Bill 444- Certificate of Need – Intermediate Health Care Facilities

**Position:** Favorable

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Gaudenzia offers this testimony in support of Senate Bil 444 (SB 444).

Gaudenzia was founded in 1968 by a conscientious group of community members who wanted to help themselves and each other overcome the challenges of drug and alcohol use. They soon learned that a collective group was much stronger than an individual, struggling alone. Over the next 55 years, Gaudenzia began serving those in need of treatment for substance use and co-occurring disorders, becoming one of the nation’s first providers with programs designed to meet the needs of individuals with substance use or co-occurring disorders, including those diagnosed with HIV/AIDS or under criminal justice involvement. Today, Gaudenzia is one of the largest non-profit substance use and co-occurring disorders treatment providers in the northeast United States, serving Pennsylvania, Delaware, Maryland, and the Washington, D.C. areas. More information is available at [www.gaudenzia.org](http://www.gaudenzia.org).

An intermediate care facility (ICF) that offers American Society of Addiction Medicine (ASAM) Level 3.7 substance use disorder treatment must obtain a certificate of need (CON) from the Maryland Health Care Commission (MHCC) to become licensed and operational. (*Md. Code Ann., Health-Gen. §19-120*). Once a CON is obtained, an ICF may change bed capacity without additional approval from the MHCC. (*Md. Code Ann., Health-Gen. §19-120(h)(2)*). Some residential substance use disorder (SUD) treatment providers have misused this flexibility in the law to extend bed capacity without regard for the safety of patients, medical efficacy, or quality of care.

SB 444 reestablishes the need for an existing ICF to obtain approval from the MHCC to change bed capacity. It also adds ICFs to the list of facilities that are eligible for an exemption to the standard CON process. This 45-day expedited process reduces the administrative demand for SUD providers looking to establish, relocate, or expand capacity, while preserving State Health Plan (SHP) standards<sup>1</sup> that ensure cost effective, accessible, and high-quality care for Marylanders. This approach appropriately balances the need for additional regulatory oversight, without unduly burdening the provider community.

For the aforementioned reasons, Gaudenzia respectfully requests a favorable report on SB 444.

Lauren C. Graziano, Director of Government Affairs  
[lauren.graziano@gaudenzia.org](mailto:lauren.graziano@gaudenzia.org)

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<sup>1</sup> State Health Plan for Facilities and Services: Alcoholism and Drug Abuse Intermediate Care Facilities Treatment Services  
<https://mhcc.maryland.gov/mhcc/pages/home/regulations/documents/10241401.pdf>

**SB444 - FIN - BHA \_LOS.docx.pdf**

Uploaded by: Meghan Lynch

Position: FAV



## DEPARTMENT OF HEALTH

*Wes Moore, Governor · Aruna Miller, Lt. Governor · Meena Seshamani, M.D., Ph.D., Secretary*

February 17, 2026

The Honorable Pamela Beidle  
Chair, Finance Committee  
3 East Miller Senate Office Building  
Annapolis, Maryland 21401

**RE: Senate Bill 444—Certificate of Need – Intermediate Health Care Facilities—Letter of Support**

Dear Chair Beidle and Committee Members,

The Maryland Department of Health (the Department) respectfully submits this letter of support for Senate Bill (SB) 444—Certificate of Need – Intermediate Health Care Facilities. The bill would repeal the exemption from the certificate of need (CON) requirement for a change in bed capacity for certain intermediate care facilities that offer substance use disorder (SUD) treatment services. The bill would permit medically managed residential SUD treatment services to open and operate without a CON if the Maryland Health Care Commission (MHCC), in its sole discretion, finds that the proposed facility is consistent with the state health plan, will result in the delivery of more efficient and effective health care services, and is in the public interest.

This bill applies to American Society of Addiction Medicine (ASAM) Level 3.7 Medically Monitored Intensive Inpatient Services, which provide medical oversight for individuals with SUD in a high-intensity residential setting. Such programs are licensed and overseen by the Department’s Behavioral Health Administration (BHA). Including these programs in the CON would assist BHA in managing SUD capacity, including monitoring for potential over or under concentration of beds within specific geographic regions.

In addition, Maryland Health-General Article, §7.5-802 requires the Department to establish the Mental Health and Substance Use Disorder Registry and Referral System (hereinafter “Bed Registry”) to provide a statewide system through which providers can identify and access private and State inpatient and outpatient mental health and SUD services for individuals with a clinical need. SB 444 bill is consistent with the goals of the Bed Registry, which seeks to quantify, in real time, behavioral health bed availability across the State.

The Department appreciates the Committee’s consideration of this support and would be pleased to discuss this matter further. For additional information or questions, please do not hesitate to contact Meghan Lynch, Director of Governmental Affairs at [megan.lynch@maryland.gov](mailto:megan.lynch@maryland.gov).

Sincerely,



Meena Seshamani, MD, PhD  
Secretary

# **SB0444 - Community Behavioral Health Association -**

Uploaded by: Sara Hairgrove

Position: FAV



COMMUNITY BEHAVIORAL  
HEALTH ASSOCIATION  
OF MARYLAND

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Laura Mueller  
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Scott Rose  
*Shepard Pratt*

Alyssa Sanders  
*EveryMind*

Angel Wallace  
*Maryland Family  
Resources*

**Testimony on SB 444**

**Certificate of Need - Intermediate Health Care Facilities**

Senate Finance Committee

February 17, 2026

**POSITION: SUPPORT**

The Community Behavioral Health Association of Maryland (CBH) is the leading voice for community-based providers serving the mental health and addiction needs of vulnerable Marylanders. Our 95 members serve the majority of those who access care through the public behavioral health system. CBH members provide outpatient and residential treatment for mental health and addiction-related disorders, day programs, case management, Assertive Community Treatment (ACT), employment supports, and crisis intervention.

CBH represents about 20% of the licensed residential substance use disorder (SUD) treatment programs subject to certificate of need (CON) regulation by the Maryland Health Care Commission (MHCC). On behalf of our members, we are pleased to support SB 444.

We believe that this bill balances oversight by the MHCC on the development and expansion of residential SUD treatment capacity with a lower administrative burden than the full CON process would require. New and existing providers will be held to the same high-quality standards, while receiving expedited review, allowing this level of care to reach the communities who need it more efficiently. This oversight model streamlines the review process, creating a single regulatory framework for all providers and reducing burden across the board, without sacrificing quality.

We appreciate the MHCC's proactive approach to regulation in this instance, as well as their recognition of the burden that a full CON process could impose on small providers. We think the bill seeks a balanced approach. MHCC's positive history of engaging with the providers it regulates and addressing their concerns also increases our confidence in this approach.

For these reasons, CBH is pleased to support SB 444 and urges your support as well. We look forward to working with the Maryland Health Care Commission to ensure the future of high-quality behavioral health services in Maryland.

*For more information contact Sara Hairgrove at [Sara@MDCBH.org](mailto:Sara@MDCBH.org).*

**2026 Session - MHCC - SB 444 - CON - ICF Position**

Uploaded by: State of Maryland (MD)

Position: FAV



**2026 SESSION**  
**POSITION PAPER**

**BILL NUMBER:** SB 444

**COMMITTEE:** Finance

**POSITION:** Support

**TITLE:** Certificate of Need – Intermediate Health Care Facilities

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**POSITION AND RATIONALE**

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Under existing law, a CON is required to establish or relocate a facility providing ASAM Level 3.7 SUD treatment.<sup>4</sup> For most types of facilities that MHCC regulates, a CON would also be required to add bed capacity to an existing facility; however, *no* review is currently required to add additional capacity to an ASAM Level 3.7 SUD treatment facility.

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For the stated reasons above, we ask for a favorable report on *SB 444*.

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<sup>7</sup> COMAR 10.24.14.



**SB444\_RHTC\_FAV.pdf**

Uploaded by: Therese Hessler

Position: FAV



February 17, 2026

Senate Finance Committee

**SB444 - Certificate of Need - Intermediate Health Care Facilities**

POSITION: FAVORABLE

The Recovery Housing and Treatment Center Coalition of Maryland (RHTC) appreciates the public health intent of SB 444 and strongly supports the bill. This legislation enhances the regulatory framework governing intermediate care facilities that provide medically supervised residential substance use disorder treatment – a critical component of the continuum of care for individuals in recovery.

RHTC is a coalition of recovery residences, group homes, treatment centers, and other critical services that form the backbone of Maryland’s continuum of care. Our mission is to educate policymakers, stakeholders, and the general public on the importance of maintaining and expanding recovery facilities and services in our state. We work to ensure that individuals in recovery have access to high-quality, stable housing and treatment options that support their long-term well-being and reintegration into the community.

SB 444 revises the Certificate of Need (CON) requirements so that clinically appropriate residential treatment capacity is more consistently evaluated under state planning standards, while also providing a clear pathway for new facilities offering medically managed residential substance use disorder treatment to open when they meet public interest and state health plan requirements with appropriate notice. This balances necessary oversight with increased access to treatment capacity for Marylanders who need it.

The exemption provision for intermediate care facilities that offer medically managed residential substance use disorder treatment services — conditioned on written notice and commission review — ensures that facilities focused on recovery are not unduly restricted, while still assuring quality and alignment with State health planning goals.

Residential treatment and supportive recovery housing are evidence-based components of successful long-term recovery for individuals with substance use disorders. By clarifying the CON process and exempting qualifying intermediate care facilities, SB 444 reduces administrative barriers that could otherwise slow the establishment of high-quality treatment capacity in communities that need it most.



The Coalition views the CON streamlining in SB 444 as complementary to ongoing efforts to expand supportive housing, outpatient services, and recovery supports across Maryland.

While SB 444 facilitates the establishment of needed facilities, it does not eliminate important oversight. The bill preserves a system where changes in bed capacity and new facility openings are still subject to review for consistency with the State health plan and public interest — ensuring treatment resources are distributed thoughtfully and in alignment with broader health system needs.

For these reasons, the Recovery Housing and Treatment Center Coalition of Maryland respectfully urges the Committee to give Senate Bill 444 a Favorable Report.

For more information call or email:

Therese M. Hessler, Ashlar Government Relations | 301-503-2576 | [therese@ashlargr.com](mailto:therese@ashlargr.com)

# **SB444-Favorable.pdf**

Uploaded by: Valerie Borek

Position: FAV

Valerie Ferrell, Cecil County

I'm writing in favor of SB444 which would reduce barriers to care for psychiatric and mental illness in Maryland. This is a critical issue.

I was caregiver for my sister for over five years in my home. Her behavior became increasingly violent toward me and my family as I struggled to get her care. She was recommended for residential psychiatric housing, but none was available. She was on a wait list for over a year, which means I had to reapply for her, which is a ridiculous situation to be in when you desperately need help for a family member. Unfortunately, the "housing" she ended up in was the local detention center for *nine* months for a misdemeanor, after she came at me with a knife. It was the exact outcome I could foresee given her increasing aggression toward me, and that I tried so hard to avoid by looking for services that just don't exist in Maryland. The state, the public defender, myself, and each judge all understood and agreed she needed psychiatric housing, and we were all aware she would be on the streets if she wasn't in the detention center.

We have a dangerous crisis in Maryland when it comes to protecting families and individuals, and providing services for mental illness. Maryland has about 2,000 beds to my knowledge, and when you add together the year she waited before her time in jail, it took TWO years for her to get a placement and the inevitable escalation to physical, criminal violence that could have been avoided with proper resources in this state. It was ultimately the persistence from a social worker in the public defender's office that helped find her placement.

I urge you to do everything you can to alleviate this situation for all Marylanders by allowing facilities to more easily increase bed capacity.

**2026 Session - MHCC - SB 444 - CON - ICF Position**

Uploaded by: Wynnee Hawk

Position: FAV



**2026 SESSION**  
**POSITION PAPER**

**BILL NUMBER:** SB 444

**COMMITTEE:** Finance

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