



**Corporate Office:**  
166 W. Main Street  
1st Floor  
Norristown, PA 19401  
610-239-9600

**Regional Offices:**  
**Eastern PA**  
1306 Spring Garden Street  
5th Floor  
Philadelphia, PA 19123  
215-849-7200

**Central PA**  
2930 Derry Street  
Harrisburg, PA 17111  
717-931-1988

**Western PA:**  
414 West 5<sup>th</sup> Street  
3<sup>rd</sup> Floor  
Erie, PA 16507  
814-746-4184

**Maryland:**  
5 Crain Highway North  
Suite 100  
Glen Burnie, MD 21061  
410-864-0695

**Delaware:**  
3901 Philadelphia Pike  
Claymont, DE 19703  
410-864-0695



**Washington, D.C.:**  
1949 4<sup>th</sup> Street, NE  
Washington, D.C. 20002  
202-740-4429

**Date:** February 11, 2026

**Committee:** House Health Committee

**Bill:** House Bill 498- Certificate of Need – Intermediate Health Care Facilities

**Position:** Favorable

---

Gaudenzia offers this testimony in support of House Bill 498 (HB 498).

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.

HB 498 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 HB 498.

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

---

<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>