

**Department of Legislative Services**  
 Maryland General Assembly  
 2016 Session

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

Senate Bill 1094

(Senator Astle)

Finance

Health and Government Operations

**Health - Recovery Residences - Certification**

This bill requires the Department of Health and Mental Hygiene (DHMH) to approve a credentialing entity to develop and administer a certification process for recovery residences. The bill establishes additional requirements for that credentialing entity. By October 1, 2017, the credentialing entity must submit a list of the recovery residences that have a certificate of compliance to DHMH. By November 1, 2017, DHMH must publish a list of each credentialing entity and the credentialing entity’s contact information on its website; likewise, a credentialing entity must publish a list of the recovery residences that hold a certificate of compliance on its website. A credentialing entity’s published list must include only the owner of the recovery residence and the owner’s contact information. The bill also prohibits a person from advertising, representing, or implying to the public that a recovery residence is a certified recovery residence unless the recovery residence has a certificate of compliance. Violation is subject to a civil penalty of up to \$1,000 for each offense, assessed by DHMH. DHMH must consider specified factors when determining the amount of the civil penalty to assess.

**Fiscal Summary**

**State Effect:** General fund expenditures for DHMH increase by at least \$50,000 in FY 2017 and by at least \$100,000 annually thereafter for DHMH to continue to provide grant funding to a credentialing entity, as discussed below. Revenues are likely not materially affected.

(in dollars)	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	50,000	100,000	100,000	100,000	100,000
Net Effect	(\$50,000)	(\$100,000)	(\$100,000)	(\$100,000)	(\$100,000)

*Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate effect*

**Local Effect:** None.

**Small Business Effect:** Potential minimal.

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## Analysis

**Bill Summary:** “Credentialing entity” means a nonprofit organization that develops and administers professional certification programs according to nationally recognized certification standards. “Recovery residence” has the same meaning as in § 7.5-101 of the Health-General Article.

The credentialing entity must (1) establish certification requirements; (2) establish processes to administer the application, certification, and recertification process; (3) establish processes to monitor and inspect recovery residences; (4) conduct an on-site inspection of a recovery residence before issuing a certificate of compliance and at least once during each certification renewal period; and (5) issue a certificate of compliance on approval of the application process and the inspection.

A certificate of compliance is valid for one year from the date of issuance. The credentialing entity may revoke the certificate of compliance if the credentialing entity finds that the recovery residence is not in compliance with requirements.

**Current Law/Background:** 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 over 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 monitor the conditions of the grant award and also participate 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 funds for recovery housing. The

three-year grant to M-ROCC/M-SARR 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.

**State Expenditures:** BHA advises that, to certify *all* recovery residences (not just those funded by BHA), grant funding must continue to be provided after the January 1, 2017 expiration of BHA's three-year contract with M-ROCC/M-SARR. That contract is funded at \$100,000 a year. Therefore, general fund expenditures increase by at least \$50,000 in fiscal 2017 and by at least \$100,000 annually thereafter.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** HB 1411 (Delegate McMillan, *et al.*) - Health and Government Operations.

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

**Fiscal Note History:** First Reader - March 3, 2016  
min/ljm Revised - Senate Third Reader - April 4, 2016  
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