

**Department of Legislative Services**  
Maryland General Assembly  
2025 Session

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

House Bill 722

(Delegate Rosenberg)

Health and Government Operations

Finance

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**Maryland Department of Health - Report on Oversight of Substance Use  
Disorder Treatment Programs and Recovery Residences**

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This bill requires the Maryland Department of Health (MDH), by December 1, 2025, and December 1, 2026, to report to specified committees of the General Assembly on the revision to Maryland regulations (COMAR 10.63), and improvements to oversight of substance use disorder (SUD) treatment programs and procedures for the certification and oversight of recovery residences. The reports must include, to the extent authorized by law, an analysis of how regulatory revisions and other changes will prevent specified incidents, including patient relapse and death while enrolled in an SUD program and housed in provider-owned buildings. **The bill takes effect July 1, 2025.**

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**Fiscal Summary**

**State Effect:** MDH can likely handle the bill's reporting requirements with existing budgeted resources, as discussed below. Revenues are not affected.

**Local Effect:** None.

**Small Business Effect:** None.

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**Analysis**

**Current Law:** Maryland regulations (COMAR 10.63.03) specify the accreditation-based licensure criteria for several substance-related disorder treatment programs ranging from outpatient treatment level 1 programs that provide treatment for less than 9 hours a week for adults (or 6 hours for minors) to individuals who are able to function in their usual environment to residential-intensive (American Society of Addiction Medicine or ASAM

Level 3.7) programs that provide medical monitored, intensive treatment in an intermediate residential care facility for a minimum of 36 hours of therapeutic services per week on a planned regimen of 24-hour evaluation, care, and treatment that meets the requirements for withdrawal management services. Substance-related disorder treatment programs located in a State or local correctional facility must also meet the specified requirements and obtain a license before operating.

ASAM Levels of Care classify treatment services for substance-related disorder treatment. There are five broad levels of care and subsets within these levels to represent gradations of intensity of services and certain benchmarks:

- Level 0.5: early intervention;
- Level 1.0: outpatient services;
- Level 2.0: intensive outpatient/partial hospitalization services;
- Level 2.1: intensive outpatient services;
- Level 2.5: partial hospitalization services;
- Level 3.0: residential/inpatient services;
- Level 3.1: clinically managed, low-intensity residential services;
- Level 3.3: clinically managed population-specific high-intensity residential services;
- Level 3.5: clinically managed, high-intensity residential services;
- Level 3.7: medically monitored, intensive inpatient services; and
- Level 4.0: medically managed, intensive inpatient services.

Chapter 580 of 2017 requires MDH to publish a list on the MDH website of each recovery residence operating in each county in the State. The list, which must be posted by November 1, 2017, must indicate whether the owner of a recovery residence has received a valid certificate of compliance. In addition, a behavioral health program or health professional must provide an individual with a list of certified recovery residences and provide an individual who has been assessed as in need of ASAM Level 3.1 services with information on where the individual may receive those services when referring the individual to receive services at a recovery residence.

**State Expenditures:** Under the bill, MDH must submit two reports on the revision of regulations and improvements to specific oversight and procedures. MDH advises that it requires four additional staff (one full-time health policy analyst, two full-time program administrators, and one part-time administrator) to oversee continuous revision of COMAR 10.63, including procedures for overseeing SUD treatment programs and recovery residences. This would increase general fund expenditures by an estimated \$318,716 in fiscal 2026, with ongoing costs in future years.

However, as the bill requires MDH to *report* on revisions and improvements rather than to implement specific revisions and improvements, the Department of Legislative Services notes that MDH should be able to handle the reporting requirements with existing budgeted resources.

To the extent that MDH determines that there is a need for additional oversight or to implement identified improvements that cannot be handled with existing resources, additional personnel may be needed in the future but any such need is not due specifically to the bill.

**Additional Comments:** On December 20, 2024, *The New York Times* published an [investigative report](#) about PHA Healthcare, a company that ran an SUD treatment program in Baltimore City and placed some patients in apartment buildings filled with rampant drug use, leading to overdoses and deaths. MDH issued PHA a cease-and-desist order on December 23, 2024. The program ended its treatment services as of January 24, 2025, though some patients still live in housing provided by PHA.

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### Additional Information

**Recent Prior Introductions:** Similar legislation has not been introduced within the last three years.

**Designated Cross File:** None.

**Information Source(s):** Maryland Department of Health; Maryland's Office of Overdose Response; *The New York Times*; Department of Legislative Services

**Fiscal Note History:** First Reader - February 11, 2025  
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