



DEPARTMENT OF HEALTH

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

March 6, 2026

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

RE: Senate Bill 878— Health Facilities – Certified Recovery Residences – Unannounced Inspections — Letter of Concern

Dear Chair Beidle and Committee Members,

The Maryland Department of Health (the Department) respectfully submits this letter of concern for Senate Bill (SB) 878—Health Facilities – Certified Recovery Residences – Unannounced Inspections. SB 878 would require the Department to conduct at least two inspections each year of every certified recovery residence within the state. Following inspection, the Department must provide notice to each certified recovery residence of any deficiency identified and allow one month for correction. If a certified recovery residence fails to correct the deficiencies, the Department may instruct the credentialing entity to revoke its certification.

As drafted, the bill may result in Certified Recovery Residences transitioning to become another type of provider, potentially limiting the supply of sober living beds available to individuals in recovery, or the voluntary relinquishment of certification to avoid the twice-yearly unannounced inspections. Voluntary relinquishment of certification would result in the Department losing the ability to oversee the residence, which could affect the quality of housing available to individuals with substance-related disorder.

As of January 2026, there are 278 recovery residences located throughout the state. This would require at least 556 site visits annually under this bill. This bill would require Department staff to travel to, inspect sites, write up findings, and notify each certified recovery residence following inspection. For those residences with at least one deficiency finding, the Department would need to re-inspect within one month to ensure correction. If deficiencies are not fully corrected, staff would then need to notify the credentialing entity to revoke certification and follow-up to ensure the residence is no longer holding itself out as certified. This additional inspection volume represents a significant and ongoing strain on MDH staffing capacity and resources. Additionally, any recovery residence that lost certification would no longer be eligible for Maryland RecoveryNet (MDRN) funding. MDRN supports only recovery residences holding a valid certification from the Maryland Certification of Recovery Residences.

As drafted, the bill's estimated fiscal note is over \$1.4 million in FY2027, with substantially similar costs in subsequent years, as the workload cannot be absorbed by existing staff. To fulfill the obligations associated with twice-yearly unannounced inspections of the nearly 300

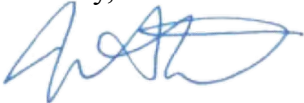
residences and the more than 2,000 beds within those residences, an additional 11 staff would be needed to ensure all inspections could be carried out, and any deficiency-related re-inspections conducted within 30 days of a related finding.

Beyond fiscal considerations, the Department raises several programmatic concerns. Certification of recovery residences is voluntary. If SB 878 becomes law, the Department anticipates that the substantial compliance requirements associated with unannounced inspections, combined with the limited timeframe to correct identified deficiencies, may incentivize certified recovery residence to:

- (1) **Transition to licensed providers**, likely Level 3.1 Residential Low Intensity programs, which would not require twice-yearly unannounced inspections. The Department's Behavioral Health Administration would then need to fulfill requests to transition programs from certified to licensed to ensure compliance with the Code of Maryland Regulations (COMAR) 10.63 et. seq. including achieving and maintaining accreditation and potentially enrolling in Maryland Medicaid as these treatment services are reimbursable.
- (2) **Transition to Level 2.5 Substance-Related Disorder Treatment Partial Hospitalization Programs**, which do not provide housing and would not require twice-yearly unannounced inspections. The Department's Behavioral Health Administration would similarly need to manage these transitions to ensure COMAR compliance, including achieving and maintaining accreditation. As with Level 3.1 programs, these treatment programs may enroll in Maryland Medicaid.
- (3) **Opt out of voluntary certification altogether.** Certified recovery residences may perceive the burden of twice-yearly unannounced inspections as prohibitive and choose to forego certification. The Department has no legal authority to oversee non-certified recovery housing; consequently, the quality housing for individuals in recovery from substance-related disorders may decline as the number of certified recovery residences decrease statewide.

The Department appreciates the Committee's consideration of these concerns. For additional information, please contact Meghan Lynch, Director of Governmental Affairs at meghan.lynch@maryland.gov.

Sincerely,



Meena Seshamani, MD, PhD
Secretary of Health