

Pa. is on the brink of regulating recovery homes for the first time. Here's what you need to know.

by Ed Mahon of Spotlight PA | Oct. 25, 2021



Department of Drug and Alcohol Programs Secretary Jen Smith, seen here at the 2nd annual Overdose Awareness & Memorial Day event on the front steps of the Pennsylvania State Capitol Complex.

HARRISBURG — The Wolf administration has cleared one of the final hurdles to enact oversight of Pennsylvania's drug and alcohol recovery homes, an effort aimed at protecting vulnerable people from being exploited by unscrupulous owners. But the regulations aren't a done deal yet, and it's possible lawmakers who worry the rules go too far will intervene. An independent state commission signed off Oct. 21 on a voluntary licensing system that would make recovery homes subject to inspections and new requirements. The

panel rejected a previous version after some recovery home operators, addiction treatment advocates, and county officials raised concerns that the rules could hurt the very people they aim to protect.

The chair of a key state House committee — which could vote to put the brakes on implementing the rules — supported creating the oversight system but told Spotlight PA he fears recovery home operators will see the regulations as too burdensome. "If nobody's signing up, then nobody's working towards these standards, then we're pretty much in the same universe we're in right now," state Rep. Frank Farry (R., Bucks) said.

Here's what you need to know about the rules, why they've created so much debate, and what comes next.

What is a recovery house?

The homes are supposed to offer safe places to live, along with rules, such as curfews, to help people avoid drugs and alcohol. The cost for residents varies, but the president of a recovery home association in western Pennsylvania told state officials earlier this year that people typically pay about \$450 to \$500 a month in rent.

People move into recovery homes after leaving a licensed residential addiction treatment facility or jail, and they often have few resources. A seemingly small rent difference — say \$15 to \$20 a week — could be the deciding factor on where to live for someone making \$10 an hour or less, an official with the Bucks County Recovery House Association told state officials.

Why does the state say more oversight is needed?

Lawmakers approved stricter oversight in December 2017, requiring the Department of Drug and Alcohol Programs to create either a license or certification system for recovery homes. Wolf administration officials say oversight will save lives and provide greater support for people struggling with addiction. "Nationally, amid an opioid epidemic, the treatment community has seen a recent influx of unscrupulous individuals who seek to enrich themselves by exploiting those in recovery," the department wrote as it submitted the regulations for approval.

The opioid epidemic is an urgent issue in Pennsylvania, a state that in 2019 ranked fifth in the nation for its drug overdose death rate. Overdose deaths rose here in 2020, killing more than 5,200 people, according to a preliminary estimate from the Centers for Disease Control and Prevention.

Separately, Spotlight PA and other news organizations have reported that the current system's lack of oversight can leave people with addiction and their loved ones in the dark about the track record of recovery homes and the people running them. An investigative statewide grand jury report, released in 2019, alleged that a Bucks County-based treatment provider used recovery homes as part of an elaborate and complex insurance fraud scheme. And a grand jury report in July alleged two Philadelphia licensed addiction treatment providers paid illegal kickbacks to recovery homes.

But some recovery home operators have told state officials the Wolf administration's proposals would create too much hardship. "If these regulations go into law, the 'good actors' will close, and the 'rogue houses' who do not follow any guidelines and do not report to anyone will continue to exist," wrote Tracey Long, CEO of recovery home operator True Light. "This will deny people in need of recovery housing any good options."

Are the new rules mandatory?

The licensing system is voluntary, but some critics of the proposal say the language is so broad that homes will be forced to sign up in order to survive. Federal or state funding for services will be limited to licensed homes. Once the system is in place, people who operate unlicensed homes that receive federal, state, or county funding could be fined up to \$1,000 for each violation.

Only licensed recovery houses will be able to receive referrals from state agencies and state-funded facilities. The 2017 law that required the creation of the regulations did not specify what qualifies as "state-funded." But an attorney who has represented recovery home operators said state-funded addiction treatment facilities, correctional facilities, and organizations that receive a state grant, such as a domestic abuse agency or homeless shelter, will fall under the rule.

Department of Drug and Alcohol Programs officials said the list appeared accurate, but they stressed that the referral requirements came from the legislation itself, not the regulations the agency drafted. And, regardless of where people are referred to, they can make the decision to live in any recovery house they choose, a department spokesperson said.

What does a home have to do to get a license?

To obtain a license from the Department of Drug and Alcohol Programs, recovery homes will have to complete State Police criminal background checks for all staff and volunteers, develop written policies to protect resident rights, maintain records of payments, and meet other requirements. Licensed houses must agree not to discriminate against residents, workers, or volunteers based on their gender identity, and houses can't control which treatment facilities residents attend. The department will have the power to inspect homes, including unannounced visits in response to complaints.

How many homes will sign up?

Because recovery homes aren't currently regulated, no one knows how many there are in the state. Still, the Department of Drug and Alcohol Programs estimates about 600 recovery houses will seek a license.

How much will the changes cost homes and residents?

The department acknowledged people living in recovery homes may pay higher monthly fees, but it didn't estimate by how much. Homes will have to pay a \$250 application fee then the same amount annually to renew the license. They could face higher costs for violations. The department estimated that administrative costs, such as for training and maintaining accounting documents, won't exceed \$3,500 annually for a home. Additionally, homes may have to pay up to \$600 for some one-time costs, including for records and medication storage, as well as a fire exit ladder, the department said.

William Stauffer, executive director of the Pennsylvania Recovery Organizations Alliance, said he thinks the department is underestimating the total costs for recovery home operators. "My primary concern is that the people who have to use these houses, they may not be able to afford to live there, and so then they end up in unsafe housing," Stauffer told Spotlight PA.

Why did it take so long to put these rules in place?

Under the 2017 law, the Department of Drug and Alcohol Programs was supposed to have a licensing or certification system in place by June 2020. But the amount of feedback the department received on an early draft, other priorities it pursued, and the coronavirus pandemic all contributed to the delay, Spotlight PA reported earlier this year.

Since March, the department has submitted several versions of the proposal for formal approval to the state's Independent Regulatory Review Commission. In its latest version, the department eliminated one of the more expensive requirements: an independent financial audit, which the department had earlier estimated would cost about \$10,000 every other year. Jordan Lewis, policy director for the department, told the commission the latest rules strike the appropriate balance, keep the health of people in recovery at the forefront, and reflect a willingness to listen to feedback.

Despite the changes, some recovery home operators, the Allegheny County government, and Stauffer with the Pennsylvania Recovery Organizations Alliance raised concerns about the burden on homes. Still, the Independent Regulatory Review Commission unanimously approved the rules.

What happens now?

A spokesperson for the Department of Drug and Alcohol Programs said it expects to require compliance with the new regulations by May or June 2022. The Office of Attorney General must still review the rules, while lawmakers have the option to intervene and potentially block the rules — something one key Republican is weighing. In a letter, the chair of the Independent Regulatory Review Commission told lawmakers in the House and Senate they had until the first week of November to pass a resolution objecting to the regulations, which would kick off a complicated timeline for action that would at least delay the rollout.

If the committees don't act, the department can move forward. Farry, chair of the House Human Services Committee, said he plans to talk about options with fellow committee members. The office of Sen. Michele Brooks (R., Mercer), chair of the Senate Health and Human Services Committee, declined to say whether the committee intended to take any action. Ahead of votes before the Independent Regulatory Review Commission, some recovery home advocates suggested a lawsuit over the rules is possible, but they didn't directly threaten to sue.

What information will the public have access to?

The department plans to create an online registry of licensed drug and alcohol recovery houses, including the name of the house, the street address, and maximum occupancy. The agency plans to make citations and licensing information publicly available, similar to the system it uses for licensed addiction treatment facilities, a spokesperson for the department told Spotlight PA.

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