REPORT OF THE SECRETARY OF HEALTH AND HUMAN RESOURCES

Report on the SB838 Recovery Residences Workgroup (Chapter 608, 2025)

TO THE GENERAL ASSEMBLY OF VIRGINIA

SENATE DOCUMENT NO. 11

COMMONWEALTH OF VIRGINIA
RICHMOND
2025

COMMONWEALTH of VIRGINIA

Office of the Governor

Janet Vestal Kelly
Secretary of Health and Human Resources

December 16, 2025

To: The Honorable Glenn Youngkin, Governor of Virginia
The Honorable Winsome Earle-Sears, Lieutenant Governor of Virginia
The Honorable L. Louise Lucas, President pro tempore, Virginia Senate
The Honorable Don Scott, Speaker, Virginia House of Delegates

From: Janet V. Kelly, Secretary of Health and Human Resources

RE: Chapter 608, 2025 Virginia Acts of Assembly

Chapter 608 of the 2025 Virginia Acts of Assembly directs the Secretary of Health and Human Resources to convene a workgroup and provide a report on findings and recommendations for state oversight of Recovery Residences. The language states:

2. That the Secretary of Health and Human Resources shall convene a work group to (i) analyze and make recommendations regarding the creation of a process through which the Department of Behavioral Health and Developmental Services (the Department) can provide oversight of all recovery residences in the Commonwealth and (ii) make recommendations to ensure transparency with the public and residents or potential residents of recovery residences regarding the certification of each recovery residence, including certification requirements, results, and inspections. Such work group shall develop credentialing guidelines to be implemented by the Department, including (a) a uniform 2 of 2 set of certification criteria for all recovery residences; (b) protocols for the Department to define qualifications for indigent bed fees and payment and reimbursement to recovery residences for indigent bed fees; (c) protocols to ensure resident and patient choice in receiving treatment and that the recovery residence operator, the house manager, or anyone in leadership with the recovery residence is not determining the treatment received; (d) training and standards that recovery residence operators and house managers shall meet before becoming a certified recovery residence operator or a certified recovery house manager, including a verified period of participation in recovery; (e) a Residents' Bill of Rights, including a mandatory compliance requirement with such Residents' Bill of Rights by certified recovery residence operators and certified recovery house managers; (f) protocols for termination of residency; (g) uniform data collection for recovery residences with a transparent data platform; (h) establishment of a hotline for complaints involving or against recovery residences to facilitate investigations; (i) a process for investigation of complaints involving or against recovery residences to be conducted by the Department or the Department in coordination with the locality where the recovery residence is

located and not the credentialing entity; (j) protocols for sanctions on recovery residences, including decertification when appropriate; (k) methods for localities to conduct fire, building, safety, and health inspections of recovery residences; and (l) other issues related to recovery residences and their operators as the work group shall deem appropriate. Such work group shall include representatives of the Department's Office of Recovery Services, Oxford House, Inc., the Virginia Association of Addiction Professionals, the Virginia Association of Recovery Residences, representatives selected by the Virginia Association of Counties and the Virginia Municipal League, members of the community where the recovery residences are located, and other relevant stakeholders. The work group shall report its findings and recommendations to the General Assembly by November 1, 2025.

In accordance with this item, please find enclosed the report for Chapter 608. Staff are available should you wish to discuss this request.

CC: Nelson Smith, Commissioner of Department of Behavioral Health and Developmental Services

Report on the SB838 Recovery Residences Workgroup
(Chapter 608, 2025 Virginia Acts of Assembly)

November 1, 2025

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SB838 Recovery Residences Workgroup Report

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Executive Summary

Recovery residences are a vital part of Virginia's behavioral health system and play an essential role in addressing the opioid crisis. They provide safe, substance-free housing for individuals in recovery and serve as a bridge between treatment and independent living. However, the recent rapid growth of the recovery housing industry exposed serious gaps in oversight, safety, and transparency. Concerns from residents, families, law enforcement, and community leaders prompted the General Assembly to pass Chapter 608 of the 2025 Acts of Assembly (SB838), directing the Secretary of Health and Human Resources (HHR) to convene a workgroup to make recommendations for structuring state oversight and recommendations to empower individuals who use the recovery residences with information and transparency.

The SB838 Workgroup, established by HHR in coordination with the Department of Behavioral Health and Developmental Services (DBHDS), was charged with developing recommendations to improve certification, accountability, and transparency for all recovery residences operating in Virginia. The Workgroup's recommendations reflect a coordinated reform strategy aimed at ensuring that recovery residences in Virginia are safe, ethical, and effectively governed. Members of the Workgroup emphasized that meaningful oversight must balance the need for quality and accountability with the social-model philosophy of peer-based recovery that makes these homes effective, while being mindful to not inadvertently create an environment that would preclude individually run residences. Key priorities and outcomes included:

- **Establishing minimum certification standards** to ensure that every recovery residence operates in a safe, supportive environment that promotes dignity, autonomy, and self-directed recovery.
- **Reforming the Indigent Bed Program** to ensure short-term financial assistance is used as intended to help residents without financial means secure housing during early recovery.
- **Enhancing data collection and transparency** by establishing reporting requirements and creating public access to information about certification status, inspection results, and certain complaints.
- **Strengthening DBHDS authority and staffing capacity** to conduct inspections, investigate complaints, and enforce compliance across the recovery residence system.
- **Clarifying licensing and human rights obligations** for certain residences that provide structured programming or receive state funding.

Collectively, these recommendations establish a path toward a meaningful certification and oversight system that protects residents, supports responsible operators, and gives communities confidence that recovery housing in Virginia is safe, transparent, and accountable.

Introduction

The Role of Recovery Residences in Virginia's Behavioral Health System

A recovery residence is defined in Va. Code § 37.2-431.1 as a housing facility that provides alcohol-free and illicit drug-free living environments for individuals with substance use disorders and individuals with co-occurring mental illnesses and substance use disorders that does not include clinical treatment services. They provide safe, stable, and supportive living environments that foster peer accountability, personal responsibility, and long-term recovery. Residents typically engage in mutual support, household governance, and community participation, all of which are essential components of recovery. These homes serve as a pathway to stability and community, helping residents bridge the gap between treatment and independent living.

Recovery residences are distinct from licensed clinical facilities. While licensed providers deliver treatment and clinical interventions, recovery residences focus on providing safe housing and peer-based recovery supports. Together, these models form a critical continuum of recovery-oriented care, bridging the gap between treatment and independent living.

History of Recovery Residences in Virginia

Over the past several decades, recovery residences have become an essential part of Virginia's behavioral health landscape. The first formal recovery housing in Virginia emerged through the Oxford House model, which introduced the peer-run, self-governed approach that remains foundational to many programs today. The Virginia Association of Recovery Residences (VARR) later became the state affiliate of the National Alliance for Recovery Residences (NARR), establishing state-level standards and a credentialing process consistent with national best practices.

In 2018, the General Assembly codified recovery residences in Virginia law through Va. Code § 37.2-431.1, formally defining recovery residences and charging DBHDS and the State Board of Behavioral Health and Developmental Services (Board) with certification and oversight responsibilities. The statute authorizes the Board to adopt regulations for certification and to require accreditation or membership in a credentialing agency such as VARR or Oxford House. Under 12VAC35-260-20, recovery residences must hold an Oxford House charter or VARR credential.

Va. Code § 37.2-431.1 requires DBHDS to maintain a public list of certified and conditionally certified residences that must specify the credentialing entity, identify the level of support for VARR-accredited homes, and include a disclosure that Oxford Houses are self-governed and unstaffed. Subsection B of Va. Code § 37.2-431.1 also requires these disclosures to be provided to prospective residents.

Va. Code § 37.2-431.1 further requires compliance with the greater of either the credentialing entity's square footage standards or those established in Va. Code § 36-105.4 of the Virginia

Uniform Statewide Building Code, which mandates that each bedroom contain at least 70 square feet for one occupant or 50 square feet per person for shared rooms. These occupancy standards are designed to ensure safe living conditions in all certified residences.

As the demand for recovery housing grew across Virginia, the system expanded quickly, sometimes outpacing its own safeguards. Since that time, the recovery housing system has expanded significantly, reflecting increasing demand associated with the opioid crisis and other substance use challenges. The table below shows the number of credentialed recovery residences by DBHDS region:

DBHDS Region	Population	Area	Density	VARR Residences	VARR Operators	Oxford House Residences
1	1,675,372	13,148.80	127.42	14	6	34
2	2,547,686	1,315.10	1937.3	4	2	54
3	1,130,375	13,224	85.48	11	5	22
4	1,409,117	6,827.60	206.39	121	24	17
5	1,893,058	5,082.90	372.4	7	5	43
Totals				**157**	**42**	**170**

The table reflects population, area, and density data from the 2020 Census as reported in the DBHDS FY 2023 Overview of Community Services in Virginia report. Area is reported in square miles and density is reported in people per square mile. Data on VARR and Oxford Houses reflect the most recent lists published by the credentialing entity (October 2025 and April 2025 respectively).

Emerging Concerns and Calls for Reform

In the years leading up to the establishment of the SB838 Workgroup, former residents and staff of recovery residences, family and supporters of individuals in recovery, law enforcement, and other community stakeholders across Virginia increasingly raised concerns that the existing model for state oversight was not sufficient to protect safety and lacked transparency. Reports of unsafe conditions, inadequate oversight, inconsistent credentialing practices, and misuse of public resources led to growing calls for reform. Stakeholders described an environment where some operators were deeply committed to recovery, while others exploited regulatory gaps, eroding public trust and putting residents at risk.

Community members, including those with lived experience, urged the General Assembly to strengthen oversight and transparency and to examine how state funding was distributed to recovery residences. These concerns, along with evidence collected and community testimony, made clear that the existing legal and regulatory framework did not protect residents or support accountability across the system.

Legislative and Regulatory Evolution Leading to SB838

The General Assembly took several incremental steps before passing SB838 to address the growing need for stronger oversight. Chapter 30 of the 2024 Acts of Assembly amended Va. Code § 37.2-431.1 to require recovery residences to report to DBHDS any death or serious injury

occurring in the home. This marked the first statewide requirement for safety reporting. DBHDS implemented this change through fast-track regulations effective July 1, 2024, which defined "Serious Injury" as any injury resulting in bodily harm requiring medical attention by a licensed clinician and required reporting within 48 hours of discovery.

SB838 also amended the definition of "recovery residence" in Va. Code § 37.2-431.1 to remove language limiting certification to DBHDS-recognized programs. This change ensured that any housing facility providing alcohol- and drug-free living for individuals in recovery must be certified, closing gaps that had allowed uncertified operations to function outside of oversight.

Prior to SB838, recovery residences were subject to civil penalties of $200 to $1,000 per violation for noncompliance. SB838 strengthened enforcement by reclassifying such violations as a Class 1 misdemeanor. It also authorized DBHDS to issue conditional certifications for up to six months, renewable for three months, to residences pursuing accreditation by or membership in a credentialing agency. DBHDS began implementing this process effective July 1, 2025, under the Board's exempt regulatory action currently in final executive branch review.

Further, SB838 included a provision that conditional certification may be revoked for serious health and safety concerns to ensure that certification system has safeguards for negligent operators or residences.

Historically, the budget appropriated funds to VARR for grants to its member organizations. The FY 2025–FY 2026 Biennial Budget appropriated $1,950,000 each fiscal year for this purpose. The FY 2026 budget amendment redirected these funds to DBHDS, establishing the agency as the administrator of grants to certified recovery residences. This shift aligned funding oversight with the agency's regulatory responsibilities.

Implications for DBHDS Licensing and Human Rights Requirements for Certain Residences

Licensing

Va. Code § 37.2-431.1 specifies that recovery residences do not provide clinical services. Providers must be licensed to provide clinical services in a residential setting. DBHDS regulations define requirements for the following residential services for substance use disorder treatment[3]:

Clinically Managed Low-Intensity Residential Services Level of care 3.1
Clinically Managed Population-Specific High Intensity Residential Services Level of care 3.3
Clinically Managed High-Intensity Residential Services Level of care 3.5

Human Rights

Providers of services that are licensed, funded, or operated by DBHDS must comply with the Human Rights Regulations in 12VAC35-115, which define and protect assured rights of individuals receiving services in Virginia. These Regulations define "Provider" as any person, entity, or organization that delivers services for the treatment of a mental illness, substance use disorder, or developmental disability. Services are defined as care, training, habilitation, interventions, or other supports. "Recovery Residence" is defined as a housing facility that provides alcohol-free and illicit-drug-free housing to individuals with substance abuse disorders and individuals with co-occurring mental illnesses and substance abuse disorders that does not include clinical treatment services.

According to the NARR standards, a level 3 recovery residence "…delivers weekly, structured programming including peer-based and other recovery support services (e.g. recovery and resiliency groups or person-driven recovery plans) and life skills development programming (e.g., job readiness or budgeting)." As such, they would meet the definition of a provider delivering a service; and any level 3 recovery residence that is funded by DBHDS would be required to follow the human rights regulations (12VAC35-115). Level 4 residences offer clinical treatment services and are required to be licensed by DBHDS. As a licensed provider, they also, are required to follow the human rights regulations.

Third Party Credentialing Entities Currently Recognized in Virginia's State Certification for Recovery Residences

Virginia Association of Recovery Residences (VARR)

The National Association of Recovery Residences is recognized by SAMHSA and the ASAM 4th Edition. NARR establishes quality standards for certifying recovery residences across four levels of support. As the Virginia state affiliate for the National Association for Recovery Residences (NARR), VARR is responsible for accrediting recovery residences throughout Virginia in accordance with the NARR 3.0 Standards and a Social Model of Recovery.

VARR is a 501(c)(3) non-profit that is comprised of a board of directors, an executive committee, and staff who report to the board. In 2024, there were 39 organizations operating 133 VARR accredited recovery residences with a total of 1,377 accredited beds. The following table and summaries of each NARR level of support were presented by VARR at the first SB838 Workgroup meeting on May 29, 2025:

Current NARR Levels	New ASAM/NARR Types	Defining Characteristics
Level 1	Type P	**Peer-run,** decisions made solely by residents
Level 2	Type M	**Managed** environment; house rules, appointed resident leader.
Level 3	Type S	**Supervised** activities, staffing, life skills programming.
Level 4	Type C	**Clinical** services included.

- **Level I (Peer-run)** are democratically run alcohol and illicit substance-free recovery homes. Oxford Houses™ are the most widely known example and researched as indicated by their inclusion in SAMHSA's National Registry of Evidence-based Programs and Practices (Substance Abuse and Mental Health Services Administration 2023). Level I recovery residences maintain a recovery-supportive culture and community using house rules and peer accountability. The key characteristic of a Level I is that they are democratically governed.
- **Level II (Monitored)** are frequently called sober homes or sober living. They are alcohol and illicit substance-free recovery housing that utilize house rules and peer accountability to maintain safe and healthy living environments. Senior residents, appointed by the owner/operator to serve as the head of household, are typically called the House Manager. To serve higher needs/lower recovery capital populations, such as transition aged youth (e.g., youth 16-25 years of age) with opioid use disorders, some Level II's provide recovery support services and life skills development but at a lower intensity than Level III's.
- **Level III (Supervised)** delivers weekly, structured programming including peer-based and other recovery support services (e.g., recovery and resiliency groups or person-driven recovery plans) and life skills development programming (e.g., job readiness or budgeting). Staff are supervised, trained, or credentialed and are often graduates of a recovery residence. Level III's are designed to support populations who need more intense support in developing recovery capital than provided by Level I or Level II. Level III's are required to be licensed in a few states, reflecting the therapeutic nature of the services provided.
- **Level IV (Clinical)** integrates the social and medical model typically using a combination of supervised peer and professional staff. In addition to peer-based recovery support, recovery support services, and life skills development, Level IV residences offer clinical addiction treatment. While all Level IV residences are licensed treatment programs, not all licensed treatment programs would qualify as a social model-based Level IV recovery residence. Throughout the 1990s, many treatment programs discontinued their social model elements, a distinct departure from today's residential community approach. An example of a Level IV is a recovery residence that implements social model care in a therapeutic community.

While NARR standards define Level 4 as a recovery residence that provides clinical services, § 37.2-431.1 specifies that recovery residences cannot provide clinical services. Therefore, in Virginia such residences cannot be state certified as recovery residences. Accordingly, such residences would also be prohibited from advertising themselves as "recovery" residences by Code § 37.2-431.1. Residences accredited by VARR as level four recovery residences must be licensed to operate by DBHDS as licensed residential providers.

VARR summarized their accreditation process noting the following requirements:

Submission of online Application for Accreditation	Staff interviews
Verification of State Corporation Commission (SCC) legal entity status	On-site physical inspection
Verification of liability insurance coverage	Signed documentation of VARR Code of Ethics, VARR Assurances, and Certification & Compliance Agreement
Letter from property owner acknowledging and approving use of property for recovery residence	Completion of training requirements within 120 days of accreditation
Submission of staff and resident policy & procedures for review to ensure they align with NARR standards	Annual on-site inspections required to maintain accreditation

Oxford House

Oxford House is a peer-managed recovery housing model designed to support individuals recovering from substance use disorders (SUDs). It operates as a network of democratically run, self-sustaining residences that emphasize mutual accountability and long-term recovery. The model is distinct from traditional staffed recovery residences in both structure and governance. This model is supported by multiple independent research studies, which have found high rates of abstinence and positive social outcomes among residents. The structure and governance of Oxford House are central to its operational integrity and are designed to foster long-term recovery through peer support and shared responsibility. As of June 2025, Oxford House has chartered 171 houses representing 1,409 beds in Virginia.

Model Structure

Oxford Houses are gender-specific, long-term rental homes typically accommodating 6 to 14 residents in standard residential neighborhoods. The model includes three conditions for charter:

1. Democratic Self-Governance according to the Oxford House System of Operations: Each house is managed by its residents without external staff or operators. Leadership roles are filled through elections, with six officer positions—President, Secretary, Treasurer, Comptroller, Coordinator, and Housing Services Committee Representative—with six month term limits. Weekly house meetings are held to manage operations and make collective decisions.
2. Financially self-supporting: Residents contribute equally to household expenses through a weekly Equal Expense Share (EES), which covers Rent, utilities, house supplies, chapter dues, start-up loan, and furniture upgrades. Houses maintain their own bank accounts and financial records, and no revenue is extracted to compensate staff, operators, or certifying organization

3. Immediately expel any member who has a recurrence of use: Certified recovery residences are exempt from Virginia landlord-tenant law. This policy is enforced by peers and is intended to maintain a safe and sober living environment. “Immediate” is relative based on safety; attempt to refer, “relapse contingency plan”.
    - Immediate expulsion: violence/threats of violence, illegal activity, theft in house, failure to address recurrence of use
    - Non-immediate: nonpayment of EES, other behaviors disruptive to the house and house operations

Organizational Framework

Oxford House, Inc. (OHI), a national 501(c)(3) nonprofit organization, provides the overarching structure and support for individual houses. Its responsibilities include:

- Chartering and Compliance: OHI issues charters to houses that agree to follow the Oxford House Manual and its Nine Traditions. It monitors compliance through regular communication and technical assistance.
- Field Staff Support: OHI employs outreach workers and regional managers who provide training, assist with new house development, and support compliance. These staff are funded through public grants and contracts, not by the houses themselves. In Virginia, five field staff currently support 171 Oxford Houses.
- Chapter and State-Level Coordination: Houses are grouped into local chapters (typically 3–13 houses) that provide mutual support, training, and compliance monitoring. Chapters form state associations that coordinate broader initiatives, including fundraising, financial assistance, compliance monitoring, and community engagement.
- Grievance and Oversight Mechanisms: OHI and VA staff maintain a grievance process and provides technical assistance to address issues within houses. It does not have financial interests in individual houses, which supports impartial oversight.
- International Governance: The Oxford House World Council contributes to policy development and hosts an annual convention to guide organizational direction.

Purpose and Charge of the SB838 Workgroup

SB838 charged HHR to develop recommendations to ensure public transparency, consistent standards, and accountability in the certification and oversight of recovery residences. The Workgroup was directed to consider:

- Development of uniform certification criteria, including requirements for resident choice and protocols for indigent bed funding;
- Creation of uniform data collection and public reporting mechanisms;
- Establishment of a complaint and investigation process coordinated across state and local agencies; and
- Clarification of the relationship between recovery residences, licensing, and human rights protections.

Subgroup 1 focused on requirements for certification, while Subgroup 2 addressed state and local government oversight, as follows:

Subgroup 1: Requirements for Certification
Develop guidelines to be implemented by DBHDS, including:

- a uniform set of certification criteria for all recovery residences;
- protocols to ensure resident and patient choice in receiving treatment and that the recovery residence operator, the house manager, or anyone in leadership with the recovery residence is not determining the treatment received;
- protocols for DBHDS to define qualifications for indigent bed fees and payment and reimbursement to recovery residences for indigent bed fees; and
- protocols for termination of residency.

Subgroup 2: State and Local Government Oversight
Develop guidelines to be implemented by DBHDS, including:

- uniform data collection for recovery residences with a transparent data platform;
- establishment of a hotline for complaints involving or against recovery residences to facilitate investigations;
- a process for investigation of complaints involving or against recovery residences to be conducted by DBHDS or in coordination with the locality where the recovery residence is located and not the credentialing entity;
- protocols for sanctions on recovery residences, including decertification when appropriate; and
- methods for localities to conduct fire, building, safety, and health inspections of recovery residences.

Summary of Workgroup Activities

HHR hosted three full Workgroup meetings in May and September of 2025, and two subgroups during this time period for a total of six additional meetings. Opportunities for public comment were provided at all workgroup and subgroup meetings, and written comment was also encouraged and accepted.

The Workgroup expressed significant desire and interest in continuing to be an active part of the development and implementation of these recommendations.

Workgroup Presentations

- DBHDS presented a background review of statutory and regulatory requirements and national best practices for recovery residences as summarized in the background section.
- The Virginia Association of Recovery Residences (VARR) provided an overview of the National Association of Recovery Residence (NARR) standards and reviewed VARR's process for accrediting recovery residences in the Commonwealth. The presentation reviewed data on VARR houses, noting that in 2024 there were 39 organizations operating 133 VARR accredited recovery residences with a total of 1,377 accredited beds in Virginia. VARR provided an overview of their funding sources and the services they

provide, including peer support and the social model of recovery, and concluded with a review of the data and metrics provided in the VARR annual report. Oxford House Inc. presented on the Oxford House model and philosophy, noting that as of June 2025 they chartered 171 houses representing 1,409 total beds in Virginia.

- Henrico's Deputy County Manager for Public Safety presented on Henrico County's Community Based Housing for Individuals in the Recovery Process (CHIRP) program. (CHIRP) is a Henrico County initiative designed to support individuals recovering from substance use disorders by providing funding for short-term (two-week) access to certified recovery residences. The program is not a long-term housing solution but a means of supporting people to begin their recovery journey, seek employment, and establish a sustainable living situation which supports deflection and diversion of people who are at high risk of criminal justice involvement or currently involved in the criminal justice system. The presentation and materials shared with the workgroup reviewed the history and structure of the program, resident eligibility criteria, and quality and oversight requirements for residences.
- The National Sober Living Association (NSLA) presented to the workgroup to demonstrate an example of an accrediting agency that is not currently recognized in the state certification process. NSLA presented on their 12-step recovery model, accreditation process, and associated requirements.

Workgroup Discussion and Findings

The Workgroup identified areas of need for improved quality, public transparency, access, oversight and enforcement. A summary of the general findings of the Workgroup is provided below. Workgroup recommendations to address the needs identified in these findings are included in the next section of the report.

- **Quality** – The Workgroup noted that there was an overreliance on third-party credentialing agencies without adequate state support and oversight in the current Code, regulatory, and operational staffing structure for state certification. Members noted the need for the state to amend statute and dedicate additional staffing resources to establish minimum quality standards to protect the health and safety of residents, to monitor and ensure third-party credentialing entities meet state standards, and to create a pathway for residences to have the option to complete certification with the state without going through a third-party credentialing entity.
- **Public Transparency** – The Workgroup identified a need to expand data reporting requirements to support increased state oversight and public transparency. Public access to data on safety and quality of recovery residences also enables people to make informed decisions when selecting recovery residences.
- **Access** – The Workgroup identified key considerations to inform the distribution of funding to support people accessing recovery residences. Members discussed balancing the need to provide enough funding for each person to access an adequate number of bed days with the need to maximize the number of people with access to support.
- **Oversight and Enforcement** – The Workgroup identified a need to establish and communicate clear processes and procedures for residents, operators, and community

members to report complaints and coordination across government agencies to review and respond to them.

- **Impact on Recovery Residences –** The Workgroup recognized that while considering minimum standards and new structuring, it was important to ensure these new measures are done in a manner such that compliance does not overly burden those residences that are unstaffed and self-governed.

Recommendations

State Certification for Recovery Residences

Goal: DBHDS certification should include minimum standards to ensure residents living in recovery residences are in a safe and supportive environment that fosters self-directed care and freedom of choice. Standards and practices should be evidence based and refined through continuous evaluation, feedback, and real-world application, ensuring they remain relevant in identified environments. Standards should not be designed to replace self-run or self-supported recovery house philosophical approaches to recovery. They are intended to be used in conjunction with the respective Social Model of Recovery standards and practices of each entity.

Recommendation 1: Amend the Code of Virginia to authorize the Behavioral Health and Developmental Services (BHDS) State Board to promulgate regulations to establish minimum DBHDS certification standards tailored to align with national best practices that tie requirements to levels of support. Standards should permit but not require utilization of proprietary systems (e.g., remove budget language requiring adoption of ASAM).

Recommendation 2: Amend the *Code of Virginia* to authorize the BHDS State Board to require residences that require all residents to participate in the same outpatient treatment program as a condition of living in the residence to be licensed by DBHDS to operate.

DBHDS should issue guidance clarifying that existing regulations require that providers of residential clinical substance use treatment services (e.g., VARR Level IV, ASAM RR type C), shall be licensed by DBHDS to operate.

The Housing Commission should collaborate with DBHDS to study and make recommendations to establish requirements and restrictions for licensed providers of clinical substance use treatment services that offer housing that is not licensed or certified as a benefit to individuals participating in their treatment programs.

Recommendation 3: Amend the *Code of Virginia* to Authorize DBHDS to monitor third-party credentialing entities for compliance with requirements for inclusion in state certification.

Recommendation 4: Amend Va Code§ 37.2-431.1 to permit the agency to approve additional third-party credentialing entities that align with national best practices to participate in the DBHDS certification process.

Recommendation 5: Amend the *Code of Virginia* to restrict credentialing entities from being led by an individual(s) who owns/operates a recovery residence.

HHR recommends the General Assembly also consider requiring credentialing entities to contact DBHDS to select another state affiliate to provide the review for the credentialing process for residences owned/operated by an individual(s) who is an immediate family member, as the term is defined in Va. Code § 2.2-3101, to leadership of the Virginia credentialing entity.

Recommendation 6: The BHDS State Board should promulgate regulations, pursuant to existing authority established in Va. Code § 37.2-431.1, to authorize DBHDS to establish a process for operators to choose to apply for DBHDS certification independently or in conjunction with a third-party credentialing entity. This process should include provisions for third party credentialing or chartering entities to share information required for certification and certification renewal with DBHDS on behalf of the operators they represent including application form, policies and procedures, and inspection reports.

Recommendation 7: Amend the *Code of Virginia* to require DBHDS to inspect residences pursuing DBHDS certification and certified recovery residences seeking renewal of certification. Authorize DBHDS to inspect residences, at the agency's discretion, pursuant to investigation of serious incident reports and complaints. Of note, the Workgroup emphasized that implementation of this recommendation in particular would require a state investment in substantially increasing DBHDS staff resources as they do not currently inspect recovery residences.

Recommendation 8: Amend the *Code of Virginia* to authorize the BHDS State Board to promulgate regulations to authorize DBHDS to establish a process for application and approval of variances.

Recommendation 9: The BHDS State Board should promulgate regulations, pursuant to new authority referenced in Recommendation 1, to establish minimum requirements for storage of medication, to include appropriate processes for delivery to the residence.

Recommendation 10: The BHDS State Board should promulgate regulations, pursuant to new authority referenced in Recommendation 1, to authorize DBHDS to establish requirements for the certification application to include the actual square footage per person in each bedroom of the residence to ensure compliance with minimum requirements (noted in Recommendation #12) and the associated maximum number of beds to be operated in the recovery residence; documentation from the owner of the property that the applicant has permission from the owner to operate a recovery residence on the premises; a policy and procedures manual; and documentation of inspection pursuant to application.

Recommendation 11: The BHDS State Board should promulgate regulations, pursuant to new authority referenced in Recommendation 1, to establish minimum requirements for the policies and procedures manual to include information such as:

- Conflict of interest
- Incident reporting to DBHDS

- Medication use, access, and storage
- Record keeping and confidentiality
- Residence safety planning and crisis management including overdose reversal education & access to Narcan and process for referral for higher level of recovery supports and clinical services
- Searching for prohibited/hazardous items
- Substance use screening
- House Management and Resident Guidelines that include rules governing:
    - Respect and dignity
    - Substance free environment
    - Expectations on attendance in house meetings, support groups, etc.
    - Personal responsibility
    - Quiet hours
    - Visitors
    - Confidentiality
    - Consequences for violations
    - Conflict resolutions
- Recovery residence transparency
    - Information disclosure – to include policies and procedures manual, certification and credentialing status, number of beds approved to operate within the home, and financial practices/fee schedule
    - Notification of indigent bed day grant coverage
    - Declaration of non-discrimination (in accordance with federal and state fair housing law)
    - Resident rights and responsibilities- to include information on process for submitting complaints to operator, credentialing authority, and DBHDS
- Admission criteria
- Discharge process- define steps for voluntary and involuntary discharge processes including associated timeframes and provision of documentation clearly defining the specific reason for discharge to the resident. Define violations for which residents may be involuntarily discharged including process for return to use, and resident right to appeal,
    - HHR recommends consideration for establishing additional minimum requirements for discharge planning and documentation such as:
        - Crisis and relapse prevention plan: Information and emergency contact procedures to be used in the event of a crisis or relapse.
        - Referral and Support system contacts: A list of professional and informal contacts, such as counselors, sponsors, family members, or friends, who are part of the resident's support system.

Recommendation 12: The BHDS State Board should promulgate regulations, pursuant to new authority referenced in Recommendation 1, to establish minimum requirements for the physical space of the residence in addition to those established by state and local building codes, including the following information:

- Exterior condition of residence (signs of major deterioration or damage)

- Fire exit identification and accessibility
- Electricity (functionality & hazards)
- Water supply and sewer/septic connection
- No evidence of infestation
- Interior condition of residence (furniture, windows, walls, floors)
- Minimum standards for size of living area
    - 70 square feet for individual rooms and 50 square feet per person for shared rooms (currently required by Va. Code § 37.2-431.1.)
- Bathroom ratio maximum
    - Consider current requirements for similar residences
    - DBHDS currently requires a ration of 1 to 4 for licensed residential and inpatient locations established, constructed, or reconstructed after January 13, 1995 (12VAC35-105-370).
    - The Virginia Department of Social Services currently requires a 1 to 4 ratio for toilets and sinks and a 1 to 7 ratio for a bathtub or shower for buildings approved for construction or change in use and occupancy classification according to the statewide building code as of December 28, 2006 (22VAC40-73-920).
- 24/7 resident access to a house phone
    - The house phone may be a landline or mobile phone but cannot be the personal phone of a resident or staff and must be accessible to residents 24/7
- Provision of personal item storage space for each resident
- Provision of food storage space for each resident
- Security of residence
- Visible posting within the residence of certification and credentialing status and number of beds approved to operate within the home
- Safety and Condition of:
    - Water heater
    - Ventilation/Cooling Equipment
    - Heating Equipment
    - Appliances
    - Smoke and carbon monoxide detectors
    - Fire extinguishers
    - Tub/Shower, Sinks, Toilets

Recommendation 13: BHDS State Board should promulgate regulations, pursuant to existing authority, establishing requirements for renewing certification every two years. Requirements should include submission of application 90 days prior to the expiration of certification.

Indigent Bed Funding Program

Goal: The Indigent Bed Program (IBP) should provide short-term financial support for residents of recovery residences who lack the financial means to pay for housing during their early recovery journey. The program is intended to provide bed funding to individuals with limited financial resources while they engage in recovery planning, build recovery capital, connect with employment, benefits, healthcare, and community support. The program structure should be resident-driven, recognizing the diverse needs of recovery, and support needs-based utilization,

grounded in real-time assessments of individual financial status and engagement in recovery activities.

Recommendation 14: Pursuant to existing budget authority, DBHDS should establish eligibility criteria and an application process for individuals to receive indigent bed funding. The application process for indigent bed day funding should be structured to allow residents to request that the recovery residence complete the indigent bed day application on their behalf, operators and residents attest to resident income-based eligibility, and the application is dated and signed by the resident and the recovery residence's owner or designee.

Recommendation 15: Pursuant to existing budget authority, DBHDS should create a statewide tracking system to monitor individual utilization of bed days across providers and support eligibility determinations.

Recommendation 16: Pursuant to existing budget authority, DBHDS should establish a 30-day time period for initial approval and determine eligibility criteria for funding for an extension of 15-days annually.

Recommendation 17: Pursuant to existing budget authority, DBHDS should define requirements for temporary departures and weekend passes to permit an average of no more than two nights away from the residence per seven-day period with a hard cap set at seven consecutive days away from the residence.

Recommendation 18: Pursuant to existing budget authority, DBHDS should establish indigent bed day rates designed to include variables such as the number of individuals served and their duration of stay, geographic region, and should support the expansion of recovery residences in areas with low access.

Recommendation 19: Pursuant to existing budget authority, DBHDS should establish a new process for distribution of indigent bed day funds under which residences virtually submit a monthly encounter form for each resident using an indigent bed, with the invoice for reimbursement residence and resident identification, admission date, assigned bed number, and dates of utilization.

Data Reporting and Public Transparency

Recommendation 20: The BHDS State Board should promulgate regulations, pursuant to new authority referenced in Recommendation 1, to authorize DBHDS to expand data reporting requirements for certified and conditionally certified recovery residences. The Department should:

- Map data elements currently collected by credentialing entities to inform new requirements;
- Identify metrics that align with national best practices for evaluating efficacy of recovery residences (e.g., length of stay, abstinence outcomes, improvement in recovery capital) and define associated required data elements while allowing operator discretion for selecting assessment tool; and

- Define a process for credentialing and chartering entities to submit data elements on behalf of the operators they represent and for operators certified by DBHDS and not affiliated with a third-party credentialing organization to submit data elements to the agency.

Recommendation 21: DBHDS should define security/access for the data that the Department collects, distinguishing which data elements are publicly available and permit operators to access their organization's data. Data should be maintained and reported in a manner consistent with how data is managed for licensed services.

Recommendation 22: DBHDS should define data elements accessible to the public and update frequency for each. Such data elements may include:

- Certification status (certified, conditionally certified, decertified)
- Credentialing entity and recovery model
- Date of last inspection and outcome
- Number and type of incidents reported in the past year
- Summary of findings from audits or investigations
- Demographics and number of residents served
- Indigent bed usage

Submission and Investigation of Complaints

Recommendation 23: Amend the *Code of Virginia* to authorize the BHDS State Board to promulgate regulations to establish a process for submission and investigation of complaints for residences seeking conditional certification or certification, certified and conditionally certified recovery residences. This process should:

- Establish a clear path for residents to report certain complaints directly to DBHDS (including disclosure of timeframe for response); and
- Establish a standardized internal grievance escalation protocol for complaints submitted to operators and credentialing entities including criteria for mandatory referral of certain complaints to the appropriate government authority

HHR recommends that the General Assembly consider amending the *Code of Virginia* to authorize the BHDS State Board to promulgate regulations to authorize DBHDS to investigate serious incidents that are reported pursuant to current Code requirements.

Recommendation 24: DBHDS, in collaboration with stakeholders, should define responsibility for investigation and information sharing across government enforcement authorities (i.e., DBHDS, credentialing entities, law enforcement, local building authorities). DBHDS, The Office of the Executive Secretary of the Supreme Court, and the Department of Criminal Justice Services should collaborate to establish a model memorandum of understanding (MOU) for the enforcement of Va. Code § 37.2-431.1 prohibition on operation of a recovery residence without certification. The Virginia Municipal League, Virginia Association of Counties, Sheriffs' Association, and Chiefs of Police Association should be included in the development of a model MOU in an advisory capacity.

Recommendation 25: BHDS State Board should promulgate regulations, pursuant to new authority referenced in Recommendation 1, to authorize DBHDS to enforce a prohibition on the use of non-disclosure agreements that conflict with complaint reporting (consistent with protections established in 42 CFR Part 2).

Criteria & Process for Sanctions

Recommendation 26: Amend the *Code of Virginia* to further clarify the authority of the BHDS State Board to promulgate regulations to authorize DBHDS to develop protocols for denial of an application for certification or conditional certification and tiered violations and corrective action responses for conditionally certified and certified recovery residences that may include warning notices, probationary status, suspension of indigent bed funding, temporary admissions freeze, revocation of conditional certification, and decertification.

Recommendation 27: DBHDS should implement an appeals process for newly defined violations and corrective actions referenced in Recommendation 18 in accordance with the Virginia Administrative Process Act.

Recommendation 28: Amend the *Code of Virginia* to define a required timeframe for credentialing entities to report issued sanctions to the department.

Recommendation 29: The BHDS State Board should promulgate regulations to require residences to comply with applicable local ordinances as a condition of state certification. DBHDS should collaborate with localities to establish a process for localities to share information related residences' compliance with local ordinances with DBHDS.

The Workgroup acknowledged that implementation of these recommendations would require significant investment of DBHDS staff and resources.

Conclusion

Recovery residences remain an essential part of Virginia's behavioral health system and a lifeline for individuals rebuilding their lives in recovery. The reforms advanced through SB838 establish a framework for safety, accountability, and transparency while preserving the peer-based, community model that makes recovery housing effective. By authorizing new regulatory tools, expanding data and inspection authority, and clarifying funding and human rights obligations, the Commonwealth has taken a decisive step toward ensuring that every recovery residence in Virginia provides a safe, ethical, and supportive environment.

The Workgroup's recommendations form the foundation for continued collaboration among state agencies, providers, and local partners to build a unified certification and oversight system.

Implementation of these reforms will protect residents, support responsible operators, and strengthen public trust in recovery housing as a cornerstone of Virginia's response to addiction and mental health challenges.