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H.B. 58
(1_136_0402-4)
136th General Assembly

Fiscal Note & Local Impact Statement

[Click here for H.B. 58's Bill Analysis](#)

Version: In House Community Revitalization

Primary Sponsors: Reps. Pizzulli and Jarrells

Local Impact Statement Procedure Required: No

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Highlights

- The bill converts the program used by the Department of Behavioral Health (DBH) to monitor recovery housing residences into a state certification program. This will result in administrative costs to DBH. Costs will depend on the rules adopted, the number of programs seeking certification, and the number and scope of complaints. If fees for certifications or violations are collected, these could help offset costs.
- The bill modifies DBH's current requirement to maintain a registry of recovery housing residences by requiring that the registry contains comprehensive and consolidated information. This will result in administrative costs to DBH depending on how much additional data needs to be collected and how often the registry needs to be updated.
- The bill requires all investigations of complaints to be completed within 14 days and requires DBH to permit alcohol, drug addiction, and mental health services (ADAMHS) boards to participate in an investigation. This may result in additional costs for ADAMHS boards if a board chooses to participate in an investigation.
- The bill establishes a process for seeking injunctions against violators that begins with local prosecuting attorneys, rather than the Attorney General. This will shift some costs from the Attorney General to those prosecuting attorneys, depending on how often this process is used.
- The bill requires that the transportation costs of individuals who fail to comply with court-ordered addiction treatment be paid by the probate court that ordered the treatment under circumstances specified by the bill. This could result in transportation costs for local courts. The costs will depend on how often this occurs and the length of travel.

Detailed Analysis

State certification

The bill modifies the system that the Department of Behavioral Health (DBH) uses to monitor the establishment and operation of recovery housing residences. Under the existing monitoring system, DBH accepts accreditation from other organizations instead of establishing its own certification program. The bill converts this monitoring system into a direct requirement for DBH to administer a program for state certification of recovery housing residences. However, the bill retains the existing system for one year, during which the DBH Director must adopt new rules for state certification of recovery housing residences. Initial rules for certification must be adopted within six months after the bill's effective date, and once finalized, DBH is permitted to begin accepting applications for certification in anticipation of the new requirements going into effect. The bill also requires DBH's rules to include certain topics. Additionally, the bill eliminates a provision of the existing system in which a phase-in period for new operators of recovery housing residences to accept residents for up to 18 months while the operator is actively engaged in efforts to obtain accreditation; therefore, the bill requires new operators to obtain certification before any residents can be accepted.

The bill permits DBH to accept accreditation from any organization it considers appropriate, but limits the use of these bodies to the portion of the certification program that involves determining whether state standards have been met. If an accepted accrediting organization takes an adverse action against a recovery housing residence, the bill requires the residence's operator to notify DBH.

Fiscal effects

DBH will experience additional administrative costs related to the modification of the certification program. The scope of these costs will depend on several factors, including the rules adopted, the number of programs that seek licensure, and the number and scope of complaints that DBH must investigate. These costs may be offset by any fee or fine revenue collected, assuming DBH's rules establish fees for these activities. The bill retains the existing system for one year.

Referrals

The bill prohibits, in the case of services covered by a health benefit plan or Medicaid, any form of kickback for making referrals involving recovery housing residences. Violations could result in a misdemeanor violation. However, these prohibitions are similar to federal prohibitions, so this provision is not expected to have an impact.

The bill also establishes additional mechanisms that may be used in enforcing prohibitions against improper referrals by community providers. DBH could experience administrative costs related to any investigations conducted. Additionally, there may be court costs for any resulting criminal penalties. These costs may be offset by fine revenue collected.

Registry

The bill modifies DBH's existing duty to establish and maintain a registry of recovery housing residences by expanding the amount of information to be included and requires DBH to update the information regularly. The bill states that the registry is to serve as a comprehensive

and consolidated resource. Additionally, if an accrediting agency is used, DBH must coordinate the information in the registry with the information held by the agency. This will result in additional administrative costs. Total costs will depend on how these new requirements differ from current efforts, such as the type of information collected and how often the registry is updated now.

Investigation of complaints

The bill modifies the procedures that apply under DBH's existing duty to receive and investigate complaints regarding recovery housing residences by requiring the Department to permit the appropriate alcohol, drug addiction, and mental health services (ADAMHS) board to participate in an investigation and to complete each investigation within 14 days. Additionally, the findings of the investigation must be included in the recovery housing registry. Also, the bill maintains DBH's authority to contract with an accrediting organization to conduct investigations of complaints, but the procedures for reporting results to DBH are changed to require the contractors complete their investigation within 14 days and make prompt reports of their findings to DBH instead of making monthly reports on the status of pending investigations and the outcomes of completed investigations.

Fiscal effects

Depending on whether an ADAMHS board chooses to participate in an investigation, a board would experience additional administrative costs. Additionally, in order to complete an investigation in the timeframe required by the bill, DBH may experience additional administrative costs.

Request for injunctions

The bill replaces the current system in which the Attorney General has jurisdiction over seeking an injunction against a violator with a localized process. This process involves requesting the appropriate prosecuting attorney to file a petition in the court of common pleas of the county where the violation is occurring. However, the bill also allows the prosecuting attorney to ask the Attorney General to file the petition. Additionally, the bill permits injunctions to be sought for not complying with DBH's certification standards, such as matters involving the health, safety, and welfare of residents. This provision might shift associated costs from the Attorney General to local entities. The costs will depend on whether a prosecuting attorney files a petition himself or herself, the number of injunctions sought, and the scope of the injunctions.

Ohio Recovery Housing Task Force

The bill creates the Ohio Recovery Housing Task Force to study and make recommendations on matters pertaining to recovery housing residences and lists the areas that must be considered and membership of the Task Force. The bill requires the Task Force to prepare a report on its findings and recommendations and submit it to the General Assembly.

Community addiction services providers

The bill requires full disclosure by a community addiction services provider of the specific services the provider offers in certain circumstances. Additionally, the bill requires a community addiction services provider that operates an inpatient facility to provide information and assistance detailed in the bill when an individual chooses to leave the facility against the advice of treatment providers.

Response to noncompliance with court-ordered treatment

The bill modifies the procedures used when an individual fails to comply with court-ordered addiction treatment by: (1) expanding the notification requirements, and (2) authorizing the court to order a peace officer to detain the individual and to transport the individual to the individual's original residence. The bill maintains a provision requiring that the cost of the transport be included in the costs of the individual's treatment, but to address circumstances when no treatment has been provided, the bill requires that the transportation costs be paid by the probate court that ordered the treatment. This could result in additional transportation costs to applicable courts depending on how often this occurs.

Determinations of residency

If a dispute over residency is referred to DBH for investigation and determination, but the case involves Medicaid coverage, the bill requires DBH to collaborate with the Department of Medicaid. There could be some administrative costs relating to this provision if collaboration in these circumstances does not currently occur.

Synopsis of Fiscal Effect Changes

The substitute bill, I_136_0402-4, removes a provision in the As Introduced version that required the Department of Behavioral Health (DBH) to establish a Certificate of Need Program to regulate the distribution and operation of recovery housing residences throughout Ohio, thereby removing any fiscal effects resulting from that program.

The substitute bill also removes provisions in the As Introduced version that required alcohol, drug addiction, and mental health services (ADAMHS) boards to conduct annual inspections of recovery housing residences and to assume responsibility for conducting investigations of complaints instead of DBH or its contractors. Instead, the substitute bill requires DBH to permit an ADAMHS board to participate in the investigation of any complaint. This negates the original fiscal effect on ADAMHS boards, and instead only results in additional administrative costs to the boards if one decides to participate in an investigation. Additionally, the substitute bill requires that all complaint investigations must be completed within 14 days, including when a contractor is used. This may result in costs to complete investigations more quickly. The substitute bill converts DBH's current monitoring system into a state certification program, which will result in increased administrative costs for DBH. However, if any fee revenues are collected, this could help offset costs. This requirement is initiated one year after the bill's effective date.

The substitute bill eliminates existing law authorizing a new residence operator to accept residents for up to 18 months while actively engaged in efforts to become accredited. As a result, recovery housing residences will need to acquire DBH certification before accepting patients.

The substitute bill prohibits any person from receiving or offering a kickback, bribe, rebate, or other payment regarding recovery housing residences when services involve coverage under health plans or Medicaid, with administrative and criminal penalties attached. Since this is similar to existing federal prohibitions, this should not result in any fiscal effects.

The substitute bill increases the amount of information that the registry of recovery housing residences must include and requires that DBH update the information regularly, which will increase administrative costs for DBH.

The substitute bill replaces existing law authorizing DBH to request that the Attorney General seek an injunction against the continuation of a violation with a process that directs DBH to make the request through a local prosecuting attorney, who can seek the injunction or request the Attorney General to do so. The substitute bill also permits injunctions to be sought for not complying with DBH's certification standards. This may shift some costs to local entities.

The substitute bill creates the Ohio Recovery Housing Task Force to study and make recommendations on recovery housing residences.

The substitute bill requires that the transportation costs of individuals who fail to comply with court-ordered addiction treatment be paid by the probate court that ordered the treatment under circumstances specified by the bill. This could result in transportation costs for local courts. The costs will depend on how often this occurs and the length of travel.