United States Government Accountability Office

Report to Congressional Requesters

March 2018

SUBSTANCE USE DISORDER

Information on Recovery Housing Prevalence, Selected States' Oversight, and Funding

GAO-18-315

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GAO Highlights

Highlights of GAO-18-315, a report to congressional requesters

Why GAO Did This Study

Substance abuse and illicit drug use, including the use of heroin and the misuse of or dependence on alcohol and prescription opioids, is a growing problem in the United States. Individuals with SUD may face challenges in remaining drug- and alcohol-free. Recovery housing can offer safe, supportive, drug- and alcohol-free housing to help these individuals maintain their sobriety and can be an important resource for individuals recovering from SUD. However, the media has reported allegations about potentially fraudulent practices on the part of some recovery homes in some states.

GAO was asked to examine recovery housing in the United States. This report examines (1) what is known about the prevalence and characteristics of recovery housing across the United States; (2) investigations and actions selected states have undertaken to oversee such housing; and (3) SAMHSA funding for recovery housing, and how states have used this or any available state funding. GAO reviewed national and state data, federal funding guidance, and interviewed officials from SAMHSA, national associations, and five states—Florida, Massachusetts, Ohio, Texas, and Utah—selected based on rates of opioid overdose deaths, dependence on or abuse of alcohol and other drugs, and other criteria. State information is intended to be illustrative and is not generalizable to all states.

View GAO-18-315. For more information, contact Katherine M. Iritani at (202) 512-7114 or iritanik@gao.gov.

What GAO Found

Nationwide prevalence of recovery housing—peer-run or peer-managed drug- and alcohol-free supportive housing for individuals in recovery from substance use disorder (SUD)—is unknown, as complete data are not available. National organizations collect data on the prevalence and characteristics of recovery housing but only for a subset of recovery homes. For example, the National Alliance for Recovery Residences, a national nonprofit and recovery community organization that promotes quality standards for recovery housing, collects data only on recovery homes that seek certification by one of its 15 state affiliates that actively certify homes. The number of homes that are not certified by this organization is unknown.

Four of the five states that GAO reviewed—Florida, Massachusetts, Ohio, and Utah—have conducted, or are in the process of conducting, investigations of recovery housing activities in their states, and three of these four states have taken formal steps to enhance oversight. The fifth state, Texas, had not conducted any such investigations at the time of GAO's review. Fraudulent activities identified by state investigators included schemes in which recovery housing operators recruited individuals with SUD to specific recovery homes and treatment providers, who then billed patients' insurance for extensive and unnecessary drug testing for the purposes of profit. For example, officials from the Florida state attorney's office told GAO that SUD treatment providers were paying $300 to $500 or more per week to recovery housing operators for every patient they referred for treatment and were billing patients' insurance for hundreds of thousands of dollars in unnecessary drug testing over the course of several months. Some of these investigations have resulted in arrests and other actions, such as changes to insurance payment policies. Florida, Massachusetts, and Utah established state certification or licensure programs for recovery housing in 2014 and 2015 to formally increase oversight. The other two states in GAO's review—Ohio and Texas—had not passed such legislation but were providing training and technical assistance to recovery housing managers.

The Substance Abuse and Mental Health Services Administration (SAMHSA), within the Department of Health and Human Services (HHS), administers two federal health care grants for SUD prevention and treatment that states may use to establish recovery homes and for related activities. First, under its Substance Abuse Prevention and Treatment block grant, SAMHSA makes at least $100,000 available annually to each state to provide loans to organizations seeking to establish recovery homes. Second, states have discretion to use SAMHSA funding available under a 2-year grant for 2017 and 2018 primarily for opioid use disorder treatment services, to establish recovery homes or for recovery housing-related activities. Of the five states GAO reviewed, only two, Texas and Ohio, have used any of their SAMHSA grant funds for these purposes. Four of the five states—Florida, Massachusetts, Ohio, and Texas—have also used state general revenue funds to establish additional recovery homes.

HHS had no comments on this report.

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Abbreviations

HHS	Department of Health and Human Services
NARR	National Alliance for Recovery Residences
SAMHSA	Substance Abuse and Mental Health Services Administration
SUD	substance use disorder

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Congressional Requesters

Substance abuse and illicit drug use, including the use of heroin and the misuse of alcohol and prescription opioids, is a growing problem in the United States. Individuals recovering from substance use disorder (SUD) may face challenges remaining alcohol- or drug-free. Recovery housing—peer-run or peer-managed supportive residences—can offer safe, supportive, stable living environments to help individuals recovering from SUD maintain an alcohol- and drug-free lifestyle. In addition, such housing can also help improve individuals' ability to work, their physical health, and their relationships with friends and family, and help them gain skills and resources to sustain their recovery. There are no federal laws or regulations governing the operation of recovery housing, and there is no federal agency responsible for overseeing recovery housing.[1] Within the Department of Health and Human Services (HHS), the Substance Abuse and Mental Health Services Administration (SAMHSA)—responsible for promoting SUD prevention, treatment, and recovery to reduce the impact of SUD on communities—makes some funding available to states to support recovery housing.

The media has reported allegations that some unscrupulous recovery housing operators and associated SUD treatment providers have engaged in fraudulent and misleading practices and exploited residents for the purposes of profit. In addition, at least two states—California and Florida—have conducted criminal investigations into recovery housing and recovery housing operators within their states. Following reported allegations, members of Congress have raised questions about the oversight of recovery housing.

You asked us to review federal and state oversight of recovery housing. This report examines

[1]Federal laws such as the Fair Housing Act prohibit discrimination on the basis of disability, which includes individuals in recovery from SUD. Recovery housing organizations have described cases in which cities or counties adopted new, or used existing, regulations to impose restrictions on recovery homes, only to be found in violation of the Fair Housing Act by federal or district courts.

1. what is known about the prevalence and characteristics of recovery housing across the United States;
2. any investigations and actions selected states have undertaken to oversee recovery housing; and
3. SAMHSA funding for recovery housing, and how selected states have used this or any available state funding.

To address these three objectives, we reviewed available information and interviewed officials from national organizations that provide or have missions related to recovery housing, state agencies and related entities in five selected states, and federal agencies. Specifically, we reviewed information and available documentation and interviewed officials from the National Alliance for Recovery Residences (NARR) and Oxford House, Inc. to obtain information on the prevalence and characteristics of recovery housing across the United States.[2] To obtain information on actions states have taken to investigate and oversee recovery housing and how they used federal and any available state funding to support such housing from fiscal year 2013 through fiscal year 2017, we also interviewed officials from five states we selected for review—Florida, Massachusetts, Ohio, Texas, and Utah. We identified the states that met at least three of the following criteria: (1) had high rates and numbers of opioid overdose deaths in 2015 (the most recent publicly-available information), (2) had high rates of dependence on or abuse of illicit drugs and alcohol in 2013-2014 (the most recent publicly-available information), (3) had an active NARR affiliate, (4) received certain SAMHSA funding for recovery services, and (5) were reported in the media or by other sources to have enacted legislation pertaining to the regulation or oversight of recovery housing.[3] We then selected five states from different areas of the country. In each state, we interviewed officials from the state substance abuse agency, the state Medicaid agency, the state Medicaid

[2]NARR is a national nonprofit and recovery community organization that aims to support individuals in recovery by improving their access to quality recovery residences through standards, support services, placement, education, research, and advocacy. Oxford House, Inc. is a national nonprofit corporation that serves as an umbrella organization to connect individual Oxford Houses and allocates resources to establish additional houses where needs arise.

[3]For our review, we considered states that received SAMHSA funding for recovery support services from fiscal year 2014 through April 2018, the most recent information available.

Fraud Control Unit, the state insurance department, and others.[4] For a complete list of state agencies and related state entities we interviewed, see appendix I. We also interviewed officials from two insurance companies operating in Florida. The results of our state analyses are intended to be illustrative and are not generalizable to all states. To obtain information on SAMHSA funding for recovery housing, we also reviewed available documentation and interviewed agency officials.

We conducted this performance audit from February 2017 to March 2018 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Background

Definitions of and terms for recovery housing can vary, and recovery housing may differ in the types of services offered and resident requirements. Alcohol- and drug-free housing for individuals recovering from SUD may be referred to as "recovery residences," "sober homes," or other terms. NARR has defined four levels of recovery housing (I through IV) based on the type and intensity of recovery support and staffing they offer, up to and including residential, or clinical, treatment centers.[5] For the purposes of this report, we use the term "recovery housing" to refer to peer-run, nonclinical living environments for individuals recovering from

[4]Medicaid Fraud Control Units, which are typically a part of state attorney general offices, investigate and prosecute Medicaid provider fraud as well as patient abuse or neglect in health care and related facilities. These units must be separate and distinct from state Medicaid agencies.

[5]NARR level I and II residences are primarily self-funded, peer-run, single family homes where residents have an open-ended length of stay; level II residences typically have a paid house manager or senior resident who oversees the house and its residents. Level III and IV residences are structured or semi-structured living environments with paid facility staff, such as case managers, to assist residents in developing treatment plans and may be licensed by the state if they offer clinical services (such as level IV residential treatment centers). Although the primary scope of our report is nonclinical recovery housing (i.e., levels I and II), the activities of some states in our review may include more structured facilities (i.e., levels III and IV).

SUD in general, and "recovery homes" to refer to specific homes.[6] These homes generally are not considered to be residential treatment centers, not eligible to be licensed providers for the purposes of billing private insurance or public programs—such as Medicaid and Medicare—and residents typically have to pay rent and other housing expenses themselves. Recovery home residents may separately undergo outpatient clinical SUD treatment, which is typically covered by health insurance. In addition, recovery homes may encourage residents to participate in mutual aid or self-help groups (e.g., 12-step programs such as Alcoholics Anonymous) and may require residents to submit to drug screenings to verify their sobriety.[7] Residents may be referred to recovery homes by treatment providers, the criminal justice system, or may voluntarily seek out such living environments.

In addition to SAMHSA, two national nonprofit organizations that have missions dedicated to recovery housing include NARR and Oxford House, Inc. NARR promotes standards for recovery housing, provides training and education to recovery housing operators and others, and conducts research and advocacy related to recovery housing to support individuals in recovery from SUD. As of January 2018, NARR's membership comprised 27 state affiliates that work to promote and support NARR's quality standards for recovery housing and other activities in their states. Of the 27 NARR affiliates, 15 were actively certifying recovery homes.[8] Oxford House, Inc. connects individual Oxford Houses across the United States and in other countries. Individual Oxford Houses, which operate under charters granted by Oxford House, Inc., are democratically run, self-supporting homes. According to the Oxford House manual and related documents, all Oxford Houses are rentals, and residents are responsible for sharing expenses, paying house bills on

[6]According to SAMHSA, peers are individuals who share the experiences of addiction and recovery. A peer in successful, stable recovery can provide emotional and other support to other individuals beginning the recovery process to help reduce the likelihood of relapse. Services provided by peers are typically distinguished from those provided by clinical or other providers, such as counselors or case managers, in professional treatment programs.

[7]According to NARR, recovery homes generally verify residents' sobriety using urine drug tests that can be purchased over the counter at retail pharmacies, such as CVS or Walgreens, or in bulk from various sellers.

[8]As of January 2018, the remaining 12 affiliates, which NARR considers to be "developing," support recovery homes in their states by providing information about recovery housing to the public and hearing complaints. NARR was also working to develop affiliates in 3 additional states.

time, and immediately evicting residents who drink or use illicit drugs while living in the house.[9] Oxford House, Inc. maintains a directory of houses on its website, and individuals can search this directory for vacancies by state. Oxford Houses align with NARR's definition of level I residences; that is, peer-run, self-funded, typically single family homes where residents have an open-ended length of stay.

SAMHSA and other organizations recognize recovery housing as an important step in SUD treatment and recovery. Research has shown positive outcomes of recovery housing on long-term sobriety, such as at 6-, 12-, and 18-month follow up.[10] However, according to SAMHSA and NARR officials, much of the available research on effectiveness of recovery housing focuses on the Oxford House population, and research on other types of recovery homes is limited.[11]

[9]Houses operate independently but must follow procedures laid out in the Oxford House manual and adhere to charter conditions. Residents are to hold regular house meetings at least weekly, and each house elects officers, including a president, treasurer, and secretary, on a rotating basis. Oxford House, Inc. provides houses with forms that residents can use to log house meetings and expenses. Eviction for drug use does not include individuals using medications prescribed for behavioral health conditions.

[10]See, for example, D. L. Polcin, R. Korcha, J. Bond, and G. Galloway, "What Did We Learn from Our Study on Sober Living Houses and Where Do We Go from Here," *Journal of Psychoactive Drugs,* vol. 42, no. 4 (2010): 425-433.

[11]An official from Oxford House, Inc. told us that there have been more than 300 peer-reviewed studies conducted on the Oxford House program since 1991.

Nationwide Prevalence of Recovery Housing Is Unknown, but National Organizations Collect Data on the Number and Characteristics of a Subset of Recovery Homes

The nationwide prevalence of recovery housing is unknown because there are no comprehensive data regarding the number of recovery homes in the United States, although NARR and Oxford House, Inc. collect data on a subset of recovery homes across the United States. Specifically, NARR collects data only on recovery homes that seek certification from one of its 15 state affiliates that certify homes. However, NARR-certified homes may represent only a portion of existing recovery homes, as NARR does not know how many such homes are uncertified. As of January 2018, NARR reported that its affiliates had certified almost 2,000 recovery homes, which had the capacity to provide housing to over 25,000 individuals; NARR-certified recovery homes include recovery housing across all four NARR levels, including residential treatment centers that provide clinical services, which are outside the scope of our study.[12]

Oxford House, Inc. collects data annually on the prevalence and characteristics of Oxford Houses across the United States. In its 2017 annual report, Oxford House, Inc. reported that there were 2,287 Oxford Houses in 44 states that provided housing to a total of 18,025 individuals.[13] Of the total number of Oxford Houses in 2017, 71 percent served men and 29 percent served women, with the average resident aged 37 years. The Oxford House, Inc. report also provides information on other characteristics of Oxford House residents. For example, of the 18,025 Oxford House residents in 2017, Oxford House, Inc. reported the following:

- 79 percent were addicted to drugs and alcohol; 21 percent were addicted to alcohol only.
- 77 percent had been incarcerated.
- 68 percent had previously experienced homelessness.
- 12 percent were veterans.
- 87 percent were employed.

[12]A NARR official told us that NARR level IV residences accounted for 2 percent of all NARR-certified homes and 3 percent of resident capacity as of January 2018.

[13]See Oxford House, Inc. *Annual Report, Fiscal Year 2017* (Silver Spring, Md.: 2018). According to officials from Oxford House, Inc., an average of about eight individuals reside in each house, and the average length of stay was about 8 months, according to the 2017 annual report.

- 98 percent regularly attended 12-step meetings, such as Alcoholics Anonymous or Narcotics Anonymous.[14]
- 45 percent attended weekly outpatient counseling in addition to attending 12-step meetings
- Average length of sobriety was 13.4 months.[15]

Most States We Reviewed Have Investigated Potential Fraud Related to Recovery Housing and Taken Steps to Enhance Oversight

The five states we selected for review have taken actions to investigate and oversee recovery housing. Four of the five states have conducted law enforcement investigations of recovery homes in their states and some of these investigations have resulted in arrests and changes to public and private insurance policies. In addition to actions taken in response to state investigations, three of the five states in our review have also taken steps to formally enhance their oversight of recovery homes, and the other two states have taken other steps intended to increase consistency, accountability, and quality across recovery homes.

Four of Five States Have Conducted Investigations of Recovery Housing

Officials from four of the five states we reviewed (Florida, Massachusetts, Ohio, and Utah) told us that since 2007, state agencies have conducted, or are in the process of conducting, law enforcement investigations of unscrupulous behavior and potential insurance fraud related to recovery housing, and outcomes of some of these investigations included criminal charges and changes to health insurance policies. An official from the fifth state, Texas, told us that the state had not conducted any recent law enforcement investigations related to recovery housing. This official, from the Texas Department of Insurance, told us that the department received two fraud reports in 2014 and 2016 related to recovery homes and that the state was unable to sufficiently corroborate the reports to begin investigations.

[14]Although Oxford House residents are not required to attend 12-step meetings, officials told us that residents generally go to about five meetings a week.

[15]Oxford House, Inc. officials said that the requirement that residents remain free from alcohol and illicit drugs does not include medication-assisted treatment for opioid addiction or prescribed medication for co-occurring mental health conditions. Medication-assisted treatment is an approach that combines behavioral therapy and the use of certain medications, such as methadone and naltrexone, to suppress withdrawal symptoms, control cravings, and prevent overdose.

Across the four states, officials told us that potential insurance fraud may have relied on unscrupulous relationships between SUD treatment providers, including laboratories, and recovery housing operators, because recovery homes are not considered eligible providers for the purposes of billing health insurance. For example, treatment providers may form unscrupulous relationships with recovery housing operators who then recruit individuals with SUD in order to refer or require residents to see the specific SUD treatment providers.[16] This practice is known as patient brokering, for which recovery housing operators receive kickbacks such as cash or other remuneration from the treatment provider in exchange for patient referrals.[17] The extent of potential fraud differed across the four states, as discussed below.

Florida

Officials from several state agencies and related entities described investigations into fraud related to recovery housing in southeastern Florida as extensive, although the scope of the fraud within the industry is unknown.[18] In 2016, the state attorney for the 15th judicial circuit (Palm Beach County) convened a task force composed of law enforcement officials tasked with investigating and prosecuting individuals engaged in

[16]According to officials from the four states, in some cases treatment providers also owned recovery homes, rather than partnering with, and paying kickbacks to, other individuals who owned or operated the homes. In other cases, treatment providers, recovery homes, or laboratories partnered with each other in some combination for the purposes of referring patients and billing insurance.

[17]Kickbacks include remuneration, such as cash, paid or received to reward the referral of an individual for treatment or arrangement of items or services to be provided. The federal Anti-Kickback Statute prohibits the knowing and willful offer, payment, solicitation, or receipt of remuneration to induce or reward referrals or generate business reimbursable by federal health care programs, such as Medicaid and Medicare. 42 U.S.C. § 1320a-7b(b). Although the federal Anti-Kickback Statute does not apply to private insurance, some states have enacted state anti-kickback statutes that apply to private insurance.

[18]An official with the state's NARR affiliate told us that the estimated scope of Florida's recovery housing fraud encompassed 110 (recovery or treatment) beds and $1 billion in fraudulent private insurance billing in 1 year.

fraud and abuse in the SUD treatment and recovery housing industries.[19] The task force found that unscrupulous recovery housing operators or associated SUD treatment providers were luring individuals into recovery homes using deceptive marketing tactics.[20] Deceptive marketing practices included online or other materials that willfully misdirected individuals or their family members to recruiters with the goal of sending these individuals to specific treatment providers, in order to receive payments from those treatment providers for patient referrals. According to officials from the Florida state attorney's office, these individuals, often from out of state, were lured with promises of free airfare, rent, and other amenities to recover in southern Florida's beach climate. Recruiters brokered these individuals to SUD treatment providers, who then billed their private insurance plans for extensive and medically unnecessary urine drug testing and other services.[21] Officials from the Florida state attorney's office told us that SUD treatment providers were paying $300 to $500 or more per week to recovery housing operators or their staff members for every patient they referred for treatment. In addition, these officials cited

[19]In 2016, the Florida legislature appropriated $275,000 to the state attorney for the 15th Judicial Circuit (Palm Beach County) to conduct a study to strengthen investigation and prosecution of criminal and regulatory violations within the substance abuse treatment industry. In response, the state attorney's office formed three task forces in 2016. In addition to the law enforcement task force, the other two task forces—composed of community and industry members, state agency officials, and other individuals—were charged with studying fraud in the recovery housing industry further and making recommendations for regulatory changes. Also in 2016, the state attorney empaneled a grand jury to investigate how state agencies were addressing the proliferation of fraud and abuse within the SUD treatment industry and to make appropriate recommendations on how these agencies could better perform their duties to ensure that vulnerable populations and communities are protected. In 2017, the state legislature appropriated $300,000 to the state attorney's office to continue its activities.

[20]Florida State Attorney, 15th Judicial Circuit, *Palm Beach County Sober Homes Task Force Report: Identification of Problems in the Substance Abuse Treatment and Recovery Residence Industries with Recommended Changes to Existing Laws and Regulations* (Palm Beach County, Fla.: January 2017).

[21]According to the American Society of Addiction Medicine's April 2017 consensus statement on appropriate use of drug testing in clinical addiction treatment, drug testing should be tailored to individual patients' needs and stages of addiction and recovery. For the purposes of verifying or ensuring that residents in recovery housing remain free from alcohol and illicit drugs, the consensus statement states that weekly testing may be appropriate using presumptive testing—that is, lower sensitivity tests, such as urine drug tests that can be purchased over the counter. The statement notes that more frequent or more sensitive testing (i.e., testing that takes place in a laboratory) is inappropriate and does not fit the standard of care. See American Society of Addiction Medicine. *Consensus Statement: Appropriate Use of Drug Testing in Clinical Addiction Medicine* (Rockville, Md.: April 5, 2017).

one case in which a SUD treatment provider billed a patient's insurance for close to $700,000 for urine drug testing in a 7-month period. Officials from the state attorney's office noted that the recovery homes that the task force was investigating were not shared housing in the traditional, supportive sense, such as Oxford Houses, where residents equally share in the rent and division of chores, but rather existed as "warehouses" intended to exploit vulnerable individuals.

As a result of these investigations, as of December 2017, law enforcement agencies had charged more than 40 individuals primarily with patient brokering, with at least 13 of those charged being convicted and fined or sentenced to jail time, according to the state attorney's office.[22] In addition, the state enacted a law that strengthened penalties under Florida's patient brokering statute and gave the Florida Office of Statewide Prosecution, within the Florida Attorney General's Office, authority to investigate and prosecute patient brokering.[23]

Massachusetts

An official from the Massachusetts Medicaid Fraud Control Unit told us that the unit began investigating cases of Medicaid fraud in the state on the part of independent clinical laboratories associated with recovery homes in 2007. The unit found that, in some cases, the laboratories owned recovery homes and were self-referring residents for urine drug testing. In other cases, the laboratories were paying kickbacks to recovery homes for patient referrals for urine drug testing that was not medically necessary. According to the Medicaid Fraud Control Unit official, as a result of these investigations the state settled with nine laboratories between 2007 and 2015 for more than $40 million in

[22]As of January 2018, task force investigations were ongoing. In addition to task force investigations, an official from one insurance company operating in Florida we spoke with told us that the company began investigating claims for urine drug testing and other services in its individual and family plans after its fraud unit received a large number of referrals. This official told us that, as a result of its investigations, as well as its participation in the task force investigations, the company made changes to its drug testing policy, as well as changes to some of its data analytics processes to allow it to identify potentially fraudulent claims more quickly.

[23]The enacted law specifically denotes patient brokering as a crime, which the Office of Statewide Prosecution has the authority to investigate and prosecute. The law also added first and second degree felony charges for patient brokering, as well as established fines for all felony levels dependent upon the number of patients involved, and made fraudulent marketing a third-degree felony. See Ch. 2017-173, Laws of Fla.

restitution. In addition, the state enacted a law in 2014 prohibiting clinical laboratory self-referrals and revised its Medicaid regulations in 2013 to prohibit coverage of urine drug testing for the purposes of residential monitoring.[24]

Ohio

Ohio has also begun to investigate an instance of potential insurance fraud related to recovery housing, including patient brokering and excessive billing for urine drug testing. Officials from the Ohio Medicaid Fraud Control Unit told us that the unit began investigating a Medicaid SUD treatment provider for paying kickbacks to recovery homes in exchange for patient referrals, excessive billing for urine drug testing, and billing for services not rendered, based on an allegation the unit received in September 2016.[25] As of January 2018, the investigation was ongoing, and the Ohio Medicaid Fraud Control Unit had not yet taken legal or other action against any providers. Officials from other state agencies and related state entities, such as the state substance abuse agency and the state NARR affiliate, were not aware of any investigations of potential fraud on the part of recovery housing operators or associated treatment providers when we spoke with them and stated that this type of fraud was not widespread across the state.

Utah

In August 2017, officials from the Utah Insurance Department told us that the department is conducting ongoing investigations of private insurance fraud similar to the activities occurring in Florida, as a result of a large influx of complaints and referrals it received in 2015. These officials told us that the department has received complaints and allegations that SUD treatment providers are paying recruiters to bring individuals with SUD who are being released from jail to treatment facilities or recovery homes; billing private insurance for therapeutic services, such as group or equine

[24]See Mass. Gen. Laws ch. 111D, §§ 8(17), 8A (2017); 130 CMR 404.411(b)(5). The 2014 law also imposed civil and criminal penalties for individuals violating the clinical self-referral rule, such as civil penalties ranging from $5,000 to $10,000 per violation, plus three times the amount of damages sustained, jail or imprisonment for up to 5 years, or a combination of both. See Mass. Gen. Laws ch. 111D, § 13 (2017).

[25]According to Ohio Medicaid Fraud Unit officials, this investigation is being conducted jointly with federal agencies, including the Department of Health and Human Services Office of Inspector General and the Federal Bureau of Investigation.

therapy, that are not being provided, in addition to billing frequently for urine drug testing; and encouraging patients to use drugs prior to admission to qualify patients and bill their insurance for more intensive treatment. In addition, insurance department officials told us that they believed providers are enrolling individuals in private insurance plans without telling them and paying their premiums and copays. According to these officials, when doing so, providers may lie about patients' income status in order to qualify them for more generous plans. Officials found that providers were billing individual patients' insurance $15,000 to $20,000 a month for urine drug testing and other services. Officials noted that they suspect that the alleged fraud was primarily being carried out by SUD treatment providers and treatment facilities that also own recovery homes. Officials told us that the department has not been able to file charges against any treatment providers because it has been unable to collect the necessary evidence to do so. However, according to insurance department officials, the state legislature enacted legislation in 2016 that gives insurers and state regulatory agencies, such as the state insurance department and state licensing office, the authority to review patient records and investigate providers that bill insurers. This authority may help the insurance department and other state regulatory agencies better conduct investigations in the future.

Three States Have Established Oversight Programs, and Two States Are Taking Other Steps to Support Recovery Housing

In addition to actions taken in response to state investigations, three of the five states in our review—Florida, Massachusetts, and Utah—have taken steps to formally increase oversight of recovery housing by establishing state certification or licensure programs. Florida enacted legislation in 2015 and Massachusetts enacted legislation in 2014 that established voluntary certification programs for recovery housing. Florida established a two-part program for both recovery homes and recovery housing administrators (i.e., individuals acting as recovery housing managers or operators). According to officials from the Florida state attorney's office and Massachusetts Medicaid Fraud Control Unit, their states established these programs in part as a result of state law enforcement investigations. In 2014, Utah enacted legislation to establish a mandatory licensure program for recovery housing. According to officials from the Utah substance abuse agency and the state licensing office, the state established its licensure program to, in part, protect residents' safety and prevent their exploitation and abuse.

Although state recovery housing programs in Florida and Massachusetts are voluntary and recovery homes and their administrators can operate without being certified, there are incentives for homes to become certified

under these states' programs, as well as incentives to become licensed under Utah's program. Specifically, all three states require that certain providers refer patients only to recovery homes certified or licensed by their state program.[26] Thus, uncertified and unlicensed homes in Florida, Massachusetts, and Utah would be ineligible to receive patient referrals from certain treatment providers. Further, state officials told us that state agencies are taking steps to ensure providers are making appropriate referrals. For example, according to officials from the Florida substance abuse agency, treatment providers may refer patients to certified recovery homes managed by certified recovery home administrators only and must keep referral records. These officials also told us that the state substance abuse agency can investigate providers to ensure they are referring patients to certified homes and issue fines or revoke providers' licenses if the program finds providers are referring patients to uncertified homes. Recovery homes may also view certification as a way to demonstrate that they meet quality standards. For example, the official from the Massachusetts NARR affiliate told us that some residential treatment centers that are required to be licensed by the state are also seeking certification to demonstrate that they meet the NARR affiliate's quality standards.

To become state-certified or licensed, recovery homes in Florida, Massachusetts, and Utah must meet certain program requirements—including staff training, documentation submissions (such as housing policies and code of ethics), and onsite inspections to demonstrate compliance with program standards—though specific requirements differ across the three states. For example, while all three state programs require recovery housing operators or staff to complete training, the number of hours and training topics differ. In addition, for recovery homes to be considered certified in Florida, they must have a certified recovery housing administrator. Similar to Florida's certification program for the homes, individuals seeking administrator certification must also meet certain program requirements, such as training in recovery residence operations and administration and legal, professional, and ethical responsibilities. Features of the state-established oversight programs may also differ across the three states, including program type, type of home eligible for certification or licensure, how states administer their programs,

[26]In Massachusetts, this requirement applies to referrals from state agencies and state-funded providers only. In Utah, this requirement applies to referrals from the criminal justice system, such as drug courts.

and initial fees. See table 1 for additional information on features of state-established oversight programs for recovery housing.

Table 1: Features of Three State-Established Oversight Programs for Recovery Housing

Program characteristic	Florida		Massachusetts	Utah
	Recovery homes	Recovery housing administrators		
Program type	**Voluntary certification**	**Voluntary certification**	**Voluntary certification**	**Mandatory licensure**
Length of certification or licensure	1 year	1 year	1 year	1 year
Type of recovery housing eligible for program, according to National Alliance for Recovery Residences (NARR) levels[a]	I, II, III, and IV	n/a	II[b]	II and III
Certifying or licensing body	Florida Association of Recovery Residences	Florida Certification Board	Massachusetts Alliance for Sober Housing[c]	Utah Department of Human Services, Office of Licensing
Initial fees[d]	$100 application fee plus $40 certification fee per bed for level I and II homes, and $55 certification fee per bed for level III and IV homes[e]	$100	$150 certification fee $50 inspection fee per home	$1,295
Year program was implemented	2015[f]	2016[f]	2017	2014
Number certified or licensed[g]	310[h]	344[h]	164	61

Legend: n/a = not applicable

Source: GAO review of state information. | GAO-18-315

Note: This table reflects information from three of the five states we reviewed that established oversight programs for recovery housing. The other two states we reviewed—Ohio and Texas—have not established such oversight programs, but the states' NARR affiliates may certify certain recovery homes in their states on a voluntary basis according to NARR standards. NARR is a national nonprofit and recovery community organization that promotes quality standards for recovery housing.

[a]NARR defined four levels of recovery housing (I through IV) based on type, intensity, and duration of recovery support and staffing they offer. NARR level I and II residences are primarily self-funded, peer-run, single family homes where residents have an open-ended length of stay. Level III and IV residences are structured or semi-structured living environments with paid facility staff, such as case managers, to assist residents in developing treatment plans and may be licensed by the state.

[b]According to officials from the Massachusetts substance abuse agency, facilities operating according to NARR levels III and IV are to be licensed by the state as residential treatment centers.

[c]According to the official from the Massachusetts Alliance for Sober Housing—the state NARR affiliate—while that entity administers the certification program on behalf of the state, another organization conducts the inspections required for certification.

[d]Fees reflect the initial amount that recovery homes and administrators must pay when they first apply for certification or licensure. They may be assessed a different fee when applying for recertification or license renewal.

[e]Certification fees are capped at $2,500 per location for level I and II homes and $3,500 per location for level III and IV homes.

[f]The implementation date is the year that officials from Florida Association of Recovery Residences and the Florida Certification Board told us they began certifying recovery homes and recovery housing administrators.

[g]Numbers of certified or licensed recovery homes and recovery housing administrators are as of December 31, 2017.

[h]In Florida, recovery homes must have certified recovery housing administrators to be certified. The number of certified homes differs from the number of certified recovery housing administrators because a certified recovery home must have one certified recovery housing administrator for every three locations.

State-established oversight programs in Florida, Massachusetts, and Utah also include processes to monitor certified or licensed recovery homes and take action when homes do not comply with program standards. For example, an official from the Florida Association of Recovery Residences—the state NARR affiliate and organization that certifies recovery homes in Florida—told us that the entity conducts random inspections to ensure that recovery homes maintain compliance with program standards. State-established oversight programs in the three states also have processes for investigating grievances filed against certified or licensed recovery homes. Further, officials from certifying or licensing bodies in all three states—the Florida Association of Recovery Residences, Massachusetts Alliance for Sober Housing, and the Utah Office of Licensing—told us their organizations may take a range of actions when they receive complaints or identify homes that do not comply with program standards, from issuing recommendations for bringing homes into compliance to revoking certificates or licenses.[27] According to officials from the certifying body in Florida, the entity has revoked certificates of recovery homes that have acted egregiously or have been nonresponsive to corrective action plans. Officials from the certifying and licensing bodies in Massachusetts and Utah told us that these entities had not revoked certificates or licenses when we spoke to them for this review, but may have assisted homes with coming into compliance with certification standards or licensure requirements.

Officials from Ohio and Texas told us that their states had not established state oversight programs like those that exist in Florida, Massachusetts, and Utah, but their states had provided technical assistance and other

[27]The Massachusetts Alliance for Sober Housing is the Massachusetts NARR affiliate.

resources to recovery homes that were intended to increase consistency, accountability, and quality:[28]

- Officials from the Ohio substance abuse agency told us that since 2013 the state has revised its regulatory code to define recovery housing and minimum requirements for such housing.[29] Officials also told us that the agency does not have authority to establish a state certification or licensure program for recovery housing. According to these officials, the state legislature wanted to ensure that Ohio's recovery housing community maintained its grassroots efforts and did not want a certification or licensure program to serve as a roadblock to establishing additional homes. However, officials from the Ohio substance abuse agency told us that the agency encourages recovery homes to seek certification by the state NARR affiliate—Ohio Recovery Housing—to demonstrate quality. In addition, these officials told us that the state substance abuse agency also provided start-up funds for Ohio Recovery Housing and has continued to fund the affiliate for it to provide training and technical assistance, as well as to continue certifying recovery homes.[30] According to officials from Ohio Recovery Housing, the NARR affiliate regularly provides the state substance abuse agency with a list of newly-certified recovery homes, as well as updates on previously-certified homes, as part of ongoing efforts to develop a recovery housing locator under its contract with the agency.
- Officials from the Texas substance abuse agency noted that establishing a voluntary certification program, such as one that certifies homes according to NARR's quality standards, would be beneficial. However, the state legislature has not enacted any legislation establishing such a program to date. The agency is in the

[28]Although Ohio and Texas have not established state certification or licensure programs, both states have active NARR affiliates that certify recovery housing according to the NARR standards.

[29]Officials from the state substance abuse agency also told us that recovery homes must meet state, local, and county building codes and obtain certificates of occupancy.

[30]Officials from Ohio Recovery Housing told us that the state provided funding as part of its response to an examination of recovery housing in Ohio supported by the Ohio substance abuse agency and published in 2013 that made several recommendations to address the challenges and the lack of resources for recovery housing in the state. See K. Paquette, N. Greene, L. Sepahi, K. Thom, and L. Winn, *Recovery Housing in the State of Ohio: Findings and Recommendations from an Environmental Scan* (Columbus, Ohio.: June 2013). According to officials from Ohio Recovery Housing, such steps have successfully expanded recovery housing networks in the state.

process of developing guidance for providers on where and how to refer their patients to recovery housing, which includes a recommendation to send patients to homes certified by the Texas NARR affiliate, but officials could not tell us when they expected the guidance to be finalized.

Certain SAMHSA Grant Funding Can Be Used for Recovery Housing, and Selected States Have Used SAMHSA and State Funding to Support Recovery Housing

SAMHSA provides some funding for states to establish recovery homes. Of the five states we reviewed, two used SAMHSA funding and four used state funding to help support recovery housing from fiscal year 2013 through fiscal year 2017.

SAMHSA Provides Funding for Recovery Housing and Has Undertaken Other Initiatives to Support Recovery Housing

SAMHSA makes funding available to states for recovery housing through certain grant programs for SUD prevention and treatment. Specifically, under its Substance Abuse Prevention and Treatment block grant, which totaled approximately $1.9 billion in fiscal year 2017, SAMHSA makes at least $100,000 available annually to each state to provide loans for recovery housing.[31] States that choose to use this funding may provide up to $4,000 in loans to each group that requests to establish alcohol- and drug-free housing for individuals recovering from SUD.[32] The loan can be

[31]See 42 U.S.C. § 300x-25; 45 C.F.R. § 96.129 (2017). The objective of SAMHSA's Substance Abuse Prevention and Treatment block grant is to help states plan, implement, and evaluate programs and activities related to preventing and treating SUD, such as providing information on prevention and treatment services and technical assistance to community-based agencies. The total block grant amount was the same in fiscal years 2017 and 2018.

[32]By statute, the purpose of this funding is to make loans for the cost of establishing programs for the provision of homes where groups of at least six individuals recovering from SUD may reside. States may directly establish the loan funding or contract with a private, nonprofit entity to manage it. Loans are to be repaid in monthly installments, and states are to assess penalties for failure to pay installments by dates specified in loan agreements.

used for start-up costs such as security deposits and must be repaid within 2 years. Loans are to be made only to nonprofit entities that agree to requirements for the operation of the recovery homes outlined in the authorizing statute, namely that (1) the homes must prohibit the use of alcohol and illegal drugs; (2) the homes must expel residents who do not comply with this prohibition; (3) housing costs, such as rent and utilities, are to be paid by the residents; and (4) residents are to democratically establish policies to operate the homes.[33] According to SAMHSA officials, states are prohibited from using block grant funding other than the loan funding for recovery housing. However, the block grant application does not require states to provide a description of whether and how they will use the loan.

SAMHSA has also made funding for recovery housing available under the agency's State Targeted Response to the Opioid Crisis grant (opioid grant), a 2-year grant program under which SAMHSA anticipated awarding up to $485 million for each of fiscal years 2017 and 2018.[34] The opioid grant is intended to supplement states' existing opioid prevention, treatment, and recovery support activities, and SAMHSA requires most of states' funding to be used for opioid use disorder treatment services, such as expanding access to clinically appropriate, evidence-based treatment. States may also use their opioid grant funding for recovery housing and recovery support services—which SAMHSA recognizes as part of the continuum of care—such as establishing recovery homes and providing

[33]Oxford House, Inc. officials told us that as of January 2018, Oxford House, Inc. had contracts with 13 states and the District of Columbia to manage the loans available through the SAMHSA block grant and to provide outreach workers for technical assistance. Oxford House, Inc. gives the start-up funds that it receives from the state to individuals who are interested in starting Oxford Houses. Each house opens a bank account to repay the loan electronically.

[34]The State Targeted Response to the Opioid Crisis grant was established by the 21st Century Cures Act. See Pub.L. No. 114-255 § 1003, 130 Stat. 1033, 1044-46 (2016). SAMHSA awarded the opioid grants to states and territories using a formula based on unmet need for opioid use disorder treatment and drug overdose deaths.

peer mentoring.[35] (See the next section of this report for information on how states have used SAMHSA funding.)

In addition to providing funding, SAMHSA has undertaken other initiatives related to recovery housing, including an assessment of needs for certifying recovery housing in the future. In 2017, SAMHSA held two recovery housing meetings that covered topics including research on emerging best practices in recovery housing, state recovery housing programs, available funding for recovery housing, and challenges that state entities have experienced regulating recovery homes in their states. SAMHSA contracted with NARR at the end of fiscal year 2017 to provide technical assistance and training to recovery housing organizations, managers, and state officials on NARR's quality standards and certification process, including presentations at three to four national and regional SUD conferences, such as those held by the National Association of State Alcohol and Drug Abuse Directors and other associations. NARR is also required to submit a final report to SAMHSA before the 1-year contract ends with recommendations for future needs for certifying recovery housing and establishing additional NARR state affiliates. SAMHSA officials told us that this is the agency's first contract with NARR, and SAMHSA plans to conduct an internal assessment at the end of fiscal year 2018 to determine next steps.

Selected States Have Used SAMHSA and State Funding for Recovery Housing

Two of the five states we reviewed used SAMHSA funding to help support recovery housing in their states from fiscal years 2013 through 2017, according to state officials. Texas was the only state in our review that used the loan funding available under SAMHSA's block grant. Officials from the Texas substance abuse agency told us that from fiscal years 2013 through 2017, the state used at least $150,000 of this funding annually to increase the number of Oxford Houses in the state and hire

[35]According to SAMHSA, recovery support services include a full range of culturally and linguistically appropriate social, legal, and other services that assist individuals with SUD and their families. Recovery support services include employment assistance, education, housing, community treatment, illness management, and peer-operated services. There are other SAMHSA funds available for recovery support services that may help individuals access emergency or temporary housing but cannot be used to establish recovery homes. For example, SAMHSA's Access to Recovery grant, which SAMHSA officials said the agency is terminating April 30, 2018, provided funding to eligible states to carry out a voucher program for SUD recovery support services, such as peer coaching, transportation to medical treatment, and other services to help individuals improve life skills or find employment. The grant also provided vouchers for individuals to pay for emergency housing for up to 1 week and transitional housing for up to 6 months.

Oxford House outreach workers.[36] Texas and Ohio also used a portion of their SAMHSA opioid grant funding for recovery housing. For example, in fiscal year 2017, officials from Ohio's substance abuse agency told us that the state used $25,000 of its approximately $26 million in opioid grant funding to support and train recovery housing operators, with the goal of increasing the number of recovery homes that accept individuals who receive medication-assisted treatment. The other states we reviewed—Florida, Massachusetts, and Utah—did not opt to use the loan funding available under the SAMHSA block grant and did not use their SAMHSA opioid grant funding for recovery housing services, according to state officials.

Four of the five states in our review—Florida, Massachusetts, Ohio, and Texas—have used state funding to establish and support recovery housing and recovery housing-related activities. For example, officials from the Texas substance abuse agency told us that, since 2013, the state legislature has authorized at least $520,000 annually for recovery housing. In fiscal years 2015 through 2017, the state used this funding for personnel costs and related expenditures, such as hiring seven Oxford House outreach workers and establishing a state loan fund of $200,000 to supplement the SAMHSA loan funding to support the establishment of an additional 25 new Oxford Houses.[37] Officials from the Massachusetts substance abuse agency told us that the agency has received annual state appropriations in the amount of $500,000 since fiscal year 2015 to contract with the entities that inspect and certify recovery homes for the state certification program and to contract with the state NARR affiliate for technical assistance with developing recovery housing certification standards and supporting the certification process. State substance

[36]Officials from the Texas substance abuse agency told us that Texas contracts with Oxford House, Inc. to administer the loans and to hire outreach workers. Oxford House outreach workers assist individuals in finding recovery homes, negotiate leases, and help individuals or groups that want to open new homes apply for Oxford House charters. As of November 2, 2017, there were 215 Oxford Houses in Texas, according to officials from the Texas substance abuse agency, but they could not provide us with the total number of recovery homes in the state.

[37]During this period, Texas also used these funds to provide $5,000 in stipends to help individuals recovering from SUD find housing. According to officials from the Texas substance abuse agency, the stipend is a one-time amount of about $150 per individual and is intended to help those individuals secure housing and employment to enable them to subsequently pay for their own housing. Officials noted that the substance abuse agency initially used funding from SAMHSA's Substance Abuse Prevention and Treatment block grant to provide the stipend, but the state legislature thought it was a good program and allocated money for it from state general funds.

abuse agency officials from the fifth state, Utah, told us that the state did not use state funding to establish recovery homes during fiscal years 2013 through 2017.[38] See table 2 for states' use of SAMHSA and state funding for recovery housing activities.

Table 2: Selected States' Use of Federal and State Funding for Recovery Housing and Oversight Activities, Fiscal Years 2013 through 2017

State and funding source	Fiscal Year (FY) 2013 (dollars)	FY 2014 (dollars)	FY 2015 (dollars)	FY 2016 (dollars)	FY 2017 (dollars)
Florida					
State funding (Florida Association of Recovery Residences certification activities)	—	—	$100,000[a]	—	$100,000[b]
State funding (Florida Certification Board certification activities)[c]	—	100,000	—	—	
Massachusetts					
State funding (voluntary recovery housing certification program)[d]	—	—	500,000	500,000	500,000
Ohio					
Substance Abuse and Mental Health Services Administration (SAMHSA) State Targeted Response to the Opioid Crisis grant funding[e]	—	—	—	—	25,000
State funding[f]	—	—	5,000,000	2,500,000	2,500,000
Capital bond funding[g]	—	—	5,000,000	—	—
Texas					
SAMHSA Substance Abuse Prevention and Treatment block grant loan funding	202,000	174,000	151,000	151,000	151,000

[38]Although the state did not use any state funding to establish recovery homes, officials from the Utah substance abuse agency told us that Utah uses state funding for recovery support services, including housing assistance for individuals transitioning from the criminal justice system (e.g., drug courts or correctional facilities) to the community.

State and funding source	Fiscal Year (FY) 2013 (dollars)	FY 2014 (dollars)	FY 2015 (dollars)	FY 2016 (dollars)	FY 2017 (dollars)
Texas					
SAMHSA State Targeted Response to the Opioid Crisis grant funding[e]	—	—	—	—	418,635
State funding		620,000	620,000	520,000	520,000
Utah					
SAMHSA funding	—	—	—	—	—
State funding[h]	—	—	—	—	—

Legend: — = The state did not receive funds that year.

Source: GAO based on information reported by selected states. | GAO-18-315

Note: This table reflects information provided by the five states we reviewed on their use of SAMHSA and state funding for recovery housing for fiscal years 2013 through 2017.

[a]This funding was used to develop the infrastructure needed to meet national standards for initial and ongoing recovery housing certification during fiscal years 2015 and 2016 for the state's voluntary certification program for recovery homes.

[b]This funding was used for the state's certification and training program.

[c]This funding was used to develop the certification program to measure the professional competence of recovery housing administrators under the state's voluntary certification program that called for the certification of both recovery homes and recovery housing administrators (e.g., managers or operators).

[d]This funding was used to cover expenses for the state's voluntary certification program that was established by state law in 2014. According to state officials, expenses included training for recovery housing owners and operators.

[e]SAMHSA State Targeted Response to the Opioid Crisis grant funding in this table refers to amounts that officials from state substance abuse agencies told us were used specifically for recovery housing. The opioid grant is 2-year grant for fiscal years 2017 and 2018 authorized under the 21st Century Cures Act and is intended to supplement existing opioid prevention, treatment, and recovery support activities. Of the $485 million available for each of the 2 years, most of the funding is to be used for opioid use disorder treatment services.

[f]The state may have used additional state funding for recovery support services that could include housing (e.g., rental assistance or transitional housing) but because amounts used specifically for recovery housing could not be separated from total amounts for support services or other types of housing, according to officials from the state substance abuse agency, this information is not reflected in the above table.

[g]The Ohio capital bond funding was used for the purchase, renovation, or new construction of recovery homes. According to officials from the state substance abuse agency, the capital funds covered recovery housing projects for multiple units and increased recovery housing capacity in the state to more than 1,000 beds.

[h]Although the state did not use any state funding to establish recovery homes in our study period, officials from the state substance abuse agency told us that the state used a total of about $38,000 across all 5 years to assist individuals with substance use disorder who were on parole and at immediate risk for relapse as a result of their current housing situation to enter recovery housing.

Agency Comments

We provided a draft of this report to HHS. HHS did not have any comments.

As agreed with your offices, unless you publicly announce the contents of this report earlier, we plan no further distribution until 30 days from the report date. At that time, we will send copies to the Secretary of Health and Human Services, appropriate congressional committees, and other interested parties. In addition, the report will be available at no charge on the GAO website at http://www.gao.gov.

If you or your staff have any questions concerning this report, please contact Katherine M. Iritani, Director, Health Care at (202) 512-7114 or iritanik@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. GAO staff who made key contributions to this report are listed in appendix II.

Katherine M. Iritani
Director, Health Care

List of Requesters

The Honorable Orrin Hatch
Chairman
Committee on Finance
United States Senate

The Honorable Trey Gowdy
Chairman
Committee on Oversight and Government Reform
House of Representatives

The Honorable Richard Blumenthal
United States Senate

The Honorable Dianne Feinstein
United States Senate

The Honorable Margaret Wood Hassan
United States Senate

The Honorable Tim Kaine
United States Senate

The Honorable John McCain
United States Senate

The Honorable Christopher S. Murphy
United States Senate

The Honorable Marco Rubio
United States Senate

The Honorable Elizabeth Warren
United States Senate

The Honorable Rob Bishop
House of Representatives

The Honorable Ken Calvert
House of Representatives

The Honorable Katherine M. Clark
House of Representatives

The Honorable Carlos Curbelo
House of Representatives

The Honorable Theodore E. Deutch
House of Representatives

The Honorable Lois Frankel
House of Representatives

The Honorable Alcee L. Hastings
House of Representatives

The Honorable Darrell Issa
House of Representatives

The Honorable William R. Keating
House of Representatives

The Honorable Mia Love
House of Representatives

The Honorable James P. McGovern
House of Representatives

The Honorable Seth Moulton
House of Representatives

The Honorable Dana Rohrbacher
House of Representatives

The Honorable Edward R. Royce
House of Representatives

The Honorable Chris Stewart
House of Representatives

The Honorable Frederica S. Wilson
House of Representatives

Appendix I: State Agencies and Related Entities GAO Interviewed

We interviewed officials from the following agencies and related entities in the five states we selected for review.

Florida

- Agency for Health Care Administration, Division of Medicaid
- Department of Children and Families, Substance Abuse and Mental Health Program
- Department of Financial Services, Division of Investigative and Forensic Services[a]
- Florida Association of Recovery Residences[b]
- Florida Certification Board
- Attorney General, Medicaid Fraud Control Unit and Office of Statewide Prosecution
- State Attorney, 15th Judicial Circuit (Palm Beach County)

Massachusetts

- Bureau of Substance Addiction Services, Massachusetts Department of Public Health
- Division of Insurance
- MassHealth (state Medicaid office)
- Massachusetts Alliance for Sober Housing[b]
- Medicaid Fraud Control Unit

Ohio

- Department of Insurance[c]
- Department of Medicaid
- Department of Mental Health and Addiction Services
- Attorney General, Health Care Fraud Section (includes the Medicaid Fraud Control Unit)
- Ohio Recovery Housing[b]

Texas

- Department of Insurance[c]
- Health and Human Services Commission, Mental Health and Substance Abuse Division
- Health and Human Services Commission, Medicaid and CHIP
- Medicaid Fraud Control Unit[c]
- Texas Recovery-Oriented Housing Network[b]

Utah

- Department of Health, Division of Medicaid and Health Financing[c]
- Department of Human Services, Division of Substance Abuse and Mental Health
- Department of Human Services, Office of Licensing
- Insurance Department
- Medicaid Fraud Control Unit
- Utah Association of Addiction Treatment Providers[b,d]

Source: GAO. | GAO-18-315

Notes:

[a]This division investigates potential insurance fraud in Florida.

[b]State affiliate of the National Alliance for Recovery Residences (NARR).

[c]This organization provided written responses to our queries.

[d]As of January 2018, NARR classified the Utah affiliate as "developing." Officials from the Utah Association of Addiction Treatment Providers told us that its recovery residence activities were conducted by one of the association's committees, and the committee was not actively certifying recovery houses in Utah according to the NARR standards.

Appendix II: GAO Contact and Staff Acknowledgments

GAO Contact

Katherine M. Iritani, (202) 512-7114 or iritanik@gao.gov

Staff Acknowledgments

In addition to the contact named above, Tom Conahan, Assistant Director; Shana R. Deitch, Analyst-in-Charge; Kristin Ekelund; and Carmen Rivera-Lowitt made key contributions to this report. Also contributing were Lori Achman, Jennie Apter, Colleen Candrl, and Emily Wilson.