

AB 423: Business Operated Recovery Residences

Assemblymember Laurie Davies

IN BRIEF

The bill creates a subcategory in state health code of a previously defined (in 11833.05 (c)) group home called a “Recovery Residence.” If a business, in exchange for some contracted form of compensation, were to provide services to multiple occupants in a Recovery Residence, it would be deemed a “Business-Operated Recovery Residence,” and be required to register the location with the state

THE ISSUE

Addicts in recovery are dying, overdosing and otherwise being exploited in housing which businesses are providing, along with additional services, in exchange for compensation. The business contracts to provide to the location’s occupants services such as supervision, rule setting and enforcement, room assignment, meal provision, transportation, entertainment, medication distribution, scheduling, and even urine testing. Existing state health code recognizes similar business relationships for over 25 other forms of group homes which are licensed by the Department of Social Services, but the current state health code definition of “Recovery Residence” does not adequately describe commercially-operated and controlled environments, which is discriminatory when health code otherwise addresses such relationships for other vulnerable populations. As a result, the state does not know how many residential settings for those recovering from SUD are controlled and served by businesses, nor their locations and distribution across the state.

CURRENT LAW

Existing law provides a definition of a Recovery Residence in health code (11833.05(c)) as “a residential dwelling that provides housing for individuals who seek a cooperative living arrangement that supports personal recovery from a substance use disorder and that does not require licensure by the department or does not provide licensable services...”¹ Existing law requires SUD programs certified by the Department of Health Care Services to disclose ownership or control of, or financial interest in, a Recovery Residence, as well as any contractual relationship with an entity that provides professional services or addiction treatment or recovery services to clients.

THE SOLUTION

The bill clarifies in health code the key distinction between houses that are independently governed and operated, which are entirely private living arrangements, and houses that are operated and controlled by businesses providing commercial services to a vulnerable population in exchange for compensation by defining a “Business-Operated Recovery Residence” as “a Recovery Residence in which a business, in exchange for compensation, provides more than one service beyond those of a typical tenancy arrangement to more than one occupant, including, but not limited to, drug testing, supervision, scheduling, rule setting, rule enforcement, room assignment, entertainment, gym memberships, transportation, laundry or meal preparation and coordination.”

It requires registration of such locations with the Department of Health Care Services just as health code already requires all Treatment Centers with contractual relationships with Recovery Residences to do

FOR MORE INFORMATION

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