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SENATE BILL NO. 270

AMENDMENT IN THE NATURE OF A SUBSTITUTE

(Proposed by the Senate Committee on Rehabilitation and Social Services
on February 6, 2026)

(Patron Prior to Substitute—Senator VanValkenburg)

A BILL to amend and reenact § 37.2-431.1 of the Code of Virginia and to amend and reenact the second enactment of Chapter 608 of the Acts of Assembly of 2025, relating to recovery residences; regulations.

Be it enacted by the General Assembly of Virginia:

1. That § 37.2-431.1 of the Code of Virginia is amended and reenacted as follows:

§ 37.2-431.1. Recovery residences; penalty.

A. As used in this section:

"Credentialing entity" means a nonprofit organization that develops and administers professional certification programs according to standards of the National Alliance for Recovery Residences or standards endorsed by Oxford House, Inc.

"Level of support" means the level of support and structure that a recovery residence provides to residents, as specified in the standards of the National Alliance for Recovery Residences.

"Recovery residence" means 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.

B. Every recovery residence shall disclose to each prospective resident its credentialing entity. If the credentialing entity is the National Alliance for Recovery Residences, the recovery residence shall disclose the level of support provided by the recovery residence. If the credentialing entity is Oxford House, Inc., the recovery residence shall disclose that the recovery residence is self-governed and unstaffed.

C. No person shall operate a recovery residence or advertise, represent, or otherwise imply to the public that a recovery residence or other housing facility is certified by the Department unless such recovery residence or other housing facility has been certified by the Department in accordance with regulations adopted by the Board. Such regulations (i) may require accreditation by or membership in a credentialing agency entity as a condition of certification; (ii) shall require the recovery residence, as a condition of certification, to comply with any minimum square footage requirements related to beds and sleeping rooms established by the credentialing entity or the square footage requirements set forth in § 36-105.4, whichever is greater; and (iii) shall require recovery residences to report to the Department any death or serious injury that occurs in the recovery residence; (iv) shall require that no recovery residence, or operator, employee, or agent of a recovery residence, require a resident to participate in medical or psychological services, including clinical substance use treatment, that such recovery residence receives financial benefit from, either directly or indirectly, as a condition of entering or continuing residence at such recovery residence; and (v) shall prohibit a provider of clinical treatment services from offering housing to individuals receiving treatment unless such housing is either licensed as a residential treatment program or certified as a recovery residence. The Department may issue a conditional certification to any recovery residence that has indicated an intent to receive accreditation by or membership in a credentialing agency entity when such accreditation or membership is a condition of certification. The maximum term of a conditional certification shall be six months. At the discretion of the Department, a conditional certification may be renewed for a period not to exceed three months if the provider is not able to demonstrate compliance with all certification regulations but demonstrates progress toward compliance. However, in no case shall the total period of conditional certification exceed nine successive months. Conditional certifications may be revoked for serious health and safety concerns. Violation of this subsection is a Class 1 misdemeanor.

D. The Department shall maintain a list of conditionally certified and a list of certified recovery residences on its website and shall provide (i) for each recovery residence included on such list, the credentialing entity; (ii) for recovery residences for which the National Alliance of Recovery Residences is the credentialing entity, the level of support provided by the recovery residence; and (iii) for recovery residences for which Oxford House, Inc., is the credentialing entity, a disclosure that the recovery residence is self-governed and unstaffed.

E. *The Department shall monitor any credentialing entity providing credentials to recovery residences in the Commonwealth to ensure that any criteria of such credentialing entity related to Department certification complies with Department regulations.*

F. *Referrals to recovery residences made by the Department or any agency of the Commonwealth shall only be made to recovery residences that are certified by the Department. No court may refer or release a person to a recovery residence that is not certified by the Department.*

G. *No such credentialing entity shall provide credentials to a recovery residence that is owned or operated by an individual who is employed by or in a position of authority at such credentialing entity, or an*

60 immediate family member, as that term is defined in § 2.2-3101, of any such individual. The Department may
61 require the recovery residence to seek accreditation by or membership in another credentialing entity
62 specified by the Department as a condition of certification.

63 H. The Board shall, in accordance with the Administrative Process Act (§ 2.2-4000 et seq.), promulgate
64 such regulations as the Board deems necessary to establish minimum certification standards for recovery
65 residences. Such regulations shall include:

66 1. Department protocols for recovery residences, including:

67 a. Denial of applications for certification or conditional certification; and

68 b. Corrective actions plans, which may include warning notices, probationary status, suspension of
69 indigent bed funding, temporary suspension of admission to residences, revocation of conditional
70 certification, and decertification.

71 2. Requirements for renewal of certification, which shall occur every two years. Such renewal shall be
72 submitted 90 days prior to the expiration date of a recovery residence's certification.

73 3. A process for submission and investigation of complaints regarding recovery residences, including:

74 a. A process for residents of recovery residences to report certain complaints directly to the Department,
75 including a timeframe for the Department to respond to such complaints.

76 b. A process and timeframe for credentialing agencies to report sanctions of recovery residences to the
77 Department.

78 c. A standardized internal grievance escalation protocol for complaints submitted to the operator of
79 recovery residences and credentialing agencies, including criteria for mandatory referral of certain
80 complaints to the appropriate authority.

81 4. A prohibition on the use of non-disclosure agreements that conflict with submission and investigation
82 of complaints regarding recovery residences as permitted pursuant to 42 C.F.R. Part 2.

83 5. Protocols for prohibiting the consumption or possession of any marijuana or marijuana products by
84 residents of recovery residences.

85 Such regulations shall align with national best practice standards appropriate for the level of support
86 provided by recovery residences.

87 I. The Department shall, in accordance with the Administrative Process Act (§ 2.2-4000 et seq.),
88 promulgate regulations to establish a process for operators of recovery residences to apply for certification
89 independently or in conjunction with a credentialing entity. Such process shall include provisions for
90 credentialing agencies to share information required for certification and certification renewal with the
91 Department on behalf of the recovery residence that is applying for certification with such entity, including
92 application forms, policies and procedures, and inspection reports.

93 2. That the State Board of Behavioral Health and Developmental Services shall, in accordance with the
94 Administrative Process Act (§ 2.2-4000 et seq. of the Code of Virginia), promulgate regulations to
95 authorize the Department of Behavioral Health and Developmental Services (the Department) to
96 expand data reporting requirements for certified and conditionally certified recovery residences. Such
97 reporting requirements shall (i) include a process for mapping data elements currently collected by
98 credentialing agencies to inform new requirements; (ii) identify metrics that align with national best
99 practices for evaluating efficacy of recovery residences; (iii) conduct a landscape survey with certified
100 recovery residence operators to assess current capabilities of data collection and map data points
101 collected to inform data reporting requirements; and (iv) define a process for operators of recovery
102 residences and credentialing agencies submitting on behalf of recovery residences to submit data to the
103 Department.

104 3. That the Department of Behavioral Health and Developmental Services (the Department) shall, in
105 accordance with the Administrative Process Act (§ 2.2-4000 et seq. of the Code of Virginia),
106 promulgate regulations regarding sharing of data related to recovery residences with the public. Such
107 shared data may include a recovery residence's (i) certification status; (ii) credentialing agencies; (iii)
108 recovery model; (iv) date of last inspection and the outcome of such inspection; (v) incidents reported
109 in the past year, including the number and type of incidents; (vi) summary of findings from audits or
110 investigations; (vii) demographics and number of residents served; and (viii) indigent bed usage.

111 4. That the second enactment of Chapter 608 of the Acts of Assembly of 2025 is amended and reenacted
112 as follows:

113 2. That the Secretary of Health and Human Resources shall convene a work group to (i) analyze
114 and make recommendations regarding the creation of a process through which the Department of
115 Behavioral Health and Developmental Services (the Department) can provide oversight of all recovery
116 residences in the Commonwealth and (ii) make recommendations to ensure transparency with the
117 public and residents or potential residents of recovery residences regarding the certification of each
118 recovery residence, including certification requirements, results, and inspections. Such work group
119 shall develop credentialing guidelines to be implemented by the Department, including (a) a uniform
120 set of certification criteria for all recovery residences; (b) protocols for the Department to define
121 qualifications for indigent bed fees and payment and reimbursement to recovery residences for

122 indigent bed fees; (c) protocols to ensure resident and patient choice in receiving treatment and that
123 the recovery residence operator, the house manager, or anyone in leadership with the recovery
124 residence is not determining the treatment received; (d) training and standards that recovery residence
125 operators and house managers shall meet before becoming a certified recovery residence operator or a
126 certified recovery house manager, including a verified period of participation in recovery; (e) a
127 Residents' Bill of Rights, including a mandatory compliance requirement with such Residents' Bill of
128 Rights by certified recovery residence operators and certified recovery house managers; (f) protocols
129 for termination of residency; (g) uniform data collection for recovery residences with a transparent
130 data platform, *including a definition for required data elements*; (h) establishment of a hotline for
131 complaints involving or against recovery residences to facilitate investigations; (i) a process for
132 investigation of complaints involving or against recovery residences to be conducted by the Department
133 or the Department in coordination with the locality where the recovery residence is located and not the
134 credentialing entity; (j) protocols for sanctions on recovery residences, including decertification when
135 appropriate; (k) methods for localities to conduct fire, building, safety, and health inspections of
136 recovery residences; and (l) other issues related to recovery residences and their operators as the work
137 group shall deem appropriate. Such work group shall include representatives of the Department's
138 Office of Recovery Services, Oxford House, Inc., the Virginia Association of Addiction Professionals,
139 the Virginia Association of Recovery Residences, representatives selected by the Virginia Association of
140 Counties and the Virginia Municipal League, members of the community where the recovery
141 residences are located, *at least two experienced certified recovery residence operators with a minimum of*
142 *five years of experience each*, and other relevant stakeholders. *The work group shall meet, at a minimum,*
143 *two times per calendar year. The work group shall submit a report of its findings and recommendations*
144 *to the General Assembly by November 1, 2026 annually.*