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HOUSE BILL NO. 931**AMENDMENT IN THE NATURE OF A SUBSTITUTE**

(Proposed by the Senate Committee on Rehabilitation and Social Services
on February 27, 2026)

(Patron Prior to Substitute—Delegate Simon)

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 use disorders and individuals with co-occurring mental illnesses and substance abuse use 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; and (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. 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 immediate family member, as that term is defined in § 2.2-3101, of any such individual. The Department may require the recovery residence to seek accreditation by or membership in another credentialing entity

specified by the Department as a condition of certification.

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

1. Department protocols for recovery residences, including:
 - a. Denial of applications for certification or conditional certification; and
 - b. Corrective actions plans, which may include warning notices, probationary status, suspension of indigent bed funding, temporary suspension of admission to residences, revocation of conditional certification, and decertification.
2. Requirements for renewal of certification, which shall occur every two years. Such renewal shall be submitted 90 days prior to the expiration date of a recovery residence's certification.
3. A process for submission and investigation of complaints regarding recovery residences, including:
 - a. A process for residents of recovery residences to report certain complaints directly to the Department, including a timeframe for the Department to respond to such complaints.
 - b. A process and timeframe for credentialing agencies to report sanctions of recovery residences to the Department.
 - c. A standardized internal grievance escalation protocol for complaints submitted to the operator of recovery residences and credentialing agencies, including criteria for mandatory referral of certain complaints to the appropriate authority.
4. A prohibition on the use of non-disclosure agreements that conflict with submission and investigation of complaints regarding recovery residences as permitted pursuant to 42 C.F.R. Part 2.
5. Protocols for prohibiting the consumption or possession of any marijuana or marijuana products by residents of recovery residences.

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

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

2. That the Department of Behavioral Health and Developmental Services (the Department) and the Virginia Housing Commission (the Commission) shall work collaboratively to study and make recommendations for establishing regulations for licensed providers of clinical substance use treatment services that offer housing as a benefit for individuals participating in treatment services but are not licensed or certified as a recovery residence. The Department and Commission shall report such recommendations to the Chairs of the House Committee on Health and Human Services and the Senate Committees on Rehabilitation and Social Services and Education and Health by November 1, 2027.

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

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

5. That the second and third enactments of this act shall become effective on July 1, 2027.

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

2. That the ~~Secretary of Health and Human Resources~~ Department of Behavioral Health and Developmental Services (the Department) shall convene a work group to (i) analyze and make recommendations regarding the creation of a process through which the Department of Behavioral

Health and Developmental Services (the Department) can provide oversight of all recovery residences in the Commonwealth and (ii) make recommendations to ensure transparency with the public and residents or potential residents of recovery residences regarding the certification of each recovery residence, including certification requirements, results, and inspections. Such work group shall develop credentialing guidelines to be implemented by the Department, including (a) a uniform set of certification criteria for all recovery residences; (b) protocols for the Department to define qualifications for indigent bed fees and payment and reimbursement to recovery residences for indigent bed fees; (c) protocols to ensure resident and patient choice in receiving treatment and that the recovery residence operator, the house manager, or anyone in leadership with the recovery residence is not determining the treatment received; (d) training and standards that recovery residence operators and house managers shall meet before becoming a certified recovery residence operator or a certified recovery house manager, including a verified period of participation in recovery; (e) a Residents' Bill of Rights, including a mandatory compliance requirement with such Residents' Bill of Rights by certified recovery residence operators and certified recovery house managers; (f) protocols for termination of residency; (g) uniform data collection for recovery residences with a transparent data platform, *including a definition for required data elements*; (h) establishment of a hotline for complaints involving or against recovery residences to facilitate investigations; (i) a process for investigation of complaints involving or against recovery residences to be conducted by the Department or the Department in coordination with the locality where the recovery residence is located and not the credentialing entity; (j) protocols for sanctions on recovery residences, including decertification when appropriate; (k) methods for localities to conduct fire, building, safety, and health inspections of recovery residences; and (l) other issues related to recovery residences and their operators as the work group shall deem appropriate. Such work group shall include representatives of ~~the Department's Office of Recovery Services~~, Oxford House, Inc., the Virginia Association of Addiction Professionals, the Virginia Association of Recovery Residences, representatives selected by the Virginia Association of Counties and the Virginia Municipal League, members of the community where the recovery residences are located, *at least two experienced certified recovery residence operators with a minimum of five years of experience each*, and other relevant stakeholders. *The work group shall meet, at a minimum, two times per calendar year. The work group shall submit a report of its findings and recommendations to the General Assembly by November 1, 2026 2027, and annually thereafter.*