



State Representative Justin Pizzulli
Sponsor Testimony – House Bill 58
House Community Revitalization Committee
February 18th, 2025

Chair Click, Vice Chair Mullins, Ranking Member Brewer, and Members of the Committee, thank you for the opportunity to present sponsor testimony on House Bill 58. This legislation establishes a certificate of need for recovery housing and empowers local communities to enforce quality standards—an overdue reform that will protect both vulnerable individuals and the neighborhoods they call home.

I represent a district founded on faith, family, and community. The people I serve believe in second chances and in helping those who are struggling—but they also believe in accountability. Today, bad actors exploit recovery housing for profit, failing those in need and burdening our communities with unchecked, unregulated facilities. This bill isn't about targeting legitimate providers; it's about ensuring accountability and safeguarding our citizens.

The opioid crisis has devastated Ohio, and recovery housing was meant to be part of the solution. Instead, it has devolved into a "Wild West" where fraud, neglect, and even criminal activity run rampant. Operators, unburdened by effective oversight, house vulnerable individuals in overcrowded, substandard facilities while collecting taxpayer dollars through Medicaid.

Also, many of these operators misuse the Americans with Disabilities Act (ADA) as a shield to bypass local zoning laws. This tactic enables recovery homes to be established right next door to residential neighborhoods without proper community input or oversight, compromising local planning and safety.

Consider this: Our current system uses tax dollars to fund Ohio Recovery Housing (ORH) to certify these facilities. House Bill 58 reverses that model by shifting the certification cost from taxpayers to providers—a fiscally conservative measure that not only saves taxpayer money but also helps prevent Medicaid fraud, ensuring that more Medicaid dollars are spent wisely in recovery efforts.

According to the *Mapping the Gap* report by Ohio Recovery Housing, 21 counties in Ohio have little to no recovery housing at all, while 22 counties operate beyond full capacity—some exceeding 500%. In my district in southern Ohio, there are 149 recovery homes, with 80 in Scioto County alone, as reported by the ADAMHS Board of Adams, Scioto, and Lawrence

counties. To put this in perspective, counties like Franklin, Montgomery, and Cuyahoga—with populations in the millions—have similar recovery home numbers as Scioto County, which has fewer than 70,000 residents.

Nearly half of the residents in these facilities aren't even from my district. Judges from across the state are sending individuals here through court orders. When these placements fail, those individuals are left stranded—they become homeless, re-offend, or face even graver consequences. Our townships, already struggling economically, are witnessing a disturbing trend: recovery housing is becoming their largest “industry,” overshadowing manufacturing and small business. This is not a sustainable model.

This crisis is not just about healthcare—it's a public safety issue, an economic strain, and a direct threat to the quality of life for the people of Ohio. And the problem isn't theoretical—it's happening right now:

- In one facility, a resident was caught running a fentanyl operation right from within the home.
- Human trafficking networks have exploited recovery homes as a cover to prey on vulnerable individuals.
- A family was forced to flee their home barefoot in the middle of the night when a recovery home resident set a fire.
- Other neighborhoods are reporting theft, trespassing, and failing septic systems due to overcrowded facilities.
- Township ambulances are going bankrupt trying to keep up with a surge in emergency calls—and tragically, some elderly residents have died because no ambulance was available.

House Bill 58 doesn't eliminate recovery housing—it makes it work the way it should. It achieves its goals through three key measures:

1. **Establishing a Certificate of Need:** This ensures recovery homes are distributed fairly, so no community is overwhelmed while others remain underserved.
2. **Empowering Local Oversight:** It grants local Alcohol, Drug Addiction, and Mental Health Services (ADAMHS) boards the authority to inspect facilities, investigate complaints, and shut down bad actors. Local leaders know their communities best and are best positioned to protect them.
3. **Implementing a Modest Bed Fee:** While nursing homes in Ohio pay \$13.50 per bed, per day, this bill proposes a fee of just 69 cents per bed, per day—a nominal cost that guarantees safety.

Some will argue that past reforms need more time. We've already waited two years with no meaningful progress—but OHMAS and ORH will tell you they lack the necessary enforcement power. Others claim that a certificate of need will block new facilities. Yet, if hospitals and nursing homes cannot open without proper oversight, recovery housing should be held to the same standards. And while some oppose yearly, unannounced inspections, ask yourself: Would you eat at a restaurant that's inspected only once every year with prior notice? The people of my district—hardworking, faith-driven citizens—simply ask for fairness and safety. They want recovery housing that truly supports people in need, not one that serves as a front for fraud and criminal activity. Local leaders have witnessed the damage firsthand and are demanding action.

I urge you to support House Bill 58—a measure that will protect our citizens, safeguard our communities, and ensure that every dollar, including Medicaid dollars, is spent wisely. Thank you for your consideration, and I welcome any questions you may have.