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H.B. 58
136th General Assembly

Fiscal Note & Local Impact Statement

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Version: As Introduced

Primary Sponsors: Reps. Pizzulli and Jarrells

Local Impact Statement Procedure Required: No

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Highlights

- The bill requires the Ohio Department of Mental Health and Addiction Services (OhioMHAS) to administer a certificate of need (CON) program for various activities relating to recovery housing residences. This will result in additional administrative costs to review applications, monitor CON activities, investigate potential violations, and adopt program rules. Costs will depend on the number of CON applications.
- The bill requires boards of alcohol, drug addiction, and mental health services (ADAMH) to conduct annual inspections of recovery housing residences in their jurisdiction, and investigate complaints related to these recovery housing residences. This will result in additional administrative and investigative costs.
- The bill establishes the Recovery Housing Residence Fund, which will consist of CON fees and civil penalties. The fund could be used to help defray some of the ADAMH boards' costs described above.

Detailed Analysis

OhioMHAS duties

The bill requires the Ohio Department of Mental Health and Addiction Services (OhioMHAS) to administer a certificate of need (CON) program for various activities relating to the operation of, need for, and location of recovery housing residences. The bill specifies what activities are subject to CON review. Additionally, the bill specifies the various duties of OhioMHAS under the CON program and establishes a CON application fee as follows: (1) if the proposed project is based on a specific number of resident beds, then the fee is an amount that equals \$250 for each bed, and (2) if the proposed project is not based on a specific number of beds, the fee is an amount the OhioMHAS Director must specify in adopted rules.

Fiscal impact

OhioMHAS will realize administrative costs to review applications, monitor CON activities, investigate potential violations, and adopt program rules. The costs will depend on the number of CON applications received, as well as the scope of the projects or reviewable activity. CON fees will be deposited in the Recovery Housing Residence Fund, which the bill establishes. Additionally, any civil penalties imposed by the OhioMHAS Director resulting from an individual violating the bill's prohibitions against unauthorized CON activities will be deposited in the fund. The bill allows these revenues to be used to support alcohol, drug addiction, and mental health services (ADAMH) duties, so it is unknown how much could be used to defray OhioMHAS's costs.

ADAMH boards' duties

The bill requires ADAMH boards to conduct annual inspections of recovery housing residences in their jurisdiction. Additionally, the bill requires that complaints be investigated by ADAMH boards, instead of by OhioMHAS or its contractor as under current law. ADAMH boards are permitted to contract with individuals to serve as inspectors and investigators.

Fiscal impact

OhioMHAS could realize some savings if it is no longer responsible for investigating complaints. On the other hand, there will be additional costs for ADAMH boards to establish and conduct recovery housing residence inspections and reports, as well as establish and implement an ongoing recovery housing residence complaint investigation and reporting process. Furthermore, these additional responsibilities may require some boards to hire additional staff. CON fees and civil penalties deposited into the Recovery Housing Residence Fund will be used to defray some of these costs. However, the projected amount of fee revenue is unknown at this time.