

GAO Highlights

Highlights of [GAO-20-214T](#), a testimony before the Committee on Finance, United States Senate

Why GAO Did This Study

Substance abuse and illicit drug use, including the use of heroin and the misuse of alcohol and prescription opioids, is a growing problem in the United States. Individuals with a substance use disorder may face challenges in remaining drug- and alcohol-free. Recovery homes can offer safe, supportive, drug- and alcohol-free housing to help these individuals maintain their sobriety and can be an important resource for recovering individuals. However, as GAO reported in March 2018, some states have conducted investigations of potentially fraudulent practices in some recovery homes.

This statement describes (1) what is known about the prevalence of recovery homes across the United States; and (2) investigations and actions selected states have undertaken to oversee such homes. It is largely based on GAO's March 2018 report (GAO-18-315). For that report, GAO reviewed national and state data, among other things, and interviewed officials from the Department of Health and Human Services, national associations, and five states—Florida, Massachusetts, Ohio, Texas, and Utah. GAO selected these states based on their rates of opioid overdose deaths, their rates of dependence or abuse of alcohol and other drugs, and other criteria.

View [GAO-20-214T](#). For more information, contact Mary Denigan-Macauley at (202) 512-7114 or deniganmacauleym@gao.gov.

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SUBSTANCE USE DISORDER

Prevalence of Recovery Homes, and Selected States' Investigations and Oversight

What GAO Found

In March 2018, GAO found that the prevalence of recovery homes (i.e., peer-run or peer-managed drug- and alcohol-free supportive homes for individuals in recovery from substance use disorder) was unknown. Complete data on the prevalence of recovery homes were not available, and there was no federal agency responsible for overseeing recovery homes that would compile such data. However, two national organizations collected data on the prevalence of recovery homes for a subset of these homes.

- The National Alliance for Recovery Residences (NARR), a national nonprofit and recovery community organization that promotes quality standards for recovery homes, collected data only on recovery homes that sought certification by some of its state affiliates. As of January 2018, NARR told us that its affiliates had certified almost 2,000 recovery homes, which had the capacity to provide housing to over 25,000 individuals.
- Oxford House, Inc. collected data on the number of individual recovery homes it charts. In its 2018 annual report, Oxford House, Inc. reported that there were 2,542 Oxford Houses in 45 states.

The number of recovery homes that were not affiliated with these organizations was unknown.

In March 2018, GAO also found that four of the five states in its review—Florida, Massachusetts, Ohio, and Utah—had conducted, or were in the process of conducting, investigations of potentially fraudulent recovery home activities in their states. Activities identified by state investigators included schemes in which recovery home operators recruited individuals with substance use disorder to specific recovery homes and treatment providers, and then billed those individuals' insurance for extensive and unnecessary drug testing for the purposes of profit. For example, officials from the Florida state attorney's office told GAO that, in some instances, substance use disorder treatment providers were paying \$300 to \$500 or more per week to recovery home operators for every individual the operators referred for treatment. Then, in one of these instances, the provider billed an individual's insurance for hundreds of thousands of dollars in unnecessary drug testing over the course of several months. Further, these officials told GAO that as a result of these investigations at least 13 individuals were convicted and fined or sentenced to jail time.

To increase oversight, officials from three of the five states—Florida, Massachusetts, and Utah—said they had established state certification or licensure programs for recovery homes in 2014 and 2015. Officials from the other two states—Ohio and Texas—had not established such programs, but were providing training and technical assistance to recovery homes.