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Behavioral Health Treatment Providers Concerned About Sudden Cut-Off of State Funding

On February 28, the Behavioral Health Administration (BHA) published a memo indicating that authorizations for certified recovery residences would no longer be processed as of March 31, and new provider/site applications would not be processed. The memo cited current utilization and “funding exhaustion” as the rationale for ending state support for patients in certified recovery residences, known as Maryland Recovery Net (MDRN) in Maryland. Recovery residences like MDRN are recognized as a key part of the continuum of care, offering a critical step in a return to independent living in the community after jail or higher levels of residential treatment.

The Community Behavioral Health Association of Maryland (CBH) represents 98 organizations delivering a full continuum of mental health and addiction treatment to Maryland residents. No CBH members own certified recovery residences. While CBH members are not directly impacted by BHA’s memo suspending authorizations for certified recovery residences, CBH has strong concerns about the policy processes and decisions reflected in the memo.

“We are concerned that BHA’s action could inadvertently increase recidivism, drive individuals into higher levels of care, and cost the state more money than other areas in the continuum of care,” said Shannon Hall, Executive Director of CBH.

Several BHA-regulated programs have drawn federal scrutiny for potential fraud and abuse. Recent growth in MDRN sites and utilization has paralleled rising utilization in the specialty substance use programs drawing federal scrutiny, with MDRN expenditures more than doubling in a two-year period. If MDRN housing were used as incentivized housing attached to specialty programs like partial hospital programs, BHA has the capacity to monitor and respond proactively to instances of abuse, rather than take action only once funds are exhausted. Earlier action would ensure that MDRN funds remain available for independent housing throughout the fiscal year.

To the extent that MDRN funding exhaustion is a result of inappropriate use of the service, Hall noted that the state has multiple tools at its disposal to conduct oversight of its provider network, including monitoring growth in licenses and certification, utilization management, and corrective action plans for providers failing to meet standards. “All of these oversight activities would normally happen before ‘funding exhaustion’ and a total shutdown of licenses and authorizations,” said Hall. “The memo doesn’t explain the problem or why these tools were not applied earlier in the process.”

“Patients and providers are owed a deeper explanation of what could have prevented this abrupt funding shutdown, and what steps are being taken to ensure that safeguards are put in place to ensure that BHA is effectively leveraging the oversight tools currently available to it,” said Hall.

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