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REPORT TO THE LEGISLATURE

TO: Joint Standing Committee on Health and Human Services
FROM: Maine Department of Health and Human Services, Office of Behavioral Health
DATE: June 5, 2026
RE: Report pursuant to P.L. 2025, c. 449, *An Act Regarding Large Recovery Residences*

The Maine Department of Health and Human Services (the Department) is submitting this report pursuant to Public Law 2025, c. 449, *An Act Regarding Large Recovery Residences*. This law required the Department to convene a group of interested parties to review options for managing the costs of general assistance provided for residents of recovery residences, including possible expansion or creation of state-funded subsidy programs. This report presents a summary of the current recovery residence landscape and recommendations generated by the group.

As is usual practice with reports on work with interested parties convened by the Department, the positions and recommendations in this report do not necessarily reflect the position of the Department or Administration, nor do they reflect future proposals of the Department or convey support for specific legislation. The Department will continue to engage with partners and the Legislature on specific initiatives as appropriate.

Group Engagement and Process

The legislation required that the group include, at a minimum, individuals in recovery, operators of recovery residences, municipal officials, and individuals representing the entity responsible for the certification of recovery residences in the state.

The Department's Office of Behavioral Health engaged the Maine Association of Recovery Residences, individual proprietors and smaller organizations, individuals in recovery, and general assistance administrators through Fall 2025 to review prospective options for managing the costs of general assistance and the solvency of the broader recovery residence landscape.

Background and Discussions Summary

Managing General Assistance costs for residents of recovery residences is complex and multi-faceted. General Assistance (GA) currently provides housing assistance for individuals in recovery residences certified by the Maine Association of Recovery Residences (MARR) who meet other eligibility criteria related to income and expenses, like individuals residing in private dwellings. However, as the number of recovery residences has grown exponentially in recent

years, as has the burden on municipal GA programs to cover resident fees at recovery residences for eligible individuals, particularly in select communities.¹

The increase in GA housing costs for recovery residences is due in part to the increased housing density created by converting existing properties - such as single-family residences - into a large recovery residence. Within the last five years, Maine has seen an increase from 37 MARR-certified houses in 2020 to 113 by December 2025. Some municipalities have seen growth from none or one recovery residence to upwards of nine. This growth has posed novel and considerable financial challenges, with an assumed 75 to 90 individuals seeking housing assistance at times. One municipality engaged in this study shared that their community grew from two recovery residences in 2023 to nine in 2025 and that recovery residence reimbursement now accounts for approximately 80 percent of their municipal GA housing assistance expenditures.

A single-family house with four bedrooms, considered by GA to be a single household, might be converted into an eight-bed recovery residence, with each resident potentially eligible for GA housing support. Larger properties have also been converted into recovery residences, accommodating more than 30 residents at any time by utilizing a common practice of shared rooms. These properties can drastically increase the number of potential GA housing support applicants within a single municipality. While LD 215 limits the financial responsibility for municipalities for houses with more than 25 beds, these larger houses can further strain municipal staff and GA funding as residents may often be eligible for additional support including food and household products.

Recovery residences' operating structures are another important component to consider when examining this issue. The levels of service in recovery residences vary and are divided into levels 1 through 4 (see appendix for an explanation of the levels). Most of these residences rely exclusively on resident fees ("rent") paid by or on behalf of residents. Whether these fees are paid by the resident, a family member, subsidy program, GA, or other source, they are typically the sole source of operating revenue for recovery residences.²

The costs associated with operating a well-run recovery residence can be extensive. For example, a recovery residence with ten beds charging \$750 per bed, per month will generate \$90,000 in revenue if they maintain full occupancy year-round, though most residences will have several unfilled 'bed nights' during any given year. Both initial start-up costs and ongoing operational costs can be significant and are a driving factor in a residence's long-term sustainability.

¹ For example, Winthrop reported over a tenfold increase in their municipal GA budget due to recovery residence fees, and Augusta reported 80 percent of their GA budget supporting recovery residences.

² The most common funding sources for recovery residences are resident contribution and private pay, public funding, state and municipal funding (e.g., OBH's [HSSP subsidy](https://www.mainerecoveryresidences.com/hssp) (<https://www.mainerecoveryresidences.com/hssp>), State Opioid Response funds, GA, Maine Recovery Council funding), and nonprofit, philanthropic, or other funding (e.g., scholarships, the [United Recovery Fund](https://www.unitedrecoveryfund.org/) (<https://www.unitedrecoveryfund.org/>), [Family Restored](https://thefamilyrestored.org/) (<https://thefamilyrestored.org/>), [Michael's Active Recovery](https://michaelsactiverecovery.org/) (<https://michaelsactiverecovery.org/>), [Safe Harbor](https://healthyacadia.org/spr-shrhfw) (<https://healthyacadia.org/spr-shrhfw>), and [MARR](https://www.mainerecoveryresidences.com/about-narr) (<https://www.mainerecoveryresidences.com/about-narr>)).

Start-up Costs

(As reported by current operators)

Property Lease or Purchase

- A lease will often require first and last months' rent in addition to a security deposit, averaging \$5,000-\$6,000 with monthly rent thereafter.
- Purchasing a property requires a down payment of 3-10 percent to secure a mortgage, averaging \$9,000-\$30,000.

Renovations and Safety Upgrades

- Many homes require renovations and safety upgrades for conversion to a recovery residence. These costs range from \$2,000-\$25,000, depending on the condition of the house at the time of purchase.

Application for MARR Certification

- There is a \$50 application fee to apply for certification of a recovery residence through MARR, with certification required for various subsidies and housing assistance resources.
- Certified recovery residences must also pay an annual fee of \$400, with the \$50 application fee applied to the first year's dues.
- There is an additional \$3 fee per bed.
- E.g., a ten-bed recovery residence would incur \$430 in fees annually solely to maintain certification.

Furnishings

- Recovery residences provide one bed frame, one mattress, and one dresser per resident in addition to common area furnishings such as couches, chairs, bookshelves, kitchenware, and other basic home necessities.
- Many residences receive material or monetary donations for these needs; however, purchasing necessary furnishings can range between \$5,000-\$15,000.

Annual and Ongoing Costs

Utilities and Maintenance

- Utility estimates are difficult to assess, especially with Maine's housing stock often being older and less energy efficient.
- The estimates provided are based on a four- or five-bedroom house in Maine*:
 - Electricity: \$2,928 annually
 - Oil heat: \$1,100-2,700 annually (assuming up to \$300 per month for nine months)
 - Natural gas heat: \$1,100 annually
 - Heat pumps: \$1,800 annually
- Recovery residence operators, like traditional landlords, are also responsible for snow removal, lawn care, repairs, and general maintenance. Some residences allow minor maintenance to be completed by residents as part of their contribution, however.

Insurance

- Though Maine does not have a mandatory insurance requirement for recovery residences, many operators secure insurance policies with coverage for property damage, hazards, general liability, and umbrella policies. These are estimated at \$2,000 - 6,000 depending on selected coverage.

Staffing

- Recovery residences approach staffing differently depending on their certification level (one through four), but *all* houses must provide staffing for:
 - Occupancy - screening referrals, intake, and waitlist management
 - Programming - support for residents, house meetings, resource navigation and coordination
 - Management – adherence to programming, rent collection, general oversight and operations

Administration and Finances

- Administrative responsibilities are often assigned to staff responsible for general management, but many residences secure professional financial services for bookkeeping, tax preparation and filings, and other operational or financial needs.

*The utility estimates provided are from some operators' reporting, noting others shared comments regarding the "high cost of utilities" without providing more specific figures. Utility prices are also impacted by the size of the residence, usage and settings, energy efficiency, and other factors. For reference, Efficiency Maine [data](https://www.energycmaine.com/at-home/heating-cost-comparison/) (https://www.energycmaine.com/at-home/heating-cost-comparison/) reveals higher averages than those reported. One final factor to consider is interior temperature. A former resident of a now closed recovery residence reported peers frequently had to use space heaters to maintain interior temperatures and supplement the high costs of oil.

The increase in larger recovery residences may have been influenced, in part, by the reality of the costs associated with operating a residence – more beds produce more resident fees, which increases financial efficiency. There has also been a sharp increase in the number of Level 4 recovery residences becoming licensed as a residential treatment provider, which provides the ability to bill MaineCare for certain services provided. This allows the business to generate sufficient revenue to cover expenses associated with the delivery of recovery services. While this evolution expands the number of residential treatment facilities specializing in substance use treatment, it has also caused confusion for DHHS Offices, including the Division of Licensing and Certification, Office of Behavioral Health, as well as providers and community. Ambiguity and uncertainty have emerged regarding which regulations and standards are followed for these larger residences. There are differences between various licensing regulations, MaineCare policy, and MARR certification requirements, the latter of which align with national standards specific to the Social Model of Recovery.³ In response to these challenges, the Office of Behavioral Health and Division of Licensing and Certification are evaluating policy updates and renewed guidance regarding the certification and/or licensing of Level 4 recovery residences to provide greater clarity and separation from the non-clinical Level 1 through 3 residences.

Current Structure for Managing the Costs of GA provided to Recovery Residences

The Office of Behavioral Health currently implements the Housing Support Subsidy Program (HSSP), which is administered by MARR and funded at nearly \$1 million annually, to address some resident costs associated with operating recovery residences. The HSSP evolved from a previous subsidy program administered by Maine State Housing Authority, which served only 17 MARR-certified residences and utilized for operational losses opposed to direct support for individuals. At the time of the HSSP's inception in 2023, there were approximately 70 MARR-certified houses, and as of December 2025, there are more than 113 recovery residences operating in Maine, limiting the impact and reach of the subsidy.

The increased demand has posed substantial challenges statewide, and most acutely for smaller residences and operators. LD 215 sought to mitigate some of this burden by limiting the municipal contribution to GA housing expenses for large recovery residences with 25 beds or more, and though there are additional resources, such as scholarships⁴ to help with resident fees, these are limited to meeting fund-specific eligibility criteria. Consequently, some operators have placed renewed focus and prioritization on an applicant's ability to pay whereas others screen applicants first and foremost with a focus on recovery readiness.

For reference, MARR has suggested the total annual rent collected in all certified recovery residences is approximately \$12 – 13 million, noting that 20-30 percent of houses and/or residents could benefit from greater financial support. Currently, neither MARR nor the Office of Behavioral Health has the authority or mechanisms available to accurately capture information specific to how or the extent that GA is financially used to support operating costs. The Fletcher

³ With a steady increase in recovery residences developing clinical services, such as Intensive Outpatient services (IOP), Opioid Health Homes (OHH), and Medication for Opioid Use Disorder (MOUD) medication management, more clarity and statewide alignment between regulatory bodies may ultimately be necessary.

⁴ E.g., [Family Restored](https://thefamilyrestored.org/) (https://thefamilyrestored.org/), the [United Recovery Fund](https://www.unitedrecoveryfund.org/) (https://www.unitedrecoveryfund.org/), and [MARR's scholarship fund](https://www.mainerecoveryresidences.com/hssp) (https://www.mainerecoveryresidences.com/hssp).

Group performed a financial survey in 2022-23, however the responses were too limited to provide reliable data or reference.

Recovery Residences: Housing or Programming?

From a funding and regulatory perspective, recovery residences are positioned in a gray area between housing and programming, further complicated by the various residence levels.

Throughout the engagement process, there was a recurring perception that Level 2 recovery residences are seen as inherently housing with an agreement not to use alcohol or substances and not to bring them into the shared house. Level 3 residences, however, are seen more as programs than housing.

Several stakeholders within the workgroup recognized reliance on GA broadly, as well as increasing reliance on GA within certain municipalities. Some stakeholders noted more isolated “abuse” described as “house hunting,” or a “turn-style” of resident beds, allegedly promoting the utilization of GA to finance operations.

One stakeholder with experience in recovery housing shared concerns based on what they’ve seen in Florida, reporting that recovery housing there has experienced challenges specific to resource investment unaccompanied by rigorous oversight. This has led to concerns around possible improper use of valuable resources, which can also impact the reputation and perception of recovery housing. They highlighted the importance of exploring opportunities to support increased, specific, and service-appropriate oversight to prevent similar outcomes. This same individual commended Maine’s supportive environment during the initial “buildup of recovery residence stock” and suggested certain “infrastructure challenges” are to be expected. Ultimately, they indicated Maine’s response would be a key factor in the ongoing success in the field of recovery housing.

One municipality shared they now have nine houses in their city, and residents of those houses are regularly seeking financial support for resident fees owed to the recovery residence operator. They further noted additional challenges that impact GA eligibility, such as:

- Residents having to leave jobs in another community in order to live in a residence, rendering the individual ineligible for GA assistance.
- Residents who were able to secure employment were sometimes asked to leave their positions to comply with a house’s curfew requirements.
- Potential “double dipping” and a general lack of understanding related to what types of alternative funding exists for recovery residents.
- “House hopping,” where residents moved into one recovery residence with GA support only to be evicted within days and return to GA for support in moving to a different residence.
- “Turn-style” move-in patterns, where multiple individuals seek GA assistance for the same recovery residence within the same 30-day period.
- Resident evictions have prompted renewed concern regarding landlord/tenant and fair housing laws, as well as other housing rights violations with evictions based upon “trivial” matters or justifications.

All parties required for this workgroup were active in discussion. These stakeholders included representatives from various positions and organizations connected to the Recovery Residence field. This included the Maine Association of Recovery Residences, Recovery residence operators, municipal representatives responsible for GA, recovery advocates, individuals with experience living in recovery residences, and representatives from provider organizations with experience referring to and receiving referrals from recovery residences. Overall, municipalities demonstrated a varying degree of knowledge related to recovery residences, from operations and funding to housing rights applications. When representatives of engaged municipalities spoke, they expressed a deep commitment to supporting individuals in their communities seeking and maintaining recovery. They clearly articulated the value of recovery housing as part of the system of care but requested greater regulation and oversight to ensure appropriate use of limited funds.

Subsidy Program Expansion and Recommendations

The majority of those engaged in this assessment recommend an expansion of subsidies and funding opportunities for recovery residences in order to support those in recovery without burdening municipal GA programs. There was also a consensus that greater oversight and regulation is necessary as part of increased funding and expansion.

Similarly, the majority indicated that recovery residences should continue to be treated as housing, and supported by GA, until and unless there are more regulations governing the programmatic requirements for recovery residences – essentially, “something akin to licensing.” Though the group agreed that licensing for Level 4 recovery residences is standard and reasonable, there is currently little to no appetite for expanding licensing to Level 1-3 houses. This is primarily due to concerns that licensing may preclude operators, impose additional barriers to the expansion of recovery residences, and create challenges for state licensing entities. The Department is exploring changes to the certification processes in Maine to exclude Level 4 houses from certification and shift those clinical settings under licensing regulations accordingly.

Ultimately, requiring mandatory certification of recovery residences in Maine would ensure consistent governance, oversight, and standards. This would likely require additional funding for operators based on the increased administrative demands. However, there are challenges with mandatory certification that remain a barrier to implementing such a recommendation. Some recovery residences and operators oppose prohibitions on medical cannabis while others oppose requirements for allowing medication for opioid use disorder (MOUD). National recovery standards are not explicitly clear on these two more controversial aspects of recovery services. The current voluntary certification process in Maine allows for this difference which creates the potential ineligibility for subsidy funding. Currently, approximately 25 percent of MARR-certified houses do not accept residents who are on MOUD and would be ineligible for an expanded subsidy under the existing policies permitting such treatment.⁵

Minority reporting included arguments that recovery residences should be funded by the Department with an outcome-driven funding structure if recovery residences truly improve recovery outcomes based on programming. An important distinction here is that when discussing

⁵ Generally, the prohibition of MOUD in certain recovery residences is a philosophical choice rather than an operational or clinical one.

outcome-driven funding, there is an implication that some form of treatment or programming is being delivered that would drive outcomes. With the varying models or approaches to recovery residences, this would not necessarily be applicable to all. This would specifically not apply for those residences solely providing housing. This sentiment aligns with the consensus that increased oversight and regulation are needed to ensure appropriate utilization of state subsidies and GA resources. The importance of the intersection between housing and programming during such an important time in a person's recovery is a sentiment that resonated with most everyone, noting it is a crucial component of entering and maintaining recovery as other aspects of life coalesce, including securing employment, building relationships, and living more independently, but does not imply that the recovery residence is the entity delivering the programming.

Conclusion

Ensuring sustainable access to the critical recovery and housing services provided by recovery residences is a priority shared across the group. The exponential growth in recovery residences over the last five years in particular has created a dynamic wherein more individuals are now able to access necessary services but that access has increased financial strain on municipal GA programs. The statute changes enacted in Public Law 2025, Ch. 449 partially mitigate this challenge by limiting the amount of housing assistance available to individuals in large recovery residences, however the need for additional attention and resources remains. Adding to the complexity of the financial sustainability for recovery residences is the ongoing variability of how recovery residences are viewed. For some, recovery residences are strictly housing for those who opt to reside in a substance-free environment as a means of supporting recovery. For others, recovery residences are viewed as treatment programs which would suggest additional revenue streams based on providing billable treatment services in addition to rent. While considering financial sustainability plans for recovery residences, this juxtaposition cannot be underscored enough.

The current HSSP subsidy has proven effective, but is unable to support the demand without increased funding. The annual rent collected from certified recovery residences alone in 2025 averaged \$12 – 13m, and this does not include other residences that have not elected to engage in voluntary certification, which is an eligibility requirement for the HSSP. Considering the variability of viewpoints as they relate to recovery residences - housing or treatment - recovery services and residences should remain flexible and voluntary in alignment with the recovery model of care, and therefore, it is not recommended to impose mandatory certification or impose additional requirements on all recovery services. Additionally, imposing a solitary, standardized approach to recovery residences would diminish the principle that there are many pathways to recovery and that one size does not fit all. The stakeholder group largely agreed that an expansion of the HSSP and/or the creation of alternative funding assistance would benefit a large number of recovery residences throughout Maine and ideally reduce some strain on municipal GA administrators who would still need to provide potentially greater support to larger or uncertified residences.

Appendix: Recovery Residence Service Levels

From the Maine Association of Recovery Residences:

In 2011, NARR made history by establishing a national standard for recovery residences. This standard defines the spectrum of recovery oriented housing and services and distinguishes four different types, which are known as “levels” or “levels of support.”



The standard was developed through a strength-based and collaborative approach that solicited input from all major regional and national recovery housing organizations. Guidance for the standard was also received from recovery residence providers (some with decades of experience) from across the nation representing all four levels of support and nationally recognized recovery support stakeholders.

NARR released the second version of the standard in October 2015, and in 2018 released Version 3.0, the current version. You can download them below.

The compendium provides more explicit guidance to providers, including metrics for evaluating the peer support components of a residence’s recovery environment.

Download the current standards here:

https://www.mainerecoveryresidences.com/s/NARR_Standard_V30_release_11-2018-1.pdf

Information accessed through: <https://www.mainerecoveryresidences.com/about-narr>