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For the Hearing
"Examining Concerns of Patient Brokering and Addiction Treatment Fraud."

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House Energy and Commerce Committee

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Good morning Chairman Harper, and ranking member DeGette, as well as to the entire subcommittee. My name is Pete Nielsen, and I am the Executive Director and CEO of CCAPP, the California Consortium of Addiction Programs and Professionals. CCAPP is the largest statewide consortium of community-based substance use disorder treatment agencies, and addiction focused professionals, providing services to over 100,000 California residents annually in residential, outpatient, and private practice settings. Our home office in Sacramento is represented by Energy and Commerce Member Doris Matsui, and our Golden state of California is represented on this subcommittee by three distinguished members, Mr. Ruiz, Mr. Peters, and Ms. Walters, whom I thank for their service and their commitment to the people of California.

CCAPP has actively supported residential recovery for over 30 years. We are responsible for the credentialing and professional oversight of tens of thousands of addiction treatment and prevention professionals in the most populous state in the nation. We have also published and disseminated standards for sober living facilities. At present, compliance with our Sober Living Environment standards is voluntary.

Sober Living Environments, or “SLE,” is a term generally used to describe a specific type of housing. SLE’s offer a housing alternative to individuals who are recovering from alcohol and or drug addiction. These environments are not subject to licensing by any State agency and are not subject to any required certification or accreditation. Other terms used to describe such housing are “recovery residences" “cooperative housing for recovering people", "resident-run housing", "sober cooperative living", and "alcohol, drug free living centers." All of these are intended for cooperative living of individuals who are recovering from alcoholism or drug addiction. Sober living is not, nor has it ever been, intended to be the same as residential inpatient treatment. It is its own entity, with its own set of standards and goals.

Sober living environments can be found in a variety of settings and can serve a multitude of purposes. It is imperative that we understand this, as they are not “one size fits all.” In many cases, they serve as a place to live while a consumer receives outpatient treatment at a separate clinical setting. In other cases, they can serve as a “recovery residence,” where people go to live upon completing residential treatment at a separate facility.

There is a great need for sober living in our communities. Many persons who attend or graduate from organized programs do not have a home to go to, nor can they afford individual housing, which is recovery conducive. Cooperative housing offers a bridge to independent living, which is a critical piece of the sobriety puzzle. Those struggling with addiction are often in need of a stable environment, which in theory, sober living facilities seek to provide.

As in any cooperative environment, a sober living house needs rules. Rules may include curfew, smoking, chores, payment of rent, and attendance at house meetings, and must include prohibition of any use of alcohol and or drugs. The space should be adequate to accommodate each individual comfortably and with dignity and respect.

Attention should be given to the health and safety of all residents and therefore the home should meet minimum fire and health standards. CCAPP recommends standards be followed in five categories for any SLE in California. This document, “CCAPP Standards for Sober Living Environments,” has been submitted for the record. We recommend standards for the Physical Environment, for Management, for Record Keeping, for House Rules, and for Residency Requirements.

Physical Environment standards can include aspects such as design and upkeep. Design should encourage residents to contact each other incidentally, informally, and without status barriers. Space should be available for all residents to meet for community meetings. Upkeep and appearance: Repair, maintenance, cleanliness, and attractiveness are critical elements in the life of the house. The upkeep and appearance of the house are a metaphor for the lives of the residents. This includes grounds and driveways surrounding the home. Residents should feel the place is their own. Also, good neighbor policies assure that the home and its residents are accepted as part of the community. This means that residents will be mindful of noise levels of

conversations, and designated smoking areas that will not affect the neighbors. There must be fire safety standards in place.

The person in charge of the facility shall be clearly identified to all residents and on the premises This should be an individual or designated individual within the group. This person shall be responsible for the maintenance and safety of the building. The manager should be the keeper of the "good neighbor" policy and liability insurance and copies should be available and visible in the home. At a minimum, someone must be responsible for the safety of the building, someone must be available to maintain records, to collect rent, and to register and check-out residents, and to maintain rules of the house. The manager in charge of the residency shall maintain formal records. Records fill several important roles: they allow management to track the person served and provide a sense of order. The following record keeping standards are applicable to SLE:

To function properly and achieve maximum efficiency, House Rules must exist. These rules must be clearly defined. Optional rules will depend on the needs of the population to be served, should not be over burdensome, and must be consistent with residency needs.
To begin with, no drinking of alcohol or items containing alcohol or using illegal drugs are to be tolerated at any time.

The residency requirements must be clearly defined and at a minimum should include: A desire to live a clean and sober life style; Completion of a formal alcohol or drug recovery program, or documented stability in a self-help group; A willingness to abide by all the house rules; and a signed residential agreement on file for each resident.

The reason I mention all of these standards, and the reason they are relevant, is part of the bigger picture. Throughout the entire addiction treatment and recovery process, focus on patient centered care is critical. A patient cannot be treated as a commodity, which is unfortunately what we are seeing in many cases in the current environment. Bad actors ae using the stigma of addiction against the people they claim to care for. It is difficult enough to deal with a disease as complex and as crippling as addiction- to do it while being taken advantage of is next to impossible. So, the patient must come first. When seeking out the right environment for a

consumer, if the first question one receives is about payment, this is a red flag. Before anything else, a patient and their caretakers must find the right environment and best suited treatment protocol. They must find the program that fits their needs, their personalities, and their circumstances best. Simply because someone meets the eligibility requirements of a facility, this does not automatically mean the facility is right for them. There's eligibility, and then there is the right fit. In a sober living environment, every employee, from the janitor to the manager, the patient and their well-being must be the top priority. We must ask ourselves, "will the consumer benefit?" Not everyone benefits from same type of facility. People respond differently to different therapies, and to different environments.

At some call centers, workers are paid bonuses for "performance," based on how many admissions they sign up, and many use high-pressure sales tactics on very desperate callers. Once a potential client is on the phone, it's up to the call center employee to convince them that they should travel to the treatment center the call center is representing, whether or not going away from home was the person's intention, and whether or not the treatment center provides the right therapies and environment that best suits the consumer. Former call center employees at the American Addiction Centers facility told the LA Times the sales environment was high-pressure, and all about getting heads in beds.

The substance use disorder treatment and recovery process is highly complex, and as a result, so is the industry that provides these services. The better trained, better organized, and better coordinated our industry is, however, the better our services will be- and not only will consumers benefit, but so will all of society. Any potential legislation must be crafted to support the industry and its good actors, while at the same time weeding out the bad. In the end, the goal is to have an industry that is ethical and strong enough to support itself with minimal oversight.
In California, residential treatment programs require licensure from state, but there is no oversight for outpatient treatment. Outpatient programs often open sober homes, or contracts with one. Thus, the state will often treat an outpatient treatment facility and a sober home it owns or contracts with as separate entities, even though they are entangled. It is as if inpatient but it's really not. clinical lines. often times individuals in wrong care or patients misled (provide residence and outpatient in different places)

In California, the bill AB 285 was introduced earlier this year as the Drug and Alcohol-free Residences Act. This bill would define a "drug and alcohol-free residence" as a residential property that is operated as a cooperative living arrangement to provide an alcohol and drug free environment for persons recovering from alcoholism or drug abuse, or both, who seek a living environment that supports personal recovery. It would authorize a drug and alcohol-free residence to demonstrate its commitment to providing a supportive recovery environment by applying and becoming certified by an approved certifying organization that is approved by the State Department of Health Care Services. It provided that a residence housing persons who are committed to recovering from drug or alcohol addiction is presumed to be a drug and alcohol-free residence if the residence has been certified by an approved certifying organization. The bill would require an approved certifying organization, such as CCAPP, to maintain an affiliation with a national organization recognized by the department, establish procedures to administer the application, certification, renewal, and disciplinary processes for a drug and alcohol-free residence, and investigate and enforce violations by a residence of the organization's code of conduct, as provided. The bill specifies that there would be documentation that an operator who seeks to have a residence certified is required to submit to an approved certifying organization.

A certifying organization would be required to maintain and post on its web site a registry containing specified information of a residence that has been certified pursuant to these provisions, and would require the department to maintain and post on its Internet Web site a registry that contains specified information regarding each residence and operator that has had its certification revoked. The bill would deem the activities of a certified drug and alcohol-free residence a residential use of property under specified circumstances.

This bill would require that a state agency, state-contracted vendor, county agency, or county-contracted vendor that directs substance abuse treatment, or a judge or parole board that sets terms and conditions for the release, parole, or discharge of a person from custody, to only first refer that person to a residence listed as a certified drug and alcohol-free residence on a registry posted by an approved certifying organization, provided there is availability in such a residence.

One critical right is a knowledge of the grievance process. Every SLE should have grievance

process procedures posted clearly, so that those who believe they are at risk or being maltreated can notify a body with oversight, such as a credentialing body or regulatory board.

If the members of this committee can take away just one point from my testimony, please let it be this- all of our standards, our recommendations, our efforts- they all have one primary goal above all else: to protect the consumer. I believe this committee shares our commitment to this pursuit. I believe it is the very reason for this hearing. All of our best practices, and all of our efforts day in and day out, exist so that a vulnerable population with a terrible disease receive all the possible protections at our disposal. To this end, the consumers should be clearly informed of their rights as well as their responsibilities. One critical right is a knowledge of the grievance process. Every SLE should have grievance process procedures posted cleaerly, so that those who believe they are at risk or being maltreated can notify a body with oversight, such as a credentialing body or regulatory board.

Again, I reiterate my thanks to this subcommittee for addressing this critical issue, and for inviting me to testify on behalf of CCAPP.