The Florida Senate BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

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Sneed		McKnight		AHS	Pre-meeting		
Hall	Hall		nski	CF	Fav/CS		
ANALYST		STAFF DIRECTOR		REFERENCE	ACTION		
DATE:	February 1	2, 2024	REVISED:				
SUBJECT:	Substance Abuse Treatment						
NTRODUCER:	Children, Families, and Elder Affairs Committee and Senator Harrell						
3ILL:	CS/SB 118	0					
Prepar	ed By: The Pr	ofessional S	Staff of the Appro	opriations Committe	ee on Health and Human Services		

Please see Section IX. for Additional Information:

COMMITTEE SUBSTITUTE - Substantial Changes

I. Summary:

CS/SB 1180 amends the definition of certified recovery residences to distinguish residences based on the level of care provided at the facility, to include:

- **Level I**: homes that house individuals in recovery who are post-treatment, with a minimum of nine months of sobriety. These homes are run by the members who reside in them.
- Level II: homes that provide oversight from a house manager (typically a senior resident). Residents are expected to follow rules outlined in a resident handbook, pay dues, and work toward achieving milestones.
- **Level III**: homes that offer 24-hour supervision by formally trained staff and peer-support services for residents.
- Level IV: homes that are offered, referred to, or provided to patients by licensed services providers. The patients receive intensive outpatient and higher levels of outpatient care. These homes are staffed 24 hours a day.

The bill prohibits any recovery residence from denying an individual access to the residence solely on the basis the individual had been prescribed federally approved medication for the treatment of substance use disorders.

The bill prohibits a local law, ordinance, or regulation from regulating the duration or frequency of a resident stay and exempts certified recovery residences from any transient rental taxes.

CS/SB 1180 also increases the membership of the Statewide Council on Opioid Abatement from 10 to 19 members.

The Revenue Estimating Conference estimates that the bill will have a negative \$5.6 million recurring impact on General Revenue, an insignificant impact to state trust fund revenues, and a - \$6.9 million recurring impact on local government tax revenues in Fiscal Year 2024-25. *See* Section V., Fiscal Impact Statement.

The bill takes effect July 1, 2024.

II. Present Situation:

Substance Abuse

Substance abuse refers to the harmful or hazardous use of psychoactive substances, including alcohol and illicit drugs. According to the Diagnostic and Statistical Manual of Mental Disorders, Fifth Edition (DSM-5), a diagnosis of substance use disorder (SUD) is based on evidence of impaired control, social impairment, risky use, and pharmacological criteria. SUD occurs when an individual chronically uses alcohol or drugs, resulting in significant impairment, such as health problems, disability, and failure to meet major responsibilities at work, school, or home. Repeated drug use leads to changes in the brain's structure and function that can make a person more susceptible to developing a substance use disorder.

Among people aged 12 or older in 2021, 61.2 million people (or 21.9 percent of the population) used illicit drugs in the past year.⁵ The most commonly used illicit drug was marijuana, which 52.5 million people used.⁶ In the past year:⁷

- Nearly 2 in 5 young adults aged 18 to 25 used illicit drugs;
- 1 in 3 young adults aged 18 to 25 used marijuana;
- 9.2 million people aged 12 and older misused opioids;

¹ The World Health Organization, *Mental Health and Substance Abuse*, available at https://www.afro.who.int/health-topics/substance-abuse (last visited February 7, 2024); *See also* The National Institute on Drug Abuse (NIDA), *The Science of Drug Use and Addiction: The Basics*, available at https://archives.nida.nih.gov/publications/media-guide/science-drug-use-addiction-basics (last visited January 30, 2024).

² The National Association of Addiction Treatment Providers, *Substance Use Disorder*, available at https://www.naatp.org/resources/clinical/substance-use-disorder (last visited January 30, 2024).

³ The Substance Abuse and Mental Health Services Administrator (The SAMHSA), *Substance Use Disorders*, available at https://www.samhsa.gov/find-help/disorders (last visited January 30, 2024).

⁴ Harvard Medical School, Harvard Health Publishing, *Brain Plasticity in Drug Addiction: Burden and Benefit*, available at text=Experience-

<u>dependent%20learning%2C^{*} 20including%20repeated%20drug%20use%2C%20might%20increase,drug%20use%2C%20where%20people%20ignore%20the%20negative%20consequences</u> (last visited February 7, 2024).

⁵ U.S. Department of Health and Human Services, SAMHSA Announces National Survey on Drug Use and Health (NSDUH) Results Detailing Mental Illness and Substance Use Levels in 2021, available at

 $[\]frac{https://www.hhs.gov/about/news/2023/01/04/samhsa-announces-national-survey-drug-use-health-results-detailing-mental-illness-substance-use-levels-2021.html}{(last visited January 30, 2024)}.$

⁶ *Id*.

⁷ *Id*.

• 46.3 million people aged 12 and older (16.5 percent of the population) met the applicable DSM-5 criteria for having a substance use disorder, including 29.5 million who were classified as having an alcohol use disorder and 24 million who were classified as having a drug use disorder. The percentage was highest among young adults aged 18 to 25.

Substance Abuse Treatment in Florida

In the early 1970s, the federal government enacted laws creating formula grants for states to develop continuums of care for individuals and families affected by substance abuse. The laws resulted in separate funding streams and requirements for alcoholism and drug abuse. In response to the laws, the Florida Legislature enacted chs. 396 and 397, F.S., relating to alcohol and drug abuse, respectively. Each of these laws governed different aspects of addiction, and thus, had different rules promulgated by the state to fully implement the respective pieces of legislation. However, because persons with substance abuse issues often do not restrict their misuse to one substance or another, having two separate laws dealing with the prevention and treatment of addiction was cumbersome and did not adequately address Florida's substance abuse problem. In 1993, legislation was adopted to combine chs. 396 and 397, F.S., into a single law, the Hal S. Marchman Alcohol and Other Drug Services Act (Marchman Act).

The Marchman Act encourages individuals to voluntarily seek services within the existing financial and space capacities of a service provider.¹³ However, denial of addiction is a prevalent symptom of SUD, creating a barrier to timely intervention and effective treatment.¹⁴ As a result, treatment typically must stem from a third party providing the intervention needed for SUD treatment.¹⁵

The Department of Children and Families (DCF) administers a statewide system of safety-net services for substance abuse and mental health prevention, treatment, and recovery for children and adults who are otherwise unable to obtain these services. Services are provided based on state and federally-established priority populations. ¹⁶ The DCF provides treatment for SUD through a community-based provider system offering detoxification, treatment, and recovery support for individuals affected by substance misuse, abuse, or dependence. ¹⁷

⁸ The DCF, *Baker Act and Marchman Act Project Team Report for Fiscal Year 2016-2017*, p. 4-5. (on file with the Senate Children, Families, and Elder Affairs Committee).

⁹ *Id*.

¹⁰ *Id*.

¹¹ Id.

¹² Chapter 93-39, s. 2, L.O.F., codified as ch. 397, F.S.

¹³ See ss. 397.601(1) and (2), F.S., An individual who wishes to enter treatment may apply to a service provider for voluntary admission. Within the financial and space capabilities of the service provider, the individual must be admitted to treatment when sufficient evidence exists that he or she is impaired by substance abuse and his or her medical and behavioral conditions are not beyond the safe management capabilities of the service provider.

¹⁴ Darran Duchene and Patrick Lane, *Fundamentals of the Marchman Act, Risk RX*, Vol. 6 No. 2 (Apr. – Jun. 2006) State University System of Florida Self-Insurance Programs, available at https://flbog.sip.ufl.edu/risk-rx-article/fundamentals-of-the-marchman-act/ (last visited January 18, 2024)(hereinafter cited as "fundamentals of the Marchman Act").

¹⁵ *Id.*

¹⁶ See ch. 394 and 397, F.S.

¹⁷ The DCF, *Treatment for Substance Abuse*, available at https://www.myflfamilies.com/services/samh/treatment (last visited January 18, 2024).

Detoxification Services: Detoxification services use medical and clinical procedures to assist
individuals as they withdraw from the physiological and psychological effects of substance
abuse.¹⁸

- **Treatment Services**: Treatment services¹⁹ include a wide array of assessment, counseling, case management, and support that are designed to help individuals who have lost their abilities to control their substance use on their own and require formal, structured intervention and support.²⁰
- **Recovery Support**: Recovery support services, including transitional housing, life skills training, parenting skills, and peer-based individual and group counseling, are offered during and following treatment to further assist individuals in their development of the knowledge and skills necessary to maintain their recovery.²¹

Licensure of Substance Abuse Service Providers

The DCF regulates substance use disorder treatment by licensing individual treatment components under ch. 397, F.S., and Rule 65D-30, F.A.C. Licensed service components include a continuum of substance abuse prevention²², intervention²³, and clinical treatment services.²⁴

Clinical treatment is a professionally directed, deliberate, and planned regimen of services and interventions that are designed to reduce or eliminate the misuse of drugs and alcohol and promote a healthy, drug-free lifestyle.²⁵ "Clinical treatment services" include, but are not limited to, the following licensable service components:

- Addictions receiving facility.
- Day or night treatment.
- Day or night treatment with community housing.
- Detoxification.
- Intensive inpatient treatment.
- Intensive outpatient treatment.
- Medication-assisted treatment for opiate addiction.
- Outpatient treatment.
- Residential treatment.²⁶

¹⁸ The DCF, *Treatment for Substance Abuse*, available at https://www.myflfamilies.com/services/samh/treatment (last visited January 18, 2024).

¹⁹ *Id.* Research indicates that persons who successfully complete substance abuse treatment have better post-treatment outcomes related to future abstinence, reduced use, less involvement in the criminal justice system, reduced involvement in the child-protective system, employment, increased earnings, and better health.

²⁰ *Id.*

²¹ *Id*.

²² Section 397.311(26)(c), F.S. "Prevention" is defined as "a process involving strategies that are aimed at the individual, family, community, or substance and that preclude, forestall, or impede the development of substance use problems and promote responsible lifestyles." *See also* The DCF, *Substance Abuse Prevention*, available at https://www.myflfamilies.com/services/samh/substance-abuse-prevention (last visited January 19, 2024).

²³ Section 397.311(26)(b), F.S. "Intervention" is defined as "structured services directed toward individuals or groups at risk of substance abuse and focused on reducing or impeding those factors associated with the onset or the early stages of substance abuse and related problems."

²⁴ Section 397.311(26), F.S.

²⁵ Section 397.311(26)(a), F.S.

²⁶ *Id*.

Recovery Residences

Recovery residences (also known as "sober homes, "sober living homes," "Oxford Houses," or "Halfway Houses") are non-medical settings designed to support recovery from substance use disorders, providing a substance-free living environment commonly used to help individuals transition from highly structured residential treatment programs back into their day-to-day lives (e.g., obtaining employment and establishing more permanent residence). Virtually all encourage or require attendance at 12-step mutual-help organizations like Alcoholics Anonymous (AA) or Narcotics Anonymous (NA), but recovery homes have varying degrees of structure and built-in programmatic elements, including: ²⁸

- Length of Stay: some may have a limited or otherwise predetermined, length of stay, while others may allow individuals to live there for as long as necessary provided they follow the house rules.
- Monitoring: some, but not all, provide monitoring to maintain substance-free, recovery-supportive living environments and help facilitate house members' progress by implementing a number of rules and requirements (i.e., mutual-help organization attendance, attendance at house meetings, curfews, restrictions on outside employment, and limits on the use of technology). Typically as individuals successfully follow these rules over time, restrictions become more lenient and individuals have greater latitude in their choices both in and outside of the recovery residence.
- **Size**: while recovery residences range in the number of individuals living there at any given time, there are typically at least 6-8 residents of the same gender.

A recovery residence is defined as "a residential unit, the community housing component of a licensed day or night treatment facility with community housing, or other form of group housing, which is offered or advertised through any means, including oral, written, electronic, or printed means, by any person or entity as a residence that provides a peer-supported, alcohol-free, and drug-free living environment."²⁹

Recovery residences can be located in single-family and two-family homes, duplexes, and apartment complexes. Most recovery residences are located in single-family homes, zoned in residential neighborhoods.³⁰ To live in a recovery residence, occupants may be required to pay a monthly fee or rent, which supports the cost of maintaining the home. Generally, recovery

²⁷ Recovery Research Institute, *Recovery Residences*, available at https://www.recoveryanswers.org/resource/recovery-residences/ (last visited January 31, 2024). Substance abuse prevention is achieved through the use of ongoing strategies such as increasing public awareness and education, community-based processes and evidence-based practices. These prevention programs are focused primarily on youth, and, in recent years, have shifted to the local level, giving individual communities the opportunity to identify their own unique prevention needs and develop action plans in response. This community focus allows prevention strategies to have a greater impact on behavioral change by shifting social, cultural, and community environments.

²⁸ *Id*.

²⁹ Section 397.311(38), F.S.

³⁰ Hearing before the Subcommittee on the Constitution and Civil Justice of the Committee on the Judiciary, House of Representatives, One Hundred Fifteenth Congress, Sept. 28, 2018, available at https://www.govinfo.gov/content/pkg/CHRG-115hhrg33123.htm. See also The National Council for Behavioral Health, Building Recovery: State Policy Guide for Supporting Recovery Housing, available at https://www.thenationalcouncil.org/wp-content/uploads/2018/05/18 Recovery-Housing-Toolkit 5.3.2018.pdf?daf=375ateTbd56 (last visited January 31, 2024).

residences provide short-term residency, typically a minimum of at least 90 days. However, the length of time a person stays at a recovery residence varies based on the individuals' treatment needs.³¹ Because recovery residences essentially provide short-term rental or leasing of living quarters, recovery residences may be classified as transient rental accommodation and subject to taxation of rental fees.

Day or Night Treatment: Community Housing Component

Community housing is a type of group home that provides supportive housing for individuals who are undergoing treatment for substance abuse.

Day or night treatment is one of the licensable service components of clinical treatment services. This service is provided in a nonresidential environment with a structured schedule of treatment and rehabilitative services.³² Some day or night treatment programs have a community housing component, which is a program intended for individuals who can benefit from living independently in peer community housing which participating in treatment services at a day or night treatment facility for a minimum of five hours a day for a minimum of 25 hours per week.³³

Prior to 2019, the community housing component of a licensed day or night treatment program was not included in the definition of "recovery residence." After the Legislature amended the definition of "recovery residence" in 2019 to include the community housing component, DCF addressed the statutory change to the definition in a memo. The department stated that, as a result of the change in definition, providers licensed for day or night treatment with community housing must be certified as a recovery residence in order to accept or receive patient referrals from licensed treatment providers or existing recovery residences.³⁴ The memo did not specifically address whether the community housing component requires certification if the only individuals residing there were clients of the licensed day or night treatment program.

Voluntary Certification of Recovery Residences

A certified recovery residence is a recovery residence that holds a valid certificate of compliance and is actively managed by a certified recovery residence administrator.³⁵ Florida has a voluntary certification program for recovery residences and recovery residence administrators, implemented by private credentialing entities.³⁶ Under the voluntary certification program, two DCF-approved credentialing entities administer certification programs and issue certificates: the Florida Association of Recovery Residences (FARR) certifies the recovery residences and the Florida Certification Board (FCB) certifies recovery residence administrators.³⁷

³¹ American Addiction Center, *Length of Stay at a Sober Living Home*, available at https://americanaddictioncenters.org/sober-living/length-of-stay (last visited January 31, 2024).

³² Section 397.311(26)(a)2., F.S.

³³ Section 397.311(26)(a)3., F.S.

³⁴ DCF Memo to Substance Abuse Prevention, Intervention, and Treatment Providers, dated July 1, 2019 (on file with the Senate Children, Families, and Elder Affairs Committee).

³⁵ Sections 397.487-397.4872, F.S.

³⁶ *Id*.

³⁷ The DCF, *Recovery Residence Administrators and Recovery Residences*, available at https://www.myflfamilies.com/services/samh/recovery-residence-administrators-and-recovery-residences (last visited January 31, 2024).

As the credentialing entity for recovery residences in Florida, FARR is statutorily authorized to administer certification, recertification, and disciplinary processes as well as monitor and inspect recovery residences to ensure compliance with certification requirements. FARR is also authorized to deny, revoke, or suspend a certification, or otherwise impose sanctions, if recovery residences are not in compliance or fail to remedy any deficiencies identified. However, any decision that results in an adverse determination is reviewable by the Department.³⁸

In order to become certified, a recovery residence must submit the following documents with an application fee to the credentialing entity:³⁹

- A policy and procedures manual containing:
- Job descriptions for all staff positions;
- Drug-testing procedures and requirements;
- A prohibition on the premises against alcohol, illegal drugs, and the use of prescription medications by an individual other than for whom the medication is prescribed;
- Policies to support a resident's recovery efforts; and
- A good neighbor policy to address neighborhood concerns and complaints;
- Rules for residents;
- Copies of all forms provided to residents;
- Intake procedures;
- Sexual predator and sexual offender registry compliance policy;
- Relapse policy;
- Fee schedule:
- Refund policy;
- Eviction procedures and policy;
- Code of ethics:
- Proof of insurance;
- Proof of background screening; and
- Proof of satisfactory fire, safety, and health inspections.

There are currently 675 certified recovery residences in Florida. 40 DCF publishes a list of all certified recovery residences and recovery residence administrators on its website. 41

National Alliance for Recovery Residences

The National Alliance for Recovery Residences (NARR) was established to develop and promote best practices in the operation of recovery residences. The organization works with federal government agencies, national addiction and recovery organizations, state-level recovery housing organizations, and state addiction services agencies to improve the effectiveness and accessibility of recovery housing.

³⁸ Section 397.487, F.S.

³⁹ *Id*.

⁴⁰ DCF, 2024 Agency Bill Analysis SB 1180, on file with the Senate Children, Families, and Elder Affairs.

⁴¹ Section 397.4872, F.S.

⁴² NARR, *About Us*, available at https://narronline.org/about-us/ (last visited January 31, 2024).

In 2011, NARR established the national standard for all 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. ⁴³ NARR's levels of support are included in the Substance Abuse and Mental Health Services Administration's Best Practices for Recovery Housing. ⁴⁴

NARR Recovery Residence Levels of Support

A recovery residence is a broad term that describes safe and sober living environments that promote recovery from substance use disorders. These residences may also be referred to as halfway houses, three-quarter houses, transitional living facilities, or sober living homes. Since this is a broad term, to help categorize recovery residences into more specific groups, NARR distinguishes these residences based on their levels of care. There are four levels of care for recovery residences: peer-run, monitored, supervised, and service provider. ⁴⁵

Level I – Peer-Run

A Peer-Run recovery residence is a home operated by the residents themselves. In this type of residence, there is no external management or oversight from outside sources such as an administrative director. The administration of these facilities is done democratically by the residents. Services may include house meetings for accountability, drug screenings, and self-help meetings. These residences are generally set up in single-family residences like a house.⁴⁶

Level II – Monitored

A monitored recovery residence has an external management structure, usually in the form of an administrative director. The director oversees operations, provides guidance and support, and ensures that all tenants are following rules. These facilities, provide a structured environment with documented rules, policies, and procedures. These residences are typically managed by a house manager or senior resident and may offer peer-run groups, house meetings, drug screenings, and involvement in self-help treatment. These facilities are primarily single=family residences, but they may also be apartments or other dwelling types.⁴⁷

Level III – Supervised

Supervised recovery residences have more intense levels of oversight than monitored residences and typically have an on-site staff member who provides 24/7 support to residents. The staff at a Level III residence includes a facility manager and certified staff or case managers. Staff members may also provide counseling services or facilitate group activities. Residents at Level III houses are expected to adhere to a strict set of rules and guidelines while living in this type of

⁴³ NARR, *Standards and Certification Program*, available at https://narronline.org/affiliate-services/standards-and-certification-program/ (last visited January 31, 2024).

⁴⁴ Substance Abuse and Mental Health Services Administration, *Best Practices for Recovery Housing*, available at https://store.samhsa.gov/sites/default/files/pep23-10-00-002.pdf (last visited January 31, 2024).

⁴⁵ NARR, *Recovery Residence Levels of Support*, available at https://narronline.org/wp-content/uploads/2016/12/NARR_levels_summary.pdf (last visited January 31, 2024).

⁴⁶ Isaiah House, *NARR Levels of Care for Addiction Recovery Residences*, available at https://isaiah-house.org/narr-levels-of-care-for-addiction-recovery-residences/ (last visited January 31, 2024).

residence. Level III residences have an organizational hierarchy with administrative oversight for service providers, and documented policies and procedures. This type of residence emphasizes life skull development. In these residences, services may be utilized in the outside community while service hours may be provided in-house. The type of dwelling for Level III residences varies and may include all types of residential settings. 48

Level IV - Service Provider

Service provider recovery residences are typically operated by organizations or corporations. These residences offer a wide range of services and activities for residents. Staff levels in Level IV residences are higher than staff levels for Level I-III residences, and the environments are more structured and institutionalized. These residences have an overseen organizational hierarchy. Level IV recovery residence employ credentialed staff and have both clinical and administrative supervision for residents. These residences also provide clinical services and programming in-house and may offer residents life skill development. While Level IV residences may have a more institutionalized environment, all types of residence may be included as a client moves through the care continuum of a treatment center.⁴⁹

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NARR National Association of Recovery Residences		RECOVERY RESIDENCE LEVELS OF SUPPORT					
		LEVEL I Peer-Run	LEVEL II Monitored	LEVEL III Supervised	LEVEL IV Service Provider		
STANDARDS CRITERIA	ADMINISTRATION	Democratically run Manual or P& P	House manager or senior resident Policy and Procedures	Organizational hierarchy Administrative oversight for service providers Policy and Procedures Licensing varies from state to state	Overseen organizational hierarchy Clinical and administrative supervision Policy and Procedures Licensing varies from state to state		
	SERVICES	Drug Screening House meetings Self help meetings encouraged	House rules provide structure Peer run groups Drug Screening House meetings Involvement in self help and/or treatment services	Life skill development emphasis Clinical services utilized in outside community Service hours provided in house	Clinical services and programming are provided in house Life skill development		
	RESIDENCE	Generally single family residences	Primarily single family residences Possibly apartments or other dwelling types	Varies – all types of residential settings	All types – often a step down phase within care continuum of a treatment center May be a more institutional in environment		
	STAFF	No paid positions within the residence Perhaps an overseeing officer	At least 1 compensated position	Facility manager Certified staff or case managers	Credentialed staff		

FARR Recovery Residence Levels of Support

FARR recognizes four distinct support levels for recovery residences which were developed based on the NARR standards.⁵⁰ The levels are not a rating scale regarding the efficacy of valuation of any individual certified recovery residence, but instead offer a unique service

⁴⁸ Isaiah House, *NARR Levels of Care for Addiction Recovery Residences*, available at https://isaiah-house.org/narr-levels-of-care-for-addiction-recovery-residences/ (last visited January 31, 2024).

⁵⁰ FARR, Levels of Support, available at https://www.farronline.org/levels-of-support-1 (last visited January 31, 2024).

structure most appropriate for a particular resident.⁵¹ FARR recovery residence levels of support include:⁵²

Level I

Level I residences are structured after the Oxford House model.⁵³ Individuals who enter FARR Level I homes have a high recovery capital with a minimum of nine months of sobriety and the length of stay is determined by the resident. Level I homes are democratically run by the members who reside in the home through a guided policy and procedure manual or charter.

Level II

Level II residences encompass the traditional perspective of sober living homes. Oversight is provided from a house manager with lived experience, typically a senior resident. Residents are expected to follow the rules outlined in the resident handbook, pay dues, and work on achieving milestones within a chosen recovery path. This level of support is a resident driven length of stay, while providers may suggest a minimum commitment length.

Level III

Level III residences offer higher supervision by staff with formal training to ensure resident accountability. Level III homes offer peer-support services and are staff 24 hours a day. No clinical services are performed at the residence. The services offered usually include life skills, mentoring, recovery planning, and meal preparation. This support structure is most appropriate for residents who require a more structured environment during early recovery from addiction. Length of stay is determined by the resident; however, providers may ask for a minimum commitment length of stay to fully complete programming.

Level IV

A Level IV residence is any recovery residence offered or provided by a licensed service provider that provides housing to patients who are required to reside at the residence while receiving intensive outpatient and higher levels of outpatient care at facilities that are operated by the same licensed service provider or a recovery residence used as the housing component of a day or night treatment with community housing, license issued pursuant to Rule 65D-40.0081, Florida Administrative Code.

Opioids

Opioids are a class of medications derived from the opium plant or mimic its naturally occurring substances.⁵⁴ Opioids function by binding to specific receptors in the brain that are associated

⁵¹ FARR, *Levels of Support*, available at https://www.farronline.org/levels-of-support-1 (last visited January 31, 2024). ⁵² *Id*

⁵³ Oxford House Model is a concept and a system of operating in recovery from drug and alcohol addiction. The concept is that recovering individuals can live together and democratically run an alcohol and drug-free living environment which supports the recovery of every resident. Oxford Houses are one of the largest self-help residential programs in the U.S. *See* Oxford House, *The Purpose and Structure of Oxford House*, available at https://oxfordhouse.org/purpose_and_structure (last visited January 31, 2024) and the National Library of Medicine, *Oxford House Recovery Homes: Characteristics and Effectiveness*, available at https://www.ncbi.nlm.nih.gov/pmc/articles/PMC2888149/ (last visited January 31, 2024).

54 Johns Hopkins Medicine, *Opioids*, available at https://www.hopkinsmedicine.org/health/treatment-tests-and-therapies/opioids (last visited January 31, 2024).

with pain sensation, including pain relief.⁵⁵ The opioid family includes drugs such as oxycodone, fentanyl, morphine, codeine, and heroin.⁵⁶ These drugs are effective at reducing pain; however, they can be highly addictive even when prescribed by a doctor. Over time, individuals who use opioids can develop a tolerance to the drug, a physical dependence on it, and ultimately, succumb to an opioid use disorder. This condition can have grave consequences, including a heightened risk of overdose and even death.

Opioid Overdose

Opioid overdoses result from an overabundance of opioid in the body which leads to suppression of the respiratory system. Opioids account for two-thirds of all deaths relating to drug use, most of which are the result of overdoses.⁵⁷ More than 106,000 Americans died from drug-involved overdoses in 2021, illicit including illicit drugs and prescription opioids.⁵⁸ Opioid-involved overdose deaths increased from 21,088 in 2010 to 47,600 in 2017; the rate of such deaths remained relatively consistent for the next two years with 49,860 opioid-involved overdose deaths in 2019.⁵⁹ This was followed by a sharp increase in opioid-involved overdose deaths associated with the COVID-19 pandemic beginning in 2020.⁶⁰ Nationally, there were 63,630 reported opioid-involved overdose deaths in 2020 and 80,411 in 2021.⁶¹

Multistate Opioid Lawsuit and Settlement

In 2018, the Florida Attorney General filed a lawsuit against multiple opioid manufacturers and distributors. The lawsuit was alter expanded to include the pharmacies CVS and Walgreens. ⁶² The complaint alleged that the defendants caused the opioid crisis by, among other things: ⁶³

- Engaging in a campaign of misrepresentations and omissions about opioid use designed to increase opioid prescriptions and opioid use, despite the risks.
- Funding ostensibly neutral and independent "front" organizations to publish information touting the benefits of opioids for chronic pain while omitting the information about the risks of opioid treatment.
- Paying ostensibly neutral medical experts called "key opinion leaders" who were really manufacturer "mouthpieces" to public articles promoting the use of opioids to treat pain while omitting information regarding the risks.

⁵⁵ Johns Hopkins Medicine, *Opioids*, available at https://www.hopkinsmedicine.org/health/treatment-tests-and-therapies/opioids (last visited January 31, 2024).

⁵⁶ *Id*.

⁵⁷ United Nations Office on Drugs and Crime, World Drug Report 2022, *Global Overview: Drug Demand and Drug Supply*, available at https://www.unodc.org/res/wdr2022/MS/WDR22_Booklet_1.pdf (last visited January 31, 2024).

⁵⁸ National Institute on Drug Abuse, *Drug Overdose Death Rates*, available at https://nida.nih.gov/research-topics/trends-statistics/overdose-death-rates (last visited January 31, 2024).

⁶⁰ Rina Ghose, Amir M. Forati, & John R. Mantsch, *Impact of the COVID-19 Pandemic on Opioid Overdose Deaths: A Spatiotemporal Analysis*, J Urban Health 99, 316-327 (2022), available at https://link.springer.com/article/10.1007/s11524-022-00610-0 (last visited January 31, 2024).

⁶¹ *Supra*, note 58.

⁶² NPR, Florida Sues Walgreens, CVS for Alleged Role in Opioid Crisis, available at https://www.npr.org/2018/11/19/669146432/florida-sues-walgreens-cvs-for-alleged-role-in-opioid-crisis (last visited January 31, 2024).

⁶³ Florida Attorney General, *Florida's Opioid Lawsuit*, available at https://legacy.myfloridalegal.com/webfiles.nsf/WF/MNOS-AYSNED/\$file/Complaint%20summary.pdf (last visited January 31, 2024).

In 2021, McKesson, Cardinal Health, and AmerisourceBergen, the nation's three largest pharmaceutical distributors, as well as manufacturer Janssen Pharmaceuticals, Inc., agreed to a national settlement in which the distributors agreed to pay \$21 billion over 18 years and Janssen agreed to pay \$5 billion over nine years. ⁶⁴ Of the \$26 billion available, approximately \$22.7 billion was earmarked for use by states that participated in the lawsuit, including Florida. ⁶⁵

Florida additionally negotiated individual settlements with multiple other companies including⁶⁶:

- \$65 million from Endo Health Solutions;
- \$440 million from CVS Pharmacy, Inc.:
- \$177 million from Teva Pharmaceuticals Industries, Ltd.;
- \$122 million from Allergan Finance, LLC.;
- \$620 million from Walgreens Boots Alliance, Inc. and Walgreens, Co.; and
- \$215 million from Walmart.

Additionally, Teva Pharmaceuticals has agreed to provide the state with a supply of Naloxone Hydrochloride, an opioid antagonist⁶⁷, valued at \$84 million.⁶⁸

These settlements will pay out over a period of time ranging from 10 to 18 years. The monies from the settlements must be used for opioid abatement, including prevention efforts, treatment, and recovery services, and to pay litigation fees and costs incurred by the state, cities, and counties.⁶⁹

Florida Opioid Allocation and Statewide Response Agreement

To ensure the settlement proceeds are used to fund opioid and substance abuse education, treatment, prevention, and other related programs and services, the Office of the Attorney General coordinated with certain local governments in the state to enter into the Florida Opioid Allocation and Statewide Response Agreement.⁷⁰ The agreement requires the state to establish an opioid abatement task force or council to advise the Governor, the Legislature, DCF, and local

⁶⁴ National Opioid Settlement, *Executive Summary of National Opioid Settlements*, available at <a href="https://nationalopioidsettlement.com/executive-summary/#:~:text=In%20all%2C%20the%20Distributors%20will,additional%20manufacturers%E2%80%94Allergan%20and%20Teva (last visited January 31, 2024).

⁶⁵ Office of the Attorney General, *Attorney General Moody Secures Relief for Opioid Crisis*, available at https://www.myfloridalegal.com/opioidsettlement (last visited January 31, 2024).

⁶⁷ An opioid antagonist, such as Narcan or Naloxone Hydrochloride, is a drug that blocks the effects of exogenously administered opioids. They are used in opioid overdoses to counteract life-threatening depression of the central nervous system and respiratory system, allowing an overdose victim to breathe normally. *See* Harm Reduction Coalition, *Understanding Naloxone*, available at https://harmreduction.org/issues/overdose-prevention/overview/overdose-basics/understanding-naloxone/ (last visited January 31, 2024).

⁶⁸ Office of the Attorney General, *Attorney General Moody Secures Relief for Opioid Crisis*, available at https://www.myfloridalegal.com/opioidsettlement (last visited January 31, 2024).

⁷⁰ Florida Opioid Allocation and Statewide Response Agreement Between State of Florida Department of Legal Affairs, Office of the Attorney General and Certain Local Governments in the State of Florida, available at https://nationalopioidsettlement.com/wp-content/uploads/2021/11/FL-Opioid-AllocSW-Resp-Agreement.pdf (last visited January 31, 2024).

governments on the priorities that should be addressed by the expenditure of settlement funds, as well as review the spending of such funds and the results achieved.

The council's membership, administration, and duties are outlined in the agreement.⁷¹ Per the agreement, the Council's membership must consist of ten members equally balanced between state and local government representatives.

Appointments from the local governments must include:

- Two municipality representatives appointed by or through the Florida League of Cities.
- Two county representatives, one appointed from a qualified county and one appointed from a county within the state that is not a qualified county.
- One representative appointment that will alternate every two years between being a county representative appointed by or through the Florida Association of Counties or a municipality representative appointed by or through the Florida League of Cities.

Further, the agreement requires that one municipality representative must be from a city of less than 50,000 people and one county representative must be from a county of less than 200,000 people and the other county representative must be from a county with a population greater than 200,000.

Appointments from the state must include:

- Two members appointed by the Governor.
- One member appointed by the Speaker of the House of Representatives.
- One member appointed by the President of the Senate.
- The Attorney General or a designee.

In 2023, the Florida Legislature established the Statewide Council on Opioid Abatement. The council is tasked with enhancing the development and coordination of state and local efforts to abate the opioid epidemic and to support the victims and families of the crisis.⁷²

The council has a series of duties associated with the monitoring of the abatement of the opioid epidemic in Florida and a review of settlement fund expenditures.⁷³

Transient Rental Accommodations

Under current law, rental charges or room rates paid for the right to use or occupy living quarters or sleeping or housekeeping accommodations for a rental period of six months or less are subject to taxation.⁷⁴ Such rentals are often referred to as "transient rental accommodations" or "transient

⁷¹ Florida Opioid Allocation and Statewide Response Agreement Between State of Florida Department of Legal Affairs, Office of the Attorney General and Certain Local Governments in the State of Florida, available at https://nationalopioidsettlement.com/wp-content/uploads/2021/11/FL-Opioid-AllocSW-Resp-Agreement.pdf (last visited January 31, 2024).

⁷² Section 397.335, F.S.

 $^{^{73}}$ *Id*

⁷⁴ Section 212.03, F.S.

rentals."⁷⁵ Examples of transient rentals include hotel and motel rooms, condominium units, timeshare resort units, single-family homes, apartments or units in multiple unit structures, mobile homes, beach or vacation houses, campground sites, and trailer or RV parks.⁷⁶

In Florida, a six percent sales tax, plus any applicable discretionary sales surtax, is assessed on the total rental charges or room rates for transient rental accommodations, unless a statutory exemption applies.⁷⁷ Counties may also impost a local option tax on transient rental accommodations, such as the tourist development tax⁷⁸, convention development tax⁷⁹, tourist impact tax⁸⁰, or a municipal resort tax.⁸¹ These taxes are often called local option transient rental taxes and are in addition to the state sales tax.

Currently, transient rentals are potentially subject to the following taxes:

- Local Option Tourist Development Taxes: current law authorizes five separate tourist development taxes on transient rental transactions. Section 125.0104(3)(a), F.S., provides that the local option tourist development tax is levied on the "total consideration charged for such lease or rental."
 - The tourist development tax may be levied at the rate of one or two percent. 82 Currently, 62 counties levy this tax at two percent; all 67 counties are eligible to levy this tax. 83
 - o An additional tourist development tax of one percent may be levied.⁸⁴ Currently, 56 counties levy this tax; only 59 counties are currently eligible to levy this tax.⁸⁵
 - A professional sports franchise facility tax may be levied up to an additional one percent on transient rental transactions.⁸⁶ Currently, 46 counties levy this additional tax; all 67 counties are eligible to levy this tax.⁸⁷
 - A high tourism impact county may levy an additional one percent on transient rental transactions.⁸⁸ Currently, 10 counties levy this tax; only 14 are eligible to levy.⁸⁹

⁷⁵ Department of Revenue, *Sales and Use Tax on Rental of Living or Sleeping Accommodations*, available at https://floridarevenue.com/Forms library/current/gt800034.pdf (last visited January 31, 2024).

⁷⁶ Section 212.03, F.S.

⁷⁷ Rental charges or room rates paid by a person with a written lease longer than six months, a full-time student enrolled in a postsecondary institution offering housing, and military personnel on active duty and present in the community under official orders are exempt. S. 212.03(4) and (7), F.S.

⁷⁸ Section 125.0104, F.S.

⁷⁹ Section 212.0305, F.S.

⁸⁰ Section 125.0108, F.S.

⁸¹ Certain municipalities may impose a municipal resort tax as authorized under chapter 67-930, Laws of Florida. Currently, there are only three municipalities in Miami-Dade County that are eligible to impose the tax.

⁸² Section 125.0104(3)(c), F.S.

⁸³ Florida Revenue Estimating Conference, *2023 Florida Tax Handbook*, available at http://edr.state.fl.us/Content/revenues/reports/tax-handbook/taxhandbook/2023.pdf (last visited January 31, 2024).
⁸⁴ Section 125.0104(3)(d), F.S.

⁸⁵ *Supra*, note 83.

⁸⁶ Section 125.0104(3)(1), F.S.

⁸⁷ *Supra*, note 83.

⁸⁸ Section 125.0104(3)(m), F.S.

⁸⁹ *Supra*, note 83.

 An additional professional sports franchise facility tax no greater than one percent may be imposed by a county that has already levied the professional sports franchise facility tax.⁹⁰ Out of 65 eligible counties, 36 levy this tax.⁹¹

- Local Option Tourist Impact Tax: the local option tourist impact tax under s. 125.0108, F.S., is levied at the rate of one percent of the total consideration charged. Only Monroe County is eligible and does levy this tax in areas designated as areas of critical concern because they created a land authority pursuant to s. 380.0663(1), F.S.
- Local Convention Development Tax: the convention development tax under s. 212.0305, F.S., is imposed on the total consideration charged for the transient rental. Each county operating under a home rule charter, as defined in s. 125.011(1), F.S., may levy the tax at three percent (Miami-Dade County); each county operating under a consolidated government may levy the tax at two percent (Duval County); and each county chartered under Article VIII of the State Constitution that had a tourist advertising district on January 1, 1984, may levy the tax at up to three percent (Volusia County). No county authorized to levy this tax can levy more than two percent of the tourist development tax, excluding the professional sports franchise facility tax. 93
- Municipal Resort Tax: certain municipalities may levy the municipal resort tax at a rate of up to four percent on transient rental transactions. The tourist development tax may not be levied in any municipality imposing the municipal resort tax. The tax is collected by the municipality. Currently, only three municipalities in Miami-Dade County are eligible to impose the tax.
- State Sales Tax: the state sales tax on transient rentals under s. 212.03, F.S., is levied in the amount of six percent of the "total rental charged" for the living quarters or sleeping or housekeeping accommodations in, or part of, or in connection with, any hotel, apartment house, rooming house, or tourist or trailer camp.
- **Local Option Discretionary Sales Surtax**: counties have been granted limited authority to levy a discretionary sales surtax for specific purposes on transactions subject to state sales tax. 94 Rates range from 0.5 percent to 1.5 percent and are levied by 66 of the 67 counties. 95 Approved purchases include:
 - Operating a transportation system in a charter county;⁹⁶
 - o Financing local government infrastructure projects;⁹⁷
 - o Providing additional revenue for specified small counties; 98
 - o Providing medical care for indigent persons;⁹⁹

⁹⁰ Section 125.0104(3)(n), F.S.

⁹¹ Florida Revenue Estimating Conference, 2023 Florida Tax Handbook, available at http://edr.state.fl.us/Content/revenues/reports/tax-handbook/taxhandbook/2023.pdf (last visited January 31, 2024). ⁹² *Id*.

⁹³ Section 125.0104(3)(b), (3)(1)4., and (3)(n)2., F.S.

⁹⁴ Sections 212.054-055, F.S.

⁹⁵Department of Revenue, *Discretionary Sales Surtax Information for Calendar Year 2024, Form DR-15DSS*, available at https://floridarevenue.com/Forms library/current/dr15dss.pdf (last visited January 31, 2024).

⁹⁶ Section 212.055(1), F.S.

⁹⁷ Section 212.055(2), F.S.

⁹⁸ Section 212.055(3), F.S. Note that the small county surtax may be levied by extraordinary vote of the county governing board if the proceeds are to be expended only for operating purposes.

⁹⁹ Section 212.055(4)(a), F.S. (for counties with more than 800,000 residents); s. 212.055(7), F.S. (for counties with less than 800,000 residents).

- o Funding trauma centers; 100
- o Operating, maintaining, and administering a county public general hospital; ¹⁰¹
- o Constructing and renovating schools; 102
- o Providing emergency fire rescue services and facilities; 103 and
- o Funding pension liability shortfalls. 104

Certain rentals or leases are exempt from the taxes; these include rentals to active-duty military personnel, full-time students, bona fide written leases for continuous residence longer than six months, and accommodations in migrant labor camps.¹⁰⁵

III. Effect of Proposed Changes:

Certified Recovery Residences

Section 2 amends the definition of "certified recovery residence" in s. 397.311, F.S., to include standards regarding the levels of care offered within those residences. This amendment will help to better align recovery residences in Florida with industry best practices. The levels of care are as follows:

- Level I: these homes house individuals in recovery who are post-treatment, with a minimum of nine months of sobriety. These homes are run by the members who reside in them.
- Level II: these homes have oversight from a house manager (typically, a senior resident). Residents are expected to follow rules outlined in a resident handbook, pay dues, and work toward achieving milestones.
- Level III: these homes offer 24-hour supervision by staff with formal training and peer-support services.
- Level IV: these homes are offered, referred, or provided to patients by licensed service providers. The patients receive intensive outpatient and higher levels of outpatient care. These homes are staffed 24 hours a day.

The bill also defines "community housing" to mean a certified recovery residence offered, referred to, or provided by a licensed service provider that provides housing to its patients who are required to reside at the residence while receiving intensive outpatient and higher levels of outpatient care. The bill also requires a certified recovery residence used by a licensed service provider that meets the definition of community housing to be classified as a Level IV level of support.

Section 4 amends s. 397.487, F.S., to increase the amount of time a certified recovery residence has to retain a certified recovery residence administrator from 30 days to 90 days. The section also requires the recovery residence to retain another administrator within 90 days should the previous administrator, who had been approved to actively manage more than 50 residents pursuant to s. 397.4871(8)(b), F.S., be removed due to termination, resignation, or any other

¹⁰⁰ Section 212.055(4)(b), F.S.

¹⁰¹ Section 212.055(5), F.S.

¹⁰² Section 212.055(6), F.S.

¹⁰³ Section 212.055(8), F.S.

¹⁰⁴ Section 212.055(9), F.S.

¹⁰⁵ Section 212.03(7), F.S.; see also ss.125.0104(3)(a), 125.0108(1)(b), 212.0305(3)(a), F.S.

reason. Should the certified recovery residence not obtain another administrator within the time allowed, the bill requires the credentialing entity to revoke the residence's certificate of compliance.

The bill prohibits any recovery residence from denying an individual access to the residence solely on the basis the individual had been prescribed federally approved medication that assists with treatment for substance use disorders by a licensed physician, physician's assistant, or advanced practice registered nurse.

The bill also prohibits a local law, ordinance, or regulation from regulating the duration or frequency of a resident's stay at a certified recovery residence located within a multifamily zoning district. This provision does not apply to laws, ordinances, or regulations adopted on or before February 1, 2025.

Section 5 amends 397.4871, F.S., to allow an increase in the number of residents actively managed in a recovery residence at any given time from 100 residents to 150 residents so long as the following applies:

- The certified recovery residence is a Level IV resident with a community housing component;
- The residence is actively managed by a certified recovery residence administrator, approved for 100 residents;
- The licensed service provider maintains a service provider personnel-to-patient ratio of 1:8; and
- Maintains onsite supervision at the residences 24 hours a day, 7 days a week, with a personnel-to-resident ratio of 1:10.

The section prohibits a certified recovery residence administrator who has been removed due to termination, resignation, or any other reason from continuing to actively manage more than 50 residents for another service provider or certified recovery residence without being approved by the credentialing entity.

Sections 4 and 5 also make stylistic and conforming changes.

Transient Rental Accommodations

Section 1 amends s. 212.02, F.S., to exempt recovery residences from any taxes that are imposed on transient accommodations, including transient rental taxes, convention development taxes, tourist development taxes, and tourist impact tax. This may reduce their operating costs.

Statewide Council on Opioid Abatement

Section 3 amends s. 397.335, F.S., to increase the number of members on the Statewide Council on Opioid Abatement from 10 to 19. The additional nine members include:

• Two members appointed by or through the State Surgeon General. One of such members must be from the department with experience coordinating state and local efforts to abate the opioid epidemic; the other must be a licensed physician, board certified in both addiction medicine and psychiatry.

- One member appointed by the Florida Association of Recovery Residences.
- One member appointed by the Florida Association of EMS Medical Directors.
- One member appointed by the Florida Society of Addiction Medicine who is a medical doctor board certified in addiction medicine.
- One member appointed by the Florida Behavioral Health Association.
- One member appointed by Floridians for Recovery.
- One member appointed by the Florida Certification Board.
- One member appointed by the Florida Association of Managing Entities.

This will add additional members to represent the providers and clinicians providing behavioral health services, and will expand membership beyond those named in the agreement between the Attorney General and local governments, which included only state and local government representatives.

Section 6 provides an effective date of July 1, 2024.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

Article VII, s. 18(b) of the Florida Constitution provides that, except upon the approval of each house of the Legislature by a two-thirds vote of the membership, the Legislature may not enact, amend, or repeal any general law if the anticipated effect of doing so would be to reduce the authority that municipalities or counties have to raise revenue in the aggregate, as such authority existed on February 1, 1989. The mandates provision does not apply to this bill as it affects an optional exemption, rather than requiring the loss of the ability to raise revenue.

B.	Public Records/Open Meetings	Issues

None.

C. Trust Funds Restrictions:

None.

D. State Tax or Fee Increases:

None.

E. Other Constitutional Issues:

None identified.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

The Revenue Estimating Conference (REC) estimates that the sales and use tax portion of the bill will have a negative \$5.6 million recurring impact on General Revenue and an insignificant impact on state trust fund revenues in Fiscal Year 2024-25.

The REC estimates that the sales and use tax portion of the bill will have a negative \$1.6 million recurring impact on local government tax revenues in Fiscal Year 2024-2025.

The tourist development tax portion of the bill is estimated to have a negative \$5.3 million recurring impact on local tax revenues in Fiscal Year 2024-2025.

B. Private Sector Impact:

The bill will have an indeterminate positive fiscal impact on recovery residences that will no longer be required to pay transient rental taxes. The elimination of the taxes may reduce operational costs for recovery residences.

C. Government Sector Impact:

The bill has no fiscal impact on state government.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill substantially amends the following sections of the Florida Statutes: 212.02, 397.311, 397.335, 397.487, and 397.4871.

IX. Additional Information:

A. Committee Substitute – Statement of Changes:

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

CS by Children, Families and Elder Affairs on February 6, 2024:

The committee substitute:

- Removes the requirement for the DCF to display certain licensure data and information on its website.
- Adds two new members to the Statewide Council on Opioid Abatement to include a representative from the Florida Certification Board and a representative from the Florida Association of Managing Entities.
- Makes technical and conforming changes.

B. Amendments:

None.

This Senate Bill Analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.