

# FLORIDA HOUSE OF REPRESENTATIVES FINAL BILL ANALYSIS

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**BILL #:** [CS/HB 923](#)

**TITLE:** Recovery Residences

**SPONSOR(S):** Owen

**COMPANION BILL:** [CS/CS/SB 1030](#) (Gruters)

**LINKED BILLS:** None

**RELATED BILLS:** None

**FINAL HOUSE FLOOR ACTION:** 106 Y's 0 N's

**GOVERNOR'S ACTION:** Approved

## SUMMARY

### Effect of the Bill:

The bill makes changes to the regulation and licensure requirements of substance abuse service providers. Specifically, the bill limits Level 2 background screening to certain officers, directors, managing members and individuals exercising operational control over a licensed substance abuse service provider when more than five percent of a controlling interest of a licensed provider is transferred to another person or entity.

The bill prohibits the Department of Children and Families from requiring existing licensed service providers seeking to add additional levels of care, to admit individuals for services during the probationary license period, if the provider has no outstanding violations for the prior 12 months.

### Fiscal or Economic Impact:

None

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## ANALYSIS

### **EFFECT OF THE BILL:**

CS/HB 923 passed as [CS/CS/SB 1030](#).

### **Substance Abuse Service Providers**

The bill amends the licensure requirements and regulations for substance abuse service providers.

#### Background Screening Requirements

The bill limits Level 2 background screening to officers, directors, managing members and individuals exercising operational control over a licensed substance abuse service provider when more than five percent of a controlling interest of a licensed service provider is transferred to another person or entity. In current law, a [change in majority ownership](#) requires all owners to submit to a Level 2 background check. The bill limits this requirement to only those individuals exercising operational control of the service provider, reducing administrative burden and cost for investors who do not have day-to-day operational influence. (Section [1](#))

#### Probationary License Requirements

The bill prohibits the Department of Children and Families (DCF) from requiring an existing licensed service provider seeking to add one or more additional levels of care at an existing licensed location or at one or more new locations where the provider will offer the same level of care that the provider is currently licensed to provide, to admit individuals for services during the probationary license period, if the provider has no outstanding violations and DCF has not taken any actions against the provider's existing license within the prior 12 months. Currently, to move from a probationary license to a [regular license](#), a provider must admit individuals for services to

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demonstrate its capability to operate. The bill removes this requirement for existing service providers, but maintains the requirement for new providers. (Section [1](#))

The bill was approved by the Governor on June 11, 2026, ch. 2026-123, L.O.F., and will become effective on July 1, 2026.

## RELEVANT INFORMATION

### SUBJECT OVERVIEW:

#### Substance Use Disorder

A substance use disorder (SUD) is a complex medical condition in which there is an uncontrolled continued use of a substance or substances despite the harmful consequences and long-lasting changes to the brain.<sup>1</sup> A SUD is considered both a complex brain disorder and a mental illness. Approximately, 48.4 million people in the U.S. aged 12 and older (16.8 percent of the population) had a substance use disorder SUD in 2024.<sup>2</sup> The most common substance use disorders in the U.S. are from the use of alcohol, tobacco, cannabis, stimulants, hallucinogens, and opioids.<sup>3</sup>

DCF administers a statewide system of safety-net services for substance abuse and mental health (SAMH) prevention, treatment, and recovery. DCF provides substance abuse treatment through a community-based provider system that offers detoxification, treatment, and recovery support for adolescents and adults affected by substance misuse, abuse or dependence, as follows.<sup>4</sup>

- **Detoxification Services** use medical and clinical procedures to assist individuals and adults as they withdraw from the physiological and psychological effects of substance abuse.<sup>5</sup>
- **Treatment Services**<sup>6</sup> include a wide array of assessment, counseling, case management, and support services 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. Some of these services may also be offered to the family members of the individual in treatment.<sup>7</sup>
- **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.<sup>8</sup>

<sup>1</sup> American Psychiatric Association, *What is a Substance Use Disorder?*, available at <https://www.psychiatry.org/patients-families/addiction-substance-use-disorders/what-is-a-substance-use-disorder> and Substance Use Disorder Defined by NIDA and SAMHSA, *What is Drug Addiction*, available at <https://wyoleg.gov/InterimCommittee/2020/10-20201105Handoutfor6JtMHSACraig11.4.20.pdf> (last visited March 12, 2026).

<sup>2</sup> SAMHSA, *Key Substance Use and Mental Health Indicators in the United States: Results from the 2024 National Survey on Drug Use and Health*, available at <https://www.samhsa.gov/data/sites/default/files/reports/rpt56287/2024-nsduh-annual-national-report.pdf> (last visited March 12, 2026).

<sup>3</sup> The Rural Health Information Hub, *Defining Substance Abuse and Substance Use Disorders*, available at <https://www.ruralhealthinfo.org/toolkits/substance-abuse/1/definition> (last visited March 12, 2026).

<sup>4</sup> Department of Children and Families, available at *Treatment for Substance Abuse* <https://www.myflfamilies.com/services/samh/treatment> (last visited March 12, 2026).

<sup>5</sup> *Id.*

<sup>6</sup> *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 protection system, higher rates of employment, increased earnings, and better health.

<sup>7</sup> *Id.* at note 4.

<sup>8</sup> *Id.*

## Licensure of Substance Abuse Service Providers

DCF regulates substance abuse treatment, establishing licensure requirements and licensing service providers and individual service components under [chapter 397](#), F.S., and rule 65D-30, F.A.C. Licensed service components include a continuum of substance abuse prevention,<sup>9</sup> intervention,<sup>10</sup> and clinical treatment services.<sup>11</sup>

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.<sup>12</sup> “Clinical treatment services” include, but are not limited to, the following licensable service components:<sup>13</sup>

- 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; and
- Residential treatment.

DCF may issue one license for all service components operated by a service provider.<sup>14</sup> A licensed service provider must apply to add additional service components and obtain approval from DCF before initiating additional services. A service provider must notify DCF and provide any required documentation at least 30 days prior to relocating any of the service provider’s service sites. Provision of service components or delivery of services at a location not identified on the service provider’s license is considered an unlicensed operation.<sup>15</sup>

DCF must conduct Level 2 background screening for all owners, directors, chief financial officers, and clinical supervisors of a service provider before issuing a license.<sup>16</sup> If the results of the background screening indicate that the individual has been found guilty of, regardless of adjudication, or has entered a plea of nolo contendere or guilty to any offense prohibited under the screening standard, a license may not be issued to the applicant service provider unless an exemption from disqualification has been granted pursuant to [chapter 435](#).<sup>17</sup>

### Licensure Types

Substance abuse treatment providers are licensed under one of three licensure types: probationary, regular, or interim. The licensure type is determined by the service provider’s compliance history and operational status.<sup>18</sup>

<sup>9</sup> [S. 397.311\(27\)\(c\), F.S.](#) Prevention is 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*, Department of Children and Families, *Substance Abuse: Prevention* <https://www.myflfamilies.com/services/samh/substance-abuse-prevention>, (last visited March 13, 2026). Substance abuse prevention is best accomplished 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.

<sup>10</sup> [S. 397.311\(27\)\(b\), F.S.](#) Intervention means 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.

<sup>11</sup> [S. 397.311\(27\), F.S.](#)

<sup>12</sup> [S. 397.311\(27\)\(a\), F.S.](#)

<sup>13</sup> *Id.*

<sup>14</sup> [S. 397.407\(6\), F.S.](#)

<sup>15</sup> *Id.*

<sup>16</sup> [S. 397.407\(5\), F.S.](#)

<sup>17</sup> [S. 397.4073, F.S.](#)

<sup>18</sup> [S. 397.407\(6\), F.S.](#), and Rule 65D-30.0033, F.A.C.

A [probationary license](#) is issued to a new provider that is not in full compliance with licensure requirements and has services that are not yet fully operational.<sup>19</sup> A probationary license may also be issued to a licensed provider that is undergoing a change in ownership.<sup>20</sup> A probationary license expires 90 days after issuance and may not be reissued.

During the probationary period the provider is able to correct identified deficiencies and work to get services operational within a specified time period, allowing continued operation while the provider works toward compliance under heightened oversight.<sup>21</sup> During the probationary period, the service provider must also admit individuals for services to demonstrate the provider's ability to operate and treat individuals for substance use disorders. Current law prohibits DCF from issuing a regular license status if the service provider fails to admit individuals for service during the probationary period, even if the provider meets all other licensure standards.<sup>22</sup>

If a probationary licensee is found, at any time, to be substantially out of compliance with licensure standards, DCF may order the licensee to cease operation. DCF may not issue a probationary license if doing so would place the health, safety, or welfare of individuals at risk.<sup>23</sup>

An interim license is issued when a service component of the provider is in substantial non-compliance with licensure standards or if the licensee is involved in license suspension or revocation proceedings.<sup>24</sup> An interim license permits short-term operation, subject to conditions imposed by DCF, to allow the provider to correct any non-compliance issues.<sup>25</sup> An interim license is valid for 90 days after issuance and may be reissued once for an additional 90-day period in certain circumstances.<sup>26</sup>

A [regular license](#) is issued to a new provider at the end of the probationary period, a licensed provider seeking license renewal, and for a service component operating under an interim license upon successful satisfaction of the requirements for a regular license.<sup>27</sup> A regular license is valid for 12 months from the date of issuance.

### License Transfer and Change of Ownership

Under current law, a service provider's license may not be transferred.<sup>28</sup> A transfer includes, but is not limited to:

- The transfer of a majority of the ownership interest in the licensed entity or transfer of responsibilities under the license to another entity by contractual arrangement;<sup>29</sup>
- An event in which the licensee sells or otherwise transfers its ownership to a different individual or entity as evidenced by a change in federal employer identification number or taxpayer identification number;<sup>30</sup> or
- An event in which greater than 50 percent or more of the ownership, shares, membership, or controlling interest of a licensee is in any manner transferred or otherwise assigned.<sup>31</sup>

A license is also not transferable:<sup>32</sup>

<sup>19</sup> [S. 397.407\(7\), F.S.](#)

<sup>20</sup> Rule 65D-30.0034(2), F.A.C.

<sup>21</sup> *Id.*

<sup>22</sup> *Id.*

<sup>23</sup> [S. 397.407\(7\), F.S.](#)

<sup>24</sup> Substantial non-compliance means an applicant or licensee that has not met all requirements as outlined in statute or Chapter 65D-30, F.A.C., and has not corrected all cited violations. See, Rule 65D-30.002(78), F.A.C., and [s. 397.407\(9\), F.S.](#)

<sup>25</sup> [S. 397.407\(9\), F.S.](#)

<sup>26</sup> [S. 397.407\(9\)\(c\), F.S.](#)

<sup>27</sup> [S. 397.407\(8\), F.S.](#) and Rule 65D-30.0033, F.A.C.

<sup>28</sup> [S. 397.407\(6\), F.S.](#)

<sup>29</sup> *Id.*

<sup>30</sup> Rule 65D-30.002(11), F.A.C.

<sup>31</sup> *Id.* This does not apply to a licensee that is publicly traded on a recognized stock exchange.

<sup>32</sup> Rule 65D-30.0034(2)(a), F.A.C.

- Where an individual, a legal entity or an organizational entity, acquires an already licensed provider or site; or
- Where a provider relocates or the address where services are rendered changes.

A [change in majority ownership](#) requires the service provider to submit a new application for licensure for each site affected by the change in ownership.<sup>33</sup> All owners must also undergo Level 2 background screening as part of the licensure process.<sup>34</sup>

A change solely in the management company or board of directors is not a change of ownership.<sup>35</sup>

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<sup>33</sup> Rule 65D-30.0034(2)(a), F.A.C. A change in ownership of less than a majority of the ownership interest in a licensed entity only requires submittal of a Level 2 background check.

<sup>34</sup> *Id.*

<sup>35</sup> *Id.*