Testimony for the Subcommittee on Housing an Insurance Hearing Entitled:
"The Role of Federal Housing and Community Development Programs to Support Opioid and Substance Use Disorder Treatment and Recovery"
August 16, 2018, 9-11am
US District court of Eastern District of Kentucky
101 Barr Street
Lexington, KY 40507

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Chair, Fletcher Group, a not for profit corporation

Good morning, Chairman Duffy and Ranking Member Cleaver. Let me welcome you to Kentucky and thank Congressman Barr for bringing this important hearing to the 6th District.

In America, every 8.5 minutes someone dies from a drug overdose with about 80% due to opioids. Every 6.5 minutes someone dies from alcohol abuse. Every 12 minutes some dies of suicide-- many associated with substance use disorder (SUD). This is a public health emergency of the most challenging nature. In a conversation with NIDA Director, Dr. Nora Volkow, she reported an increase in methamphetamine use in areas where efforts have reduced opioid abuse, which points to the fact that most who abuse drugs do not use just one drug, they are likely to use two or more, as well as alcohol.

One way of addressing this crisis is through programs like Recovery Kentucky that include transitional housing along with peer support based upon the 12-step model. We now have 18 centers in Kentucky with over 2100 recovery beds. Our outcomes are very good—at one year, 84% of individuals have not relapsed. I refer you to our outcomes at a glance attached to this testimony for a complete summary.

Overall, Recovery Kentucky clients make significant strides in all targeted areas and have much more support for their recovery after participation. In addition, the Recovery Kentucky Program saves taxpayer dollars and adds value via workforce development as over 75% of graduates become gainfully employed.

The recovery programs have been named "A Model That Works" by the U.S. Department of Health and Human Services and the Louisville Courier-Journal called the Recovery Kentucky Centers a "bright spot" for dealing with prescription-drug abuse.

We are pleased with the outcomes but recognize that up to 30% drop out of this voluntary program and leave before entering the program. Those individuals may be better suited for medication assisted treatment or MAT. MAT is evidenced based, but it too does not work for everyone and it is primarily focused on opioid use disorder.

One size does not fit all and a holistic approach that combines the recovery model and MAT may provide the best approach to meet individual needs. For that reason, as my organization seeks to expand this model to other states, we are partnering with MAT providers to offer program alternatives and provide effective intervention for a larger number of people. Congress has allocated nearly $6 billion for MAT based grants and research. Some of this may be directed toward residential recovery program efforts if they combine MAT, but most will not.

Our program depends upon funding thru HUD and is consistent with the HUD *Recovery Housing Policy Brief* that defines Recovery Housing in an abstinence-focused and peer-supported community. Facility funding depends upon Low Income Housing Tax Credits and money from Federal Home Loan programs. Operational funding combines Section 8 vouchers, SNAP, Community Development Block Grants and per diems paid for by state Department of Corrections along with local fundraising. Nearly 70 % of our residents are from Corrections--parole, probation or diversion from drug courts. For Corrections, it is a prudent use of tax dollars with a great ROI. Why? Because in large part we stop the cycle of poverty and criminal activity often associated with drug seeking behavior, as well as responding to the chronic health conditions represented by drug and alcohol addiction. Our recidivism rate is low because lives are transformed by engendering meaning and purpose and teaching skills necessary for self-sufficiency.

This type of transformation is only possible when housing is incorporated in the program that extends beyond 28 days as often found in residential treatment programs. The controlled environment found in the Recovery Kentucky programs provides the discipline, training and support that overwhelmingly stops the cycle of poverty, homelessness and criminal activity by addressing root causes. With low rates of relapse, we reduce the risk of overdose as well--an important goal of your efforts.

Given this backdrop, I want to thank Congressman Barr and each of you here today for the work you are doing to combat the opioid crisis.

As part of the Fletcher Group we have established the Don Ball Foundation for Recovery Hope and are working to take our Recovery Model nationally in honor of Don, a local businessman and philanthropist who is responsible for founding Recovery Kentucky.

We are establishing a Technical Assistance Center that will provide consultation, training and support to states for the establishment of similar programs, expanding capacity and building on best practices that enhance recovery efforts such as access to education, job training and skills development, and participation in program sponsored businesses.

We currently utilize creative funding streams from HUD, USDA and the Department of Corrections. But as we take this model nationally, we face a challenge that section 8 housing is limited and competitive and when we apply for this type of housing there are those, well intended, who see this as taking from the allocation to help others who have real and valid housing needs. We believe that pitting those needs against the needs of those who have been held captive from addiction is not the best public policy.

Congressman Barr's bill, the THRIVE Act, helps solve this problem by providing project-based vouchers, which will help foster residential recovery programs important to address the opioid crisis.

Setting aside project vouchers in this way will make it easier to provide more effective recovery programs. Unfortunately, there are, as in every industry, those who run programs that are little more than scams. Thankfully, this legislation has stipulations to ensure the programs funded are effective and well run, like Recovery Kentucky and other well-run programs across the nation.

Another of our funding sources is CDBG grants. These funds are always at risk and I would recommend that you look at making funds available for proven and effective residential recovery programs as well as traditional MAT.

I also want to thank Congressman Guthrie and Green for their legislation, The Comprehensive Opioid Recovery Centers Act of 2018 which would award grants on a competitive basis to eligible entities to establish or operate Comprehensive Opioid Recovery Centers. I am hopeful those who want to establish recovery centers based upon the Recovery Kentucky model will be eligible.

In summary to provide the best continuum of care to address this crisis, the Don Ball Foundation for Recovery Hope recommends:

- Passage of the THRIVE Act
- Recommend taking some of the already identified opioid budgeted funds to add additional funding for more of these project-based vouchers because of the pressing need and effectiveness of residential programs
- More allocation of the Opioid appropriations be directed toward proven recovery efforts in addition to MAT
- Provide funding that would offset cuts for CDBG grants recognizing that substance abuse treatment is an important part of community development
- Lastly, I recommend that the CDC activate the Emergency Operations Center to help coordinate and oversee this fight. It is at the heart of CDC's purpose and it is the right agency to coordinate the epidemiological effort against this public health crisis

Again, thank you for your work and coming to Kentucky. I will be glad to answer any questions.

FINDINGS FROM THE

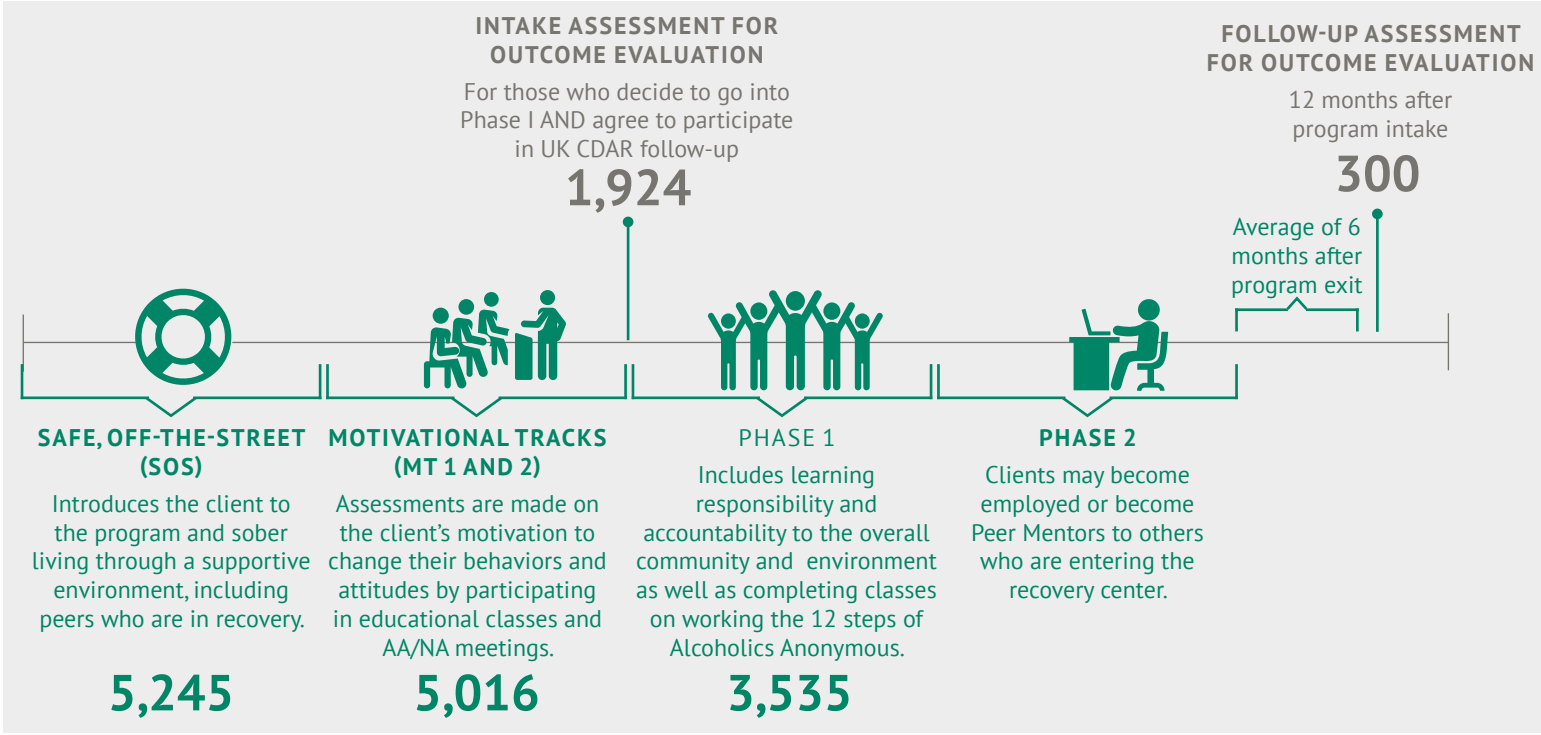
RECOVERY CENTER OUTCOME STUDY

FINDINGS AT A GLANCE

Logan, TK, Miller, J., Cole, J., & Scrivner, A. (2018). *Findings from the Recovery Center Outcome Study 2018 Findings at a Glance*. Lexington, KY: University of Kentucky, Center on Drug and Alcohol Research.

INTRODUCTION

Recovery Kentucky was created to help Kentuckians recover from substance abuse, which often leads to chronic homelessness. There are 17 Recovery Kentucky centers across the Commonwealth, providing housing and recovery services for up to 2,100 persons simultaneously. Recovery Kentucky is a joint effort by the Kentucky Department for Local Government (DLG), the Department of Corrections, and Kentucky Housing Corporation. Local governments and communities at each Recovery Kentucky center location have also contributed greatly to making these centers a reality.[1] The overall program is composed of 4 main components through which clients advance:



The Behavioral Health Outcome Studies team at the University of Kentucky Center on Drug and Alcohol Research (UK CDAR) independently conducts the Recovery Center Outcome Study (RCOS) which is an annual outcome evaluation that includes 15 of the Recovery Kentucky centers who participated in RCOS this fiscal year. Recovery center staff conduct an intake interview when clients enter Phase I after completing SOS and MT 1 and 2 to assess behaviors and problems clients had prior to entering the recovery center. Follow-up interviews are then conducted over the telephone by an interviewer at UK CDAR with eligible, consenting RCOS clients 12 months after Phase 1 entry. A random sample of eligible clients, stratified by target month (based on the intake month), gender, and Department of Corrections (DOC) referral into the program, was selected. Client responses are kept confidential to help facilitate the honest evaluation of client outcomes and program services.

This Findings at a Glance report summarizes outcomes for 300 men and women who participated in a Recovery Kentucky program, completed a Phase 1 intake interview between July 2015 and June 2016 and a follow-up interview between July 2016 and June 2017.[2] At intake, most clients included in this report were White (92%), not currently married (89%), predominately female (57%) and, on average, 34 years old.

[1] For more information about Recovery Kentucky, contact KHC's Mike Townsend toll-free in Kentucky at 800-633-8896 or 502-564-7630, extension 715; TTY711; or email MTownsend@kyhousing.org.

[2] Fifteen of the currently established Recovery Kentucky programs participated in the Recovery Center Outcome Study between July 2015 and June 2016 and 12-month follow-up survey between July 2016 and June 2017

FACTORS EXAMINED AT INTAKE AND FOLLOW-UP

PAST-6-MONTH SUBSTANCE USE[3]

ANY ILLEGAL DRUG USE

83% of clients reported any illegal drug use at intake

5% of clients reported any illegal drug use at follow-up

ANY ALCOHOL USE

50% of clients reported any alcohol use at intake

5% of clients reported any alcohol use at follow-up

OPIOID USE[4]

63% of clients reported opioid misuse at intake

2% of clients reported opioid misuse at follow-up

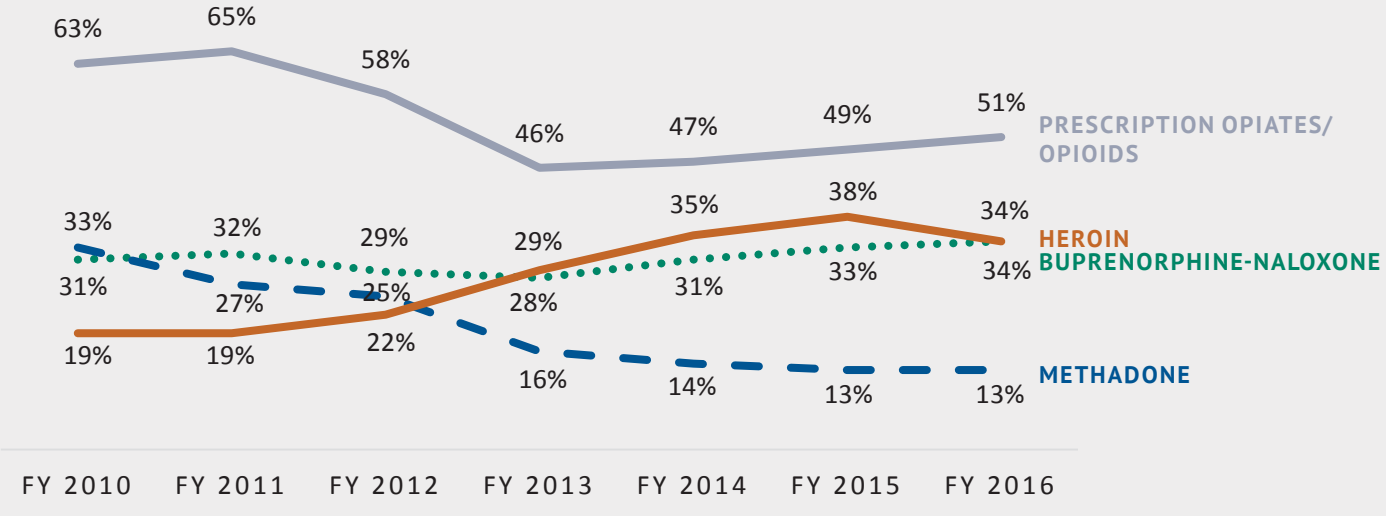
HEROIN USE

38% of clients reported heroin use at intake

2% of clients reported heroin use at follow-up

HOW MUCH HAS OPIOID AND HEROIN USE CHANGED OVER TIME?

This trend analysis examines the percent of RCOS clients who reported misusing prescription opiates/opioids, non-prescribed methadone, non-prescribed buprenorphine-naloxone (bup-nx), and heroin in the 6 months before entering the program from FY 2010 to FY 2016.[5]



[3] Because being in a controlled environment inhibits opportunities for alcohol and drug use, clients who were incarcerated the entire period measured at intake were not included in this substance use analysis (n = 17).

[4] Misuse of opioids other than heroin, including prescription opiates, methadone, and buprenorphine-naloxone.

[5] On average, there were 1,200 intake surveys submitted each fiscal year.

PAST-6-MONTH MENTAL HEALTH AND STRESS

66% at intake

Clients meeting study criteria for **DEPRESSION** → **11%** at follow-up

74% at intake

Clients meeting study criteria for **ANXIETY** → **9%** at follow-up

59% at intake

Clients reporting any use of **SUBSTANCES**[6] to manage stress → **2%** at follow-up

PAST-6-MONTH ECONOMIC INDICATORS

46% at intake

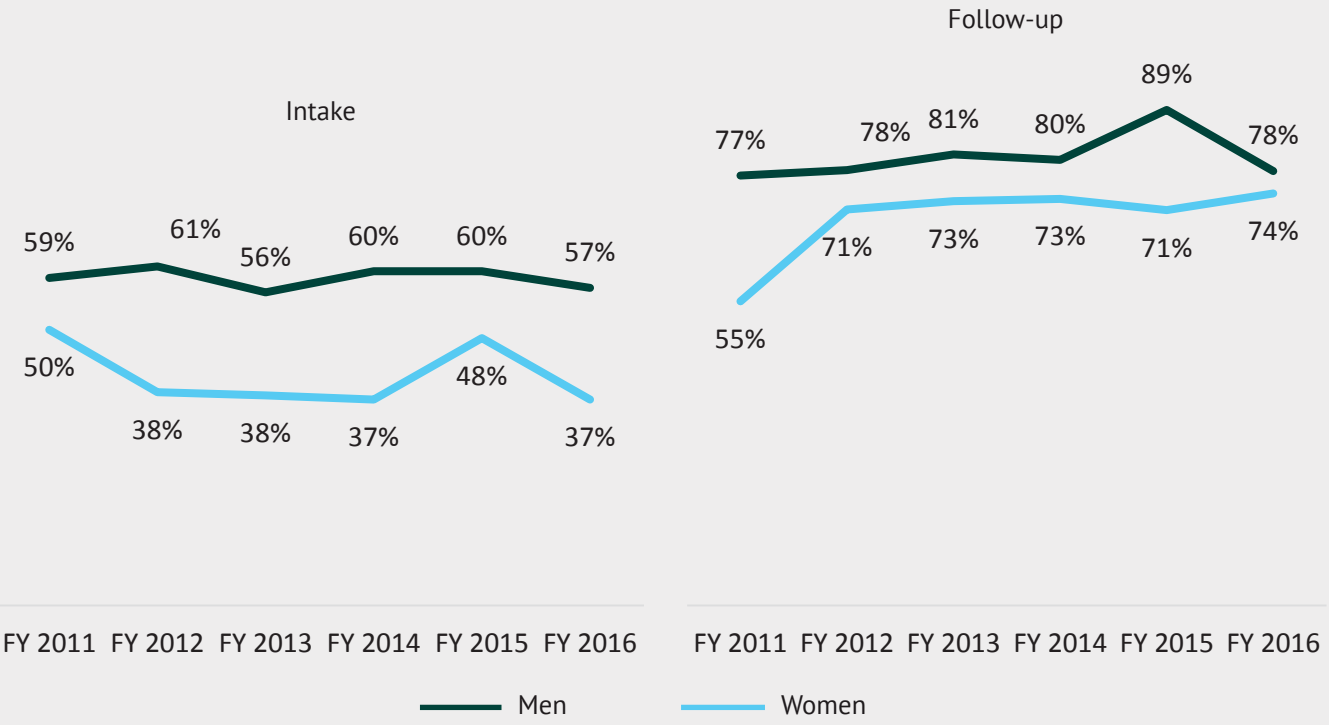
EMPLOYED AT LEAST 1 MONTH → **76%** at follow-up

GENDER WAGE GAP

At follow-up, employed women made only $0.78 for every dollar employed men made. Therefore, the gender wage gap for employed clients was **22¢**

EMPLOYMENT TRENDS BY GENDER

Since FY 2011, the disparity in employment between men and women in the RCOS follow-up sample has been documented.



38% at intake

CURRENTLY HOMELESS → **2%** at follow-up

50% at intake

Clients reporting difficulty **MEETING BASIC LIVING NEEDS** → **18%** at follow-up

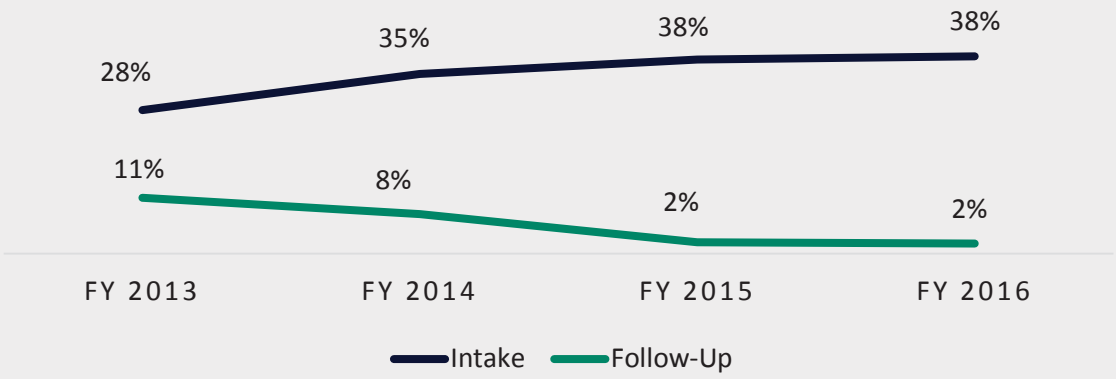
29% at intake

Clients reporting difficulty **MEETING HEALTH CARE NEEDS** → **5%** at follow-up

[6] Includes alcohol, prescription drugs, and illegal drugs.

TRENDS IN HOMELESSNESS

In the past four fiscal years, the number of people reporting homelessness at intake has increased slightly and the number of people reporting homeless at follow-up has decreased.



PAST-6-MONTH CRIMINAL JUSTICE INVOLVEMENT

56% at intake → **3%** at follow-up

Clients reporting **ANY ARREST**

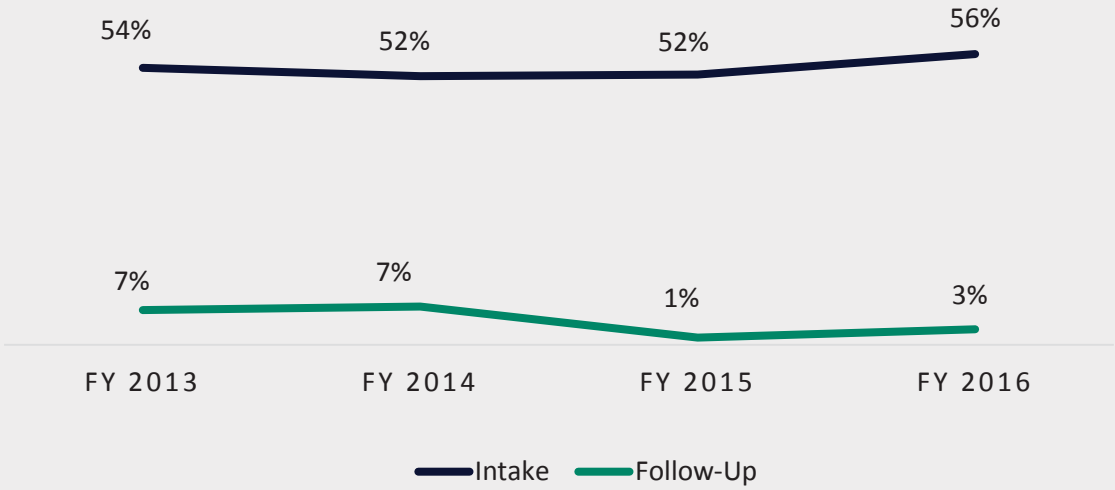
76% at intake → **13%** at follow-up

Clients reporting **INCARCERATION**

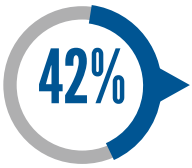
> The program changed me and I'm now a peer mentor. I know about this disease better and I have the tools to stay sober.
>
> **–RCOS FOLLOW-UP CLIENT**

TRENDS IN ARRESTS

Over the past 4 years, over half of RCOS clients reported being arrested at least once in the past 6 months. At follow-up, significantly fewer clients reported an arrest in the past 6 months.



RECOVERY SUPPORTS



reported attending mutual help recovery group meetings in the past 30 days at intake

reported attending mutual help recovery group meetings in the past 30 days at follow-up

7 average number of people client could count on for support at intake

average number of people client could count on for support at intake

RETURN ON INVESTMENT IN RECOVERY CENTER SERVICES

$2.60

ESTIMATED RETURN FOR EACH DOLLAR INVESTED

Estimates of the cost per drug user and alcohol user were applied to the sample to examine the total costs of drug and alcohol abuse to society in relation to expenditures on the Recovery Kentucky program. The cost savings analysis suggests that for every dollar invested in recovery services there was an estimated $2.60 return in avoided costs (i.e., costs to society that would have been expected given the costs associated with drug and alcohol use).

CONCLUSION

Overall, Recovery Kentucky program clients made significant strides in all of the targeted areas and have much more support for their recovery after participating in program services.[7] In addition, the Recovery Kentucky Program saved taxpayer dollars through avoided costs to society or costs that would have been expected based on the rates of drug and alcohol use.

> "They truly, honestly cared about me and want me to have a fruitful and productive future."
>
> **—RCOS FOLLOW-UP CLIENT**

[7] It is important to keep in mind that the RCOS sample includes only clients who advanced to Phase 1 after completing the SOS and Motivational Tracks and who agreed to be contacted for the follow-up survey 12 months after entering Phase I.