



STATE OF MICHIGAN

GRETCHEN WHITMER  
GOVERNOR

DEPARTMENT OF HEALTH AND HUMAN SERVICES  
LANSING

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## **MDHHS to invest \$37.5 million in opioid settlement funds to further expand recovery housing across Michigan**

*More than 200 new recovery beds created in past two years*

LANSING, Mich. – As part of a statewide strategy designed to save lives and reduce overdose deaths, the Michigan Department of Health and Human Services (MDHHS) plans to invest \$37.5 million into stable housing to help Michigan residents recover from substance use disorder (SUD). This funding is part of the FY 2026 state budget that includes \$131.75 million for SUD prevention, harm reduction, treatment and recovery services.

"Ensuring someone has a safe place to live is one of the most powerful resources we can provide to prevent setbacks in recovery," said Elizabeth Hertel, MDHHS director. "These investments provide people in recovery with the security, structure and dignity they need to thrive. By directing opioid settlement funds to stable housing, we are creating meaningful, lasting change in communities across the state."

A recent analysis by MDHHS found that more than 7,500 discharges from publicly funded SUD treatment annually resulted in people leaving treatment without stable housing. To address this gap, the department has set a goal to create 3,467 new recovery housing beds by 2028, an increase of 40%.

Michigan is slated to receive more than \$1.8 billion from national opioid settlements by 2040, with half being distributed to the State of Michigan Opioid Healing and Recovery Fund and the other half being distributed directly to county, city and township governments. Over the last several years, MDHHS has distributed settlement funds in support of the state strategy addressing prevention, harm reduction, treatment and recovery. This allowed the state to expand recovery housing by more than 200 beds in the last two years through \$8 million in investments.

"We know that the transition out of treatment is one of the most critical times for individuals with substance use disorder," said Dr. Natasha Bagdasarian, chief medical executive and Michigan Opioids Task Force co-chair. "It's a time when individuals face an increased risk of returning to substance use. Without safe and stable housing, the risk of overdose increases dramatically. Recovery housing is a medically informed, evidence-based solution that offers individuals the stability and support needed to maintain their recovery and rebuild their lives."

According to a Michigan Association of Recovery Residences (MARR) survey, recovery housing assists individuals in successfully obtaining and maintaining employment. Upon

entering a MARR-certified recovery house, about 17% of individuals indicated needing employment assistance. This statistic decreases during their stay to about 8% at the 90-day mark.

Recent recovery housing investments include:

- \$1.5 million to support a new recovery housing project by Wellspring in Southfield in partnership with the Michigan State Housing Development Authority and Oakland County government. Construction will soon begin on 60 new recovery housing units.
- \$3 million for The McDaniel Apartments [at Andy's Place in Jackson](#), 26 affordable apartments and vital recovery services designed to serve expectant families overcoming opioid addiction.
- \$3.8 million through the Recovery Housing Investment Program to purchase or lease homes across the state dedicated to supporting individuals in recovery, adding more than 110 new beds to the state's total capacity.

"This is a matter of both equity and urgency," said MDHHS senior advisor Tommy Stallworth. "Black and low-income communities are disproportionately impacted by housing instability and the heightened risk of overdose. Our investment in recovery housing reflects a strategic, data-informed commitment to ensuring every Michigan resident has a real opportunity for sustained recovery. Additionally, these projects demonstrate how state and local governments can work together to advance Governor Whitmer's goal of expanding access to affordable housing."

Recovery housing initiatives are supported by ongoing collaboration with local governments, community-based organizations and peer-led programs, ensuring that the needs of individuals in recovery are met with compassion, evidence-based practices and strong local partnerships.

For more information about SUD resources, visit [Michigan.gov/SUD](https://Michigan.gov/SUD).

Additional information regarding proposed programming under Michigan's Opioid Healing and Recovery Fund is provided on the [opioids settlement website](#).

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