

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4258H.03C
 Bill No.: HCS for HB 1830
 Subject: Mental Health; Drugs and Controlled Substances; Veterans
 Type: Original
 Date: April 15, 2024

Bill Summary: This proposal creates provisions relating to alternative therapies.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
General	\$0 to (\$2,000,000)	(\$7,000,000 to \$10,000,000)	\$0
Total Estimated Net Effect on General Revenue	\$0 to (\$2,000,000)	(\$7,000,000 to \$10,000,000)	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
Total Estimated Net Effect on FTE	0	0	0

- Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.
- Estimated Net Effect (savings or increased revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
Local Government – School Districts *	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)
Local Government – School Districts	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)

* Due to the conditions required for exemption from civil fines, penalties, or sanctions, Oversight assumes an Unknown negative fiscal impact of less than \$250,000 annually.

FISCAL ANALYSIS

ASSUMPTION

§§191.479, 191.480 and 630.1170– Alternative therapies

Officials from the **Department of Mental Health (DMH)** state the proposed legislation modifies provisions relating to alternative therapies and treatments. This bill adds sections 191.479, and 630.1170, and modifies §191.480.

Section 191.479.4: Subject to appropriations, DMH shall provide grants totaling two million dollars for research on the use and efficacy of psilocybin.

Oversight notes the provisions of §191.479.4 allows DMH to provide grants for \$2,000,000, subject to appropriation. For fiscal note purposes, Oversight assumes costs of \$0 to (\$2,000,000) to the General Revenue Fund for the research grants in FY 2025 only. **Oversight** notes that the proposal specifies a total of \$2,000,000 for grants.

Section 630.1170: **DMH** states, they in collaboration with a hospital operated by an institute of higher learning or contract research organizations conducting trials approved by the U.S. Food and Drug Administration (USFDA), to conduct a study on the efficacy of using alternative medicine and therapies. These therapies shall be studied on individuals who suffer from posttraumatic stress disorder, major depressive disorder, substance abuse disorders, or patients who require end-of life care. Subject to appropriations, DMH shall prepare and submit reports on any information collected by DMH on implementation and outcomes of the use of psilocybin. DMH would contract this service out to be conducted in collaboration with a hospital operated by an institute of higher education in Missouri. The costs for this study would include treatment costs, therapists, research time, indirect rate for the institution of higher education, storage and tracking of medications, and other study related costs. **Costs for DMH to conduct a three to five year study would be \$0 for FY25, \$7 million to \$10 million dollars for FY26, and \$0 for FY27 in General Revenue funding.**

Oversight does not have information to the contrary and therefore, Oversight will reflect the estimates as provided by the DMH.

Officials from the **Office of Administration, Budget and Planning (B&P)** state §191.479 provides that, under certain conditions, individuals may acquire, use, produce, possess transfer, or administer psilocybin without violating state or local laws and shall not be subject to civil fines, penalties, or sanctions. To the extent that these provisions reduce the number of psilocybin-related criminal or civil penalties, total state revenue may decrease by an unknown amount.

Oversight notes that §191.479 could result in certain individuals not paying fines or penalties. Oversight also notes per Article IX Section 7 of the Missouri Constitution fines and penalties

collected by counties are distributed to school districts. Fines vary widely from year to year and are distributed to the school district where the violation occurred. Oversight will reflect a negative fiscal impact of \$0 to Unknown to local school districts. For simplicity, Oversight will not reflect the possibility that fine revenue paid to school districts may act as a subtraction in the foundation formula.

Responses regarding the proposed legislation as a whole

In response to a previous version, officials from the **Office of Attorney General (AGO)** assumed any additional litigation costs arising from this proposal can be absorbed with existing personnel and resources. However, the AGO may seek additional appropriations if there is a significant increase in litigation.

Oversight does not have any information to the contrary. Therefore, Oversight assumes the AGO will be able to perform any additional duties required by this proposal with current staff and resources and will reflect no fiscal impact to the AGO for fiscal note purposes.

Officials from the **Department of Commerce and Insurance**, the **Department of Health and Senior Services**, the **Department of Public Safety – Missouri Veterans Commission**, the **Office of the State Courts Administrator**, the **Missouri State University**, the **Northwest Missouri State University** and the **University of Central Missouri** each assume the proposal will have no fiscal impact on their respective organizations. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

Officials from the **University of Missouri System** did not respond to **Oversight's** request for a statement of fiscal impact.

<u>FISCAL IMPACT – State Government</u>	FY 2025 (10 Mo.)	FY 2026	FY 2027
GENERAL REVENUE FUND			
<u>Costs</u> – DMH (§191.479) grants for research on use/efficacy of psilocybin p.3	\$0 to (\$2,000,000)	\$0	\$0
<u>Costs</u> – DMH (§630.1170) – Study on the efficacy of using alternative medicine p. 3	\$0	(\$7,000,000 to \$10,000,000)	\$0
ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND	<u>\$0 to</u> <u>(\$2,000,000)</u>	<u>(\$7,000,000 to</u> <u>\$10,000,000)</u>	<u>\$0</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2025 (10 Mo.)	FY 2026	FY 2027
LOCAL GOVERNMENT – SCHOOL DISTRICTS			
<u>Losses</u> – School Districts (§191.479) Reduction of fines or penalties collected p. 3-4	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)
ESTIMATED NET EFFECT ON LOCAL GOVERNMENT – SCHOOL DISTRICTS	<u>\$0 to</u> <u>(Unknown)</u>	<u>\$0 to</u> <u>(Unknown)</u>	<u>\$0 to</u> <u>(Unknown)</u>

FISCAL IMPACT – Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

As specified in this bill, any person who acquires, uses, produces, possesses, transfers, or administers psilocybin for the person's own therapeutic use will not be in violation of state or local law and will not be subject to a civil fine, penalty, or sanction so long as the person meets the certain conditions. Subject to appropriation, the department of mental health shall provide grants totaling two million dollars for research on the use and efficacy of psilocybin.

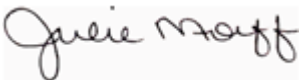
The DMH must prepare and submit to the Governor, Lieutenant Governor, and the General Assembly annual reports on any information collected by the Department on the implementation and outcomes of the use of psilocybin. (§191.479)

This bill also requires the Department, in collaboration with a hospital operated by the an institution of higher education in this state or contract research organizations conducting trials approved by the United States Food and Drug Administration in Missouri, to conduct a study on the efficacy of using alternative medicines and therapies, including, but not limited to, the use of psilocybin for the treatment of patients suffering from post-traumatic stress disorder, major depressive disorder, substance use disorders, or who require end-of-life care. The bill specifies that such study shall include a clinical trial of psilocybin, as well as a literature review and the submission of various reports. No person participating in the clinical trial shall be subjected to criminal or civil liability or sanction for the participation in the clinical trial, except in cases of gross negligence or willful misconduct. (§630.1170)

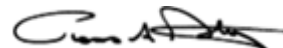
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Attorney General's Office
Department of Commerce and Insurance
Department of Health and Senior Services
Department of Mental Health
Department of Public Safety – Missouri Veterans Commission
Office of Administration - Budget and Planning
Office of the State Courts Administrator
Missouri State University
Northwest Missouri State University
University of Central Missouri



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April 15, 2024



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