

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4914H.01I
 Bill No.: HB 1717
 Subject: Health Care; Department of Mental Health; Drugs and Controlled Substances
 Type: Original
 Date: February 16, 2026

Bill Summary: This proposal modifies provisions relating to alternative therapies and treatments, including psilocybin.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND

FUND AFFECTED	FY 2027	FY 2028	FY 2029
General Revenue	\$0 to (\$2,000,000)*	\$0 to (\$5,400,000)	\$0 to (\$19,300,000)
Total Estimated Net Effect on General Revenue	\$0 to (\$2,000,000)*	\$0 to (\$5,400,000)	\$0 to (\$19,300,000)

*Costs for DMH to provide grants for \$2,000,000, subject to appropriation, for research on the use and efficacy of psilocybin and costs for DMH to conduct a three to five year study.

ESTIMATED NET EFFECT ON OTHER STATE FUNDS

FUND AFFECTED	FY 2027	FY 2028	FY 2029
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 2027	FY 2028	FY 2029
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)

FUND AFFECTED	FY 2027	FY 2028	FY 2029
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 2027	FY 2028	FY 2029
Local Government	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Missouri Office of Prosecution Services** did not respond to **Oversight's** request for fiscal impact for this proposal.

§§191.479, 191.480 and 630.1170 - Alternative Therapies and Treatments, Including Psilocybin

Officials from the **Department of Mental Health (DMH)** state the proposed legislation modifies provisions relating to alternative therapies and treatments. Section 191.479 establishes criteria for individuals who are enrolled in a study on the use of psilocybin. Individuals participating must inform the DMH of any plans to acquire or use any psilocybin and provide documentation from their physician patient status of care and facilitation of care, as defined in this section. Subject to appropriation, DMH shall provide grants totaling three million dollars for research on the use of psilocybin. DMH shall collect data on the implementation and outcomes on the use of psilocybin and submit annual reports to the governor, lieutenant governor, and general assembly.

In section 630.1170, DMH, in collaboration with a hospital operated by an institution of higher education or contract research organizations conducting trials approved by the United States Food and Drug Administration (USFDA), is to conduct a study on the efficacy of using alternative medicine and therapies. These therapies shall be studied on veterans who suffer from posttraumatic stress disorder, major depressive disorder, substance use 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 institution of higher education in Missouri. The cost for this study would include treatment costs, therapists, researcher time, indirect rate for the institution of higher education, cost of storage and tracking of medications, and other study related costs.

Research grants will range from \$0 to \$2M General Revenue, subject to appropriation, beginning Fiscal Year 2027 and each year thereafter.

Based on costs reported in a U.S. Department of Health and Human Services report from 2014 (adjusted forward for inflation), clinical trials on the efficacy of alternative medicine and therapies would be \$0 for FY 2027, \$5.4M GR for FY 2028, and \$19.3M GR for FY 2029 in General Revenue funding. This assumes trials would not begin until Fiscal Year 2028 due to the requirement of identifying and contracting with an external entity.

In total, DMH estimates \$0 to \$2M for FY27; \$0 to \$7.4M for FY28; and \$0 to \$21.3M for FY29 in General Revenue funding.

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

Oversight notes the provisions of §191.479.5 allows DMH to provide grants for \$2,000,000, subject to appropriation, for research on the use and efficacy of psilocybin. For fiscal note purposes, Oversight assumes costs of \$0 to (\$2,000,000) to general revenue for the research grants. Oversight notes that the proposal specifies a total of \$2,000,000 for grants.

Officials from the **Office of Administration, Budget and Planning (B&P)** state this proposal provides that certain veterans who acquire, use, produce, possess, transfer, or administer psilocybin for therapeutic use, and individuals or laboratories assisting them, shall not be subject to state or local law violations, civil fines, penalties, or sanctions. To the extent that this provision reduces the number of civil fines or penalties collected by the state that would otherwise be deposited into the state treasury, TSR may decrease by an unknown amount

The legislation prohibits state agencies and regulatory boards from revoking or taking action against a physician's license based solely on providing documentation for psilocybin use or referring a veteran to the clinical study. If these protections prevent the collection of licensing fees or fines that would have resulted from disciplinary actions, TSR may decrease by an unknown amount.

Oversight notes that violations of §191.479 could result in 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 positive fiscal impact of \$0 to Unknown to local school districts. For simplicity, Oversight will not reflect the possibility that reduced fine revenue paid to school districts may impact the foundation formula.

Officials from the **Office of Attorney General (AGO)** assume any potential litigation costs arising from this proposal can be absorbed with existing resources. However, the AGO may seek additional appropriations if the proposal results in a significant increase in litigation or investigation.

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 Corrections (DOC)** assume the proposal will have no fiscal impact on their organization. DOC states that no requirements are placed on DOC facilities, programs, or staff.

Officials from the **Department of Commerce and Insurance, Department of Health and Senior Services, Department of Public Safety - Missouri Veterans Commission, Office of the State Public Defender, Office of the State Courts Administrator, Northwest Missouri State University and 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.

Oversight only reflects the responses that we have received from state agencies and political subdivisions; however, other hospitals and colleges were requested to respond to this proposed legislation but did not. Upon the receipt of additional responses, Oversight will review to determine if an updated fiscal note should be prepared and seek the necessary approval to publish a new fiscal note. A general listing of political subdivisions included in our database is available upon request.

<u>FISCAL IMPACT – State Government</u>	FY 2027 (10 Mo.)	FY 2028	FY 2029
GENERAL REVENUE			
<u>Cost – DMH (§191.479.5) Research grants on use/efficacy of psilocybin p.3-4</u>	\$0 to (\$2,000,000)	\$0	\$0
<u>Cost – DMH (§630.1170) – Study on the efficacy of using alternative medicine p.3</u>	\$0	\$0 to (\$5,400,000)	\$0 to (\$19,300,000)
ESTIMATED NET EFFECT ON GENERAL REVENUE	\$0 to (\$2,000,000)	\$0 to (\$5,400,000)	\$0 to (\$19,300,000)

<u>FISCAL IMPACT – Local Government</u>	FY 2027 (10 Mo.)	FY 2028	FY 2029
LOCAL POLITICAL SUBDIVISIONS			
<u>Revenue Loss – School Districts (§191.479) Reduction of fines or penalties collected p.4</u>	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)
ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)

FISCAL IMPACT – Small Business

No direct fiscal impact on 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 following conditions: (1) Is a veteran; (2) Is 21 years of age or older; (3) Suffers from posttraumatic stress disorder, major depressive disorder, or a substance use disorder or requires end-of-life care; (4) Has enrolled in a study to study the use of psilocybin to treat posttraumatic stress disorder, major depressive disorder, or substance use disorders or for end-of-life care; (5) Informs the Department of Mental Health that the person plans to acquire, use, produce, possess, transfer, or administer psilocybin in accordance with this section; (6) Provides the Department with documents specified in the bill. The Department must maintain the confidentiality of any personally identifiable protected information collected from anyone who provides information to the Department; (7) Use of psilocybin occurs only in the presence of a facilitator who meets requirements outlined in the bill; (8) Ensures that a laboratory licensed by the State to test controlled substances tests the psilocybin the person intends to ingest; and (9) The person limits the use of psilocybin to no more than 150 milligrams of psilocybin analyte (4-phosphoryloxy-N, Ndimethyltryptamine) during any 12-month period.

The Department 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. This bill specifies that, a physician will not be subject to criminal or civil liability or sanction under the laws of this State for providing documentation that a person suffers from posttraumatic stress disorder, major depressive disorder, or a substance use disorder or requires end-of-life care, and no State agency or regulatory board can revoke, fail to renew, or take any other action against a physician's license issued under Chapter 334, RSMo, based solely on the physician's provision of documentation that a person suffers from posttraumatic stress disorder, major depressive disorder, or a substance use disorder or requires end-of-life care.

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 posttraumatic stress disorder, major depressive disorder, substance use disorders, or who require end-of-life care.

The bill specifies that the study must include the therapeutic efficacy of using psilocybin in the treatment of veterans who suffer from posttraumatic stress disorder, major depressive disorder, or substance use disorders or who require end-of-life care, as well as a literature review and the

submission of various reports. The Department, any health care providers, and any person participating in the study will not be subjected to criminal or civil liability or sanction for the participation in the study, except in cases of gross negligence or willful misconduct. A physician will not be subject to criminal or civil liability or sanction under the laws of this State for referring a patient to the study under this section, and no state agency or regulatory board can revoke, fail to renew, or take any other action against a physician's license based solely on the physician's referral of a patient to the study under this section.

The Department must prepare and submit to the Governor, Lieutenant Governor and the General Assembly: (1) Quarterly reports on the progress of the study; and (2) A written report, submitted one year following the commencement of the study, which must:(a) Contain the results of the study and any recommendations for legislative or regulatory action; and (b) Highlight those clinical practices that appear to be most successful as well as any safety or health concerns. The Department must maintain the confidentiality of any personally identifiable protected information collected during the study.

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 Corrections
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
Office of the State Public Defender
Northwest Missouri State University
University of Central Missouri



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