

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4914S.04C
 Bill No.: SCS for HCS for HB Nos. 1717 & 1643
 Subject: Drugs and Controlled Substances; Medical Procedures and Personnel; Mental Health; Physicians; Hospitals; Veterans; Higher Education; Health Care; Department of Mental Health
 Type: Original
 Date: April 29, 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 (\$7,400,000)	\$0 to (\$21,300,000)
Total Estimated Net Effect on General Revenue	\$0 to (\$2,000,000)	\$0 to (\$7,400,000)	\$0 to (\$21,300,000)

*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

§§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.

In response to a previous version, HCS for HBs 1717 & 1643 (2026), Officials from the **Office of Administration, Budget and Planning (B&P)** stated 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 reflect an unknown loss 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.

In response to a previous version, HCS for HBs 1717 & 1643 (2026), officials from the **Office of Attorney General (AGO)** assumed any potential litigation costs arising from this proposal could 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 Public Safety-Missouri Veterans Commission (MVC)** state, aside from Psilocybin (hallucinogenic mushrooms) being a Schedule I substance under the Controlled Substances Act, a drug which is not available through a pharmacy (federally illegal), and the potential for MVC to lose their federal grants for allowing the use of the substance in a Missouri Veterans Home, there is the issue of "no state agency or employee of a state agency shall disclose to the federal government, any federal government employee...individual

information of persons who meet the requirements of this section." MVC must disclose care plans of residents to the Veterans Administration (VA) and VA surveyors upon request. If MVC does not or if MVC purposefully omits information, MVC will risk losing their federal grants (\$79M in FY25).

Oversight assumes, given the restrictions on residents of Missouri Veterans Homes, that the program will not include this population and, therefore, no federal funds will be lost under the provisions of this proposal.

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, Office of the State Treasurer, Phelps County Sheriff's Department, Kansas City Police Department, St. Louis County Police Department, 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.

In response to a previous version, HCS for HBs 1717 & 1643 (2026), officials from the **Office of the State Public Defender, Office of the State Courts Administrator, Branson Police Department, Kearney Fire & Rescue Protection District and Eastern Clay Ambulance District** each assumed the proposal would 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 law enforcement agencies, fire protection districts, EMS, 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 to (\$2,000,000)	\$0 to (\$2,000,000)
<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 (\$7,400,000)	\$0 to (\$21,300,000)

<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

Under this act, any person who acquires, uses, produces, possesses, transfers, or administers psilocybin for the person's own therapeutic use shall not be subject to state or local criminal or civil penalties if the person is a veteran or first responder and is 21 years of age or older and suffers from a condition listed in the act. The person shall be enrolled in a study regarding the use of psilocybin to treat such conditions and shall provide the Department of Mental Health with specified information. A facilitator shall be present during the administration of the psilocybin and the use of psilocybin shall be limited to no more than 150 milligrams of psilocybin analyte during any 12-month period. A person who assists another in any of the acts

permitted under this act and any laboratory testing psilocybin under this act shall not be subject to state or local criminal or civil penalties.

Subject to appropriation, the Department shall provide grants totaling \$2 million dollars for research on the use and efficacy of psilocybin for the treatment of conditions listed in the act.

The Department shall prepare annual reports for the Governor, Lieutenant Governor, and the General Assembly on the implementation and outcomes of psilocybin use under this act.

No state agency shall disclose to the federal government or any unauthorized third party the statewide list or any individual information of persons who meet the requirements of this act.

Additionally, this act modifies current law on the use of investigational drugs and devices for individuals with terminal illnesses to include individuals with life-threatening or severely debilitating conditions or illnesses. Currently, investigational drugs shall not include Schedule I controlled substances. This act repeals that prohibition.

Finally, this act requires the Department of Mental Health, in collaboration with a Missouri university hospital or contract research organizations conducting FDA-approved trials, to conduct a study on the efficacy of using alternative medicine and therapies, including, but not limited to, the use of psilocybin, for the treatment of veterans and first responders suffering post-traumatic stress disorder, major depressive disorder, substance use disorders, or who require end-of-life care, as described in the act. Such study shall include a study of the use of psilocybin to treat such conditions, as well as a literature review and the submission of various reports. No person participating in the study shall be subject to criminal or civil liability or sanction for participating, except in cases of gross negligence or willful misconduct.

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
Office of the State Treasurer
Phelps County Sheriff's Department
Branson Police Department

L.R. No. 4914S.04C
Bill No. SCS for HCS for HB Nos. 1717 & 1643
Page 8 of 8
April 29, 2026

Kansas City Police Department
St. Louis County Police Department
Kearney Fire & Rescue Protection District
Eastern Clay Ambulance District
Northwest Missouri State University
University of Central Missouri



Julie Morff
Director
April 29, 2026



Jessica Harris
Assistant Director
April 29, 2026