

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 6391H.02C
Bill No.: HCS for HB Nos. 2817 & 2961
Subject: Mental Health; Veterans
Type: Original
Date: March 16, 2026

Bill Summary: This proposal creates provisions relating to Ibogaine treatment.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND

FUND AFFECTED	FY 2027	FY 2028	FY 2029	Fully Implemented (FY 2030)
General Revenue*	(Could exceed \$6,923,756)	(Could exceed \$16,058,678)	(Could exceed \$16,078,218)	(Could exceed \$61,099,782)
Total Estimated Net Effect on General Revenue	(Could exceed \$6,923,756)	(Could exceed \$16,058,678)	(Could exceed \$16,078,218)	(Could exceed \$61,099,782)

*Subject to appropriations, grant costs are estimated at \$6,000,000 to \$8,000,000 in FY 2027; \$15,000,000 to \$25,000,000 in FY 2028 & 2029; and \$60,000,000 to \$180,000,000 in FY 2030. Costs include 5 FTE for DHSS.

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON OTHER STATE FUNDS

FUND AFFECTED	FY 2027	FY 2028	FY 2029	Fully Implemented (FY 2030)
Ibogaine Study Fund*	\$0	\$0	\$0	\$0
Ibogaine Intellectual Property Fund**	\$0	\$0	\$0	\$0
Total Estimated Net Effect on <u>Other State Funds</u>	\$0	\$0	\$0	\$0

*Revenue Gain, transfer in and grant cost are estimated at \$6,000,000 to \$8,000,000 in FY 2027; \$15,000,000 to \$25,000,000 in FY 2028 & 2029; and \$60,000,000 to \$180,000,000 in FY 2030 and net to zero.

**Revenue attributable to intellectual property rights and costs for programs that assist veterans or other at-risk populations are estimated at \$0 or Unknown for all fiscal years and net to zero.

ESTIMATED NET EFFECT ON FEDERAL FUNDS

FUND AFFECTED	FY 2027	FY 2028	FY 2029	Fully Implemented (FY 2030)
Total Estimated Net Effect on <u>All Federal Funds</u>	\$0	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)

FUND AFFECTED	FY 2027	FY 2028	FY 2029	Fully Implemented (FY 2030)
General Revenue	5 FTE	5 FTE	5 FTE	5 FTE
Total Estimated Net Effect on FTE	5 FTE	5 FTE	5 FTE	5 FTE

- 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	Fully Implemented (FY 2030)
Local Government	\$0	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

§§191.1610, 191.1613, 191.1616, 191.1619, 191.1622, 191.1625, & 191.1628 - Ibogaine Treatment

Officials from the **Department of Health and Senior Services (DHSS)** state section 191.1616 of the proposed legislation would require the DHSS to award grants for clinical trials on the use of ibogaine for the treatment of opioid use disorder, co-occurring substance use disorders, and other mental health conditions.

Section 191.1616 of the proposed legislation creates the Ibogaine Study Fund.

Section 191.1622 of the proposed legislation creates the Ibogaine Intellectual Property Fund.

The proposed legislation would require the DHSS to award grants to conduct certified clinical drug development trials overseen by the United States Food and Drug Administration on the use of ibogaine and its analogs for the treatment of opioid use disorder, co-occurring substance use disorders, and other mental health conditions.

To administer the ibogaine clinical trial grant program established under this proposal, the DHSS would require additional personnel to manage application intake, grant review, award processing, quarterly monitoring, fiscal oversight, and required reporting to the General Assembly. Based on the anticipated volume and complexity of FDA-supervised clinical trials, DHSS estimates the need for 5 FTE, consisting of one Public Health Program Manager to oversee the program, two Senior Accountants to provide fiscal management and oversight of the funds and grants, one Procurement Specialist to create, post, evaluate bids and execute the grant contracts, and one Physician as clinical advisor.

Funding needed for the clinical drug development grants are estimated at \$6,000,000 to \$8,000,000 for Phase I in FY27, and \$15,000,000 to \$25,000,000 for Phase II in FY28 and 29. The cost depends on appropriations and the number of eligible clinical trial applications received. Table 1 shows additional costs for the grant awards themselves, which will depend on appropriations and the number of eligible clinical trial applications received. The Phase III trials would not start until FY 2030 or FY 2031 and is therefore not shown in the fund summary although the estimated cost is in the table.

Table 1: Cost estimate table for running each phase of a clinical trial involving a Schedule I drug in the U.S. in 2026.

Phase	Avg Total Cost (Typical Drug)	Per-Patient Cost	Adjusted for Schedule I
Phase I	~\$5.3M	~\$137K	\$6–8M
Phase II	\$7–20M (typical avg ~\$13.5M)	~\$130K (from Prorelix)	\$15–25M
Phase III	~\$52.8M avg; range \$12–150M	\$113K avg [1]; \$25–120K range	\$60–180M

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

Oversight notes the provisions of section 191.1616 establish the Ibogaine Study Fund, which consists of moneys appropriated by the General Assembly and any gifts, donations, grants, and bequests. Moneys in this fund shall be used solely to award grants under this section.

Oversight will reflect the possibility that the General Assembly could appropriate moneys to this new fund from the General Revenue Fund. For fiscal note purposes, Oversight assumes services provided under this proposal will equal revenue gain/appropriations of over \$250,000 annually and net to zero.

Oversight notes the provisions of section 191.1622 establish the Ibogaine Intellectual Property Fund, which shall consist of all revenue attributable to all intellectual property rights and other commercial rights that may arise from drug development clinical trials conducted by a multistate consortium during the period for which the trials are funded and any following period of commercialization. Moneys in this fund shall be used solely for programs that assist veterans or other at-risk populations in this state.

Oversight will reflect that the revenue attributable to all intellectual property rights and other commercial rights will be used for programs that assist veterans or other at-risk populations. For fiscal note purposes, Oversight assumes services provided under this proposal will equal revenue gain of over \$250,000 annually and net to zero.

Officials from the **Department of Commerce and Insurance, Department of Mental Health, Department of Public Safety - Missouri Veterans Commission and Office of the State Treasurer** 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.

<u>FISCAL IMPACT – State Government</u>	FY 2027 (10 Mo.)	FY 2028	FY 2029	Fully Implemented (FY 2030)
GENERAL REVENUE				
<u>Cost – DHSS (§§191.1610 to 191.1628) p.4</u>				
Personal service	(\$530,010)	(\$648,732)	(\$661,707)	(\$674,941)
Fringe benefits	(\$281,237)	(\$342,600)	(\$347,819)	(\$354,775)
Equip. & exp.	(\$112,509)	(\$67,346)	(\$68,692)	(\$70,066)
Total Costs - DHSS	(\$923,756)	(\$1,058,678)	(\$1,078,218)	(\$1,099,782)
FTE Change - DHSS	5 FTE	5 FTE	5 FTE	5 FTE
<u>Transfer out – DHSS (§191.1616) Into “Ibogaine Study Fund” by appropriation p.4-5</u>	\$0 to Could exceed (\$6,000,000)	\$0 to Could exceed (\$15,000,000)	\$0 to Could exceed (\$15,000,000)	\$0 to Could exceed (\$60,000,000)
ESTIMATED NET EFFECT ON GENERAL REVENUE	(Could exceed \$6,923,756)	(Could exceed \$16,058,678)	(Could exceed \$16,078,218)	(Could exceed \$61,099,782)
Estimated Net FTE Change on General Revenue	5 FTE	5 FTE	5 FTE	5 FTE
IBOGAINE STUDY FUND				
<u>Revenue Gain – DHSS (§191.1616) Gifts, grants, donations p.4-5</u>	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
<u>Transfer In – DHSS (§191.1616) From General Revenue p.4-5</u>	\$0 to Could exceed \$6,000,000	\$0 to Could exceed \$15,000,000	\$0 to Could exceed \$15,000,000	\$0 to Could exceed \$60,000,000

<u>FISCAL IMPACT – State Government</u>	FY 2027 (10 Mo.)	FY 2028	FY 2029	Fully Implemented (FY 2030)
<u>Cost - DHSS</u> (\$191.1616) Grants for clinical trials p.4-5	\$0 to Could exceed (\$6,000,000)	\$0 to Could exceed (\$15,000,000)	\$0 to Could exceed (\$15,000,000)	\$0 to Could exceed (\$60,000,000)
ESTIMATED NET EFFECT ON IBOGAINE STUDY FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
IBOGAINE INTELLECTUAL PROPERTY FUND				
<u>Revenue – DHSS</u> (\$191.1622) Revenue attributable to all intellectual property rights and other commercial rights p.4-5	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
<u>Cost - DHSS</u> (\$191.1622) Programs that assist veterans or other at-risk populations p.4-5	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
ESTIMATED NET EFFECT ON IBOGAINE INTELLECTUAL PROPERTY FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2027 (10 Mo.)	FY 2028	FY 2029	Fully Implemented (FY 2030)
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT – Small Business

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

FISCAL DESCRIPTION

This bill establishes the "Veterans Mental Health Innovation Act."

The bill requires the Department of Health and Senior Services to award grants to conduct certified clinical drug development trials overseen by the United States Food and Drug Administration on the use of ibogaine for the treatment of opioid use disorder, co-occurring substance use disorder, or any other neurological or mental health condition for which ibogaine demonstrates efficacy. The Department must award grants only to an entity that satisfies criteria specified in the bill. The Department must begin accepting grant applications before November 1, 2026.

This bill creates the "Ibogaine Study Fund", which will consist of moneys appropriated to it by the General Assembly and any gifts, contributions, grants, or bequests received from Federal, private, or other sources. The State Treasurer will be custodian of the Fund. The State Treasurer may approve disbursements. The Fund will be used solely to award grants to conduct the certified clinical drug development trials.

An applicant selected to conduct ibogaine drug development clinical trials must quarterly prepare and submit to the Department: (1) A report on the progress of the drug development clinical trials conducted ; and (2) A financial status report, including information to verify expenditures of State funds and required matching funds.

The Department must submit a report to the General Assembly on the progress of the drug development clinical trials conducted and the financial status of the trials before December 1st of each year.

This bill creates the "Ibogaine Intellectual Property Fund", which will consist of all revenue attributable to all intellectual property rights and other commercial rights that may arise from drug development clinical trials during the period for which the trials are funded and any following period of commercialization. The State Treasurer will be custodian of the Fund. The

State Treasurer may approve disbursements. The Fund will be used solely for programs that assist veterans or other at-risk populations in this state.

Intellectual property rights and other commercial rights arising from the drug development clinical trials conducted include any of the following as related to the trials: (1) Intellectual property, technology, and inventions; (2) Patents, trademarks, and licenses; (3) Proprietary and confidential information; (4) Trade secrets, data, and databases; (5) Tools, methods, and processes; (6) Treatment models or techniques; (7) Administration protocols; and (8) Works of authorship.

If ibogaine is approved by the United States Food and Drug Administration to treat a medical condition, no person will prescribe ibogaine for a patient except a licensed physician. The physician must supervise the administration of ibogaine at a hospital or other licensed health care facility to ensure patient safety.

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

Department of Commerce and Insurance
Department of Health and Senior Services
Department of Mental Health
Department of Public Safety - Missouri Veterans Commission
Office of the State Treasurer



Julie Morff
Director
March 16, 2026



Jessica Harris
Assistant Director
March 16, 2026