FISCAL IMPACT REPORT

		LAST UPDATED	02/13/2024
SPONSOR	Steinborn/Brandt/Lord/Thomson	**ORIGINAL DATE**	02/07/2024
SHORT TITLE	Study Psilocybin for Therapeutic Treatments	**BILL NUMBER**	Senate Memorial 12/aSHPAC
		ANALYST	Chilton

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT*
(dollars in thousands)

Agency/Program	FY24	FY25	FY26	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
	Indeterminate but minimal	Indeterminate but minimal	Indeterminate but minimal	Indeterminate but minimal	Recurring	General Fund
Total						

Parentheses ( ) indicate expenditure decreases.
*Amounts reflect most recent analysis of this legislation.

Sources of Information

LFC Files

Agency Analysis Received From
Health Care Authority (HCA)

Agency Analysis was Solicited but Not Received From
Department of Health (DOH)

SUMMARY

Synopsis of SHPAC Amendment to Senate Memorial 12

The Senate Health and Public Affairs Committee amendment to Senate Memorial 12 specifies the Department of Health is to collaborate with the University of New Mexico Health Sciences Center in the study of psilocybin.

Synopsis of Original Senate Memorial 12

Giving some of the justification for the possible use of psilocybin, SM12 would ask the Department of Health to study the possible establishment of a program to use the drug or the mushrooms in which it is found for the treatment of patients for which it might be efficacious. The outcome of such a study is not specified.

This memorial does not contain an effective date and, as a result, would go into effect 90 days after the Legislature adjourns, or May 15, 2024, if enacted.

FISCAL IMPLICATIONS

There is no appropriation in Senate Memorial 12. The Department of Health has not yet had an opportunity to estimate its costs in studying possible uses of psilocybin.

SIGNIFICANT ISSUES

Psilocybin at this point is a Schedule 1 controlled substance. Schedule 1 drugs are defined as having "a high potential for abuse, no currently accepted medical use in treatment in the United States, and a lack of accehpted safety for use under medical supervision." See the attached drug information sheet from the federal Drug Enforcement Administration.

Despite its classification in this way, psilocybin has been used in studies, especially in patients with mood disorders, such as the very common conditions anxiety and depression. And as noted in the "whereas" portions of the memorial, depression is a very common precursor to suicide.

From the publication Johns Hopkins Medicine in 2022 comes the following summary of one such study:

> Studies by Johns Hopkins Medicine researchers showed that psychedelic treatment with psilocybin relieved major depressive disorder symptoms in adults for up to a month. Now, in a follow-up study of those participants, the researchers report that the substantial antidepressant effects of psilocybin-assisted therapy, given with supportive psychotherapy, may last at least a year for some patients.
>
> A report on the new study was published on Feb. 15, 2022 in the Journal of Psychopharmacology.
>
> "Our findings add to evidence that, under carefully controlled conditions, this is a promising therapeutic approach that can lead to significant and durable improvements in depression," says Natalie Gukasyan, M.D., assistant professor of psychiatry and behavioral sciences at the Johns Hopkins University School of Medicine. She cautions, however, that "the results we see are in a research setting and require quite a lot of preparation and structured support from trained clinicians and therapists, and people should not attempt to try it on their own."
>
> Over the last 20 years, there has been a growing of research with classic psychedelics — the pharmacological class of compounds that include psilocybin, an ingredient found in so-called magic mushrooms. According to the National Institute on Drug Abuse, psilocybin can produce perceptual changes, altering a person's awareness of their surroundings and of their thoughts and feelings. Treatment with psilocybin has shown promise in research settings for treating a range of mental health disorders and addictions.

And in an article in Frontiers in Psychiatry, (Therapeutic use of psilocybin: Practical considerations for dosing and administration - PMC (nih.gov)), Canadian researchers MacCallum, Lo, Pistawka and Deol lay out the pharmacology and possible uses of the drug, indicating some of its possible uses: "Despite support for the safety and efficacy of psilocybin and other psychedelics (13), research and exploration of psilocybin as a therapeutic has not reemerged until recently."

The U.S. Food and Drug Administration granted breakthrough therapy status to psilocybin in 2018 for treatment-resistant depression, and in 2019 for major depressive disorder. At a state level, Oregon has more recently passed Ballot Measure 109 allowing for the manufacture, delivery, and administration of psilocybin within a to-be-developed state-run program.

HCA points out that "Schedule I drugs… cannot be covered as a Medicaid benefit." However, HCA continues, "Although we have treatments for anxiety and depression, there are significant limitations to the efficacy of many of our treatments, particularly with post traumatic stress disorder and alcohol use disorder. Psilocybin has the potential, in the future, to impact Medicaid members significantly if it is a more effective treatment of behavioral health disorders. It is currently being given as treatment in Oregon."

TECHNICAL ISSUES

There is no mention in the memorial as to DOH making a report of or using the results of its findings.

Other studies, including those quoted above and in the "whereas" section of the memorial, have obtained permission to use psilocybin in treatment studies; in this memorial, there is no indication of how permission to use psilocybin therapeutically would be obtained, given its Schedule 1 status currently.

LAC/ne/hg/al/ne