

Department of Legislative Services
 Maryland General Assembly
 2022 Session

FISCAL AND POLICY NOTE
 Third Reader - Revised

House Bill 1367
 Appropriations

(Delegate Howard)

Rules

Post-Traumatic Stress Disorder and Traumatic Brain Injury Alternative Therapies Fund - Establishment (David Perez Military Heroes Act (End 22 a Day))

This bill establishes the Post-Traumatic Stress Disorder and Traumatic Brain Injury Alternative Therapies Fund to support the Maryland Department of Health (MDH) in studying the effectiveness of and improving access to alternative therapies for post-traumatic stress disorder (PTSD) and traumatic brain injuries (TBIs) in veterans. MDH must administer the fund and periodically consult with specified entities regarding alternative therapies for veterans suffering from PTSD and TBIs. In fiscal 2024, the Governor must include in the annual budget bill an appropriation of \$1.0 million for the fund. **The bill takes effect July 1, 2022.**

Fiscal Summary

State Effect: General fund expenditures increase by \$38,000 in FY 2023 for administrative costs. General fund expenditures increase by \$1.0 million in FY 2024 to reflect the mandated appropriation; special fund revenues increase accordingly. Special fund expenditures increase beginning in FY 2024 for administrative costs and fund disbursements, as discussed below. **This bill establishes a mandated appropriation for FY 2024.**

(in dollars)	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
SF Revenue	\$0	\$1,000,000	\$0	\$0	\$0
GF Expenditure	\$38,000	\$1,000,000	\$0	\$0	\$0
SF Expenditure	\$0	-	-	-	-
Net Effect	(\$38,000)	\$-	\$-	\$-	\$-

Note: () = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate increase; (-) = indeterminate decrease

Local Effect: The bill is not anticipated to materially affect local government operations or finances.

Small Business Effect: None.

Analysis

Bill Summary: “Alternative therapies” includes hyperbaric oxygen therapy and psychedelics including 3,4-methylenedioxymethamphetamine (MDMA), psilocybin, and ketamine. “Veteran” means a former member of the following entities who was discharged from active duty: (1) the U.S. armed forces; (2) a reserve component of the U.S. armed forces; and (3) the National Guard of any state.

Post-Traumatic Stress Disorder and Traumatic Brain Injury Alternative Therapies Fund

The fund is a special, nonlapsing fund consisting of money appropriated in the State budget and any other money from any other source accepted for the benefit of the fund. The fund may only be used for (1) studying the use of alternative therapies for veterans with PTSD and TBIs; (2) providing cost-free access to alternative therapies for veterans with PTSD and TBIs; (3) any uses determined by MDH, as provided under the bill; and (4) administrative expenses of MDH in administering the fund. Expenditures from the fund may be made only in accordance with the State budget.

MDH periodically must consult with the Maryland Department of Veterans Affairs, Johns Hopkins University, University of Maryland, Sheppard Pratt, Walter Reed National Military Medical Center, and BrainFutures to determine (1) the effectiveness of and a method for improving access to alternative therapies for treating PTSD and TBIs in veterans and (2) appropriate uses of the fund that further the fund’s purpose, as specified.

Reporting

By December 1, 2022, MDH must report on the department’s initial findings and recommendations regarding the effectiveness of and a method for improving access to alternative therapies for veterans with PTSD and TBIs and appropriate uses of the fund based on consultation with specified entities.

By December 1 each year, MDH must submit to the Governor and the General Assembly a report on the use of the fund during the immediately preceding fiscal year.

MDH also must report by December 1, 2024, findings and recommendations from studies funded by the fund, including (1) any findings regarding the efficacy of alternative

therapies as treatment for PTSD and TBIs and (2) recommendations on budgetary, legislative, or regulatory changes to expand access to alternative therapies for veterans with PTSD and TBIs.

Current Law:

Maryland Controlled Dangerous Substances Act

Under the Maryland Controlled Dangerous Substances Act, there are five schedules for controlled dangerous substances. Schedule I substances have (1) a high potential for abuse of the substance; (2) no accepted medical use in the United States for the substance; and (3) a lack of accepted safety for use of the substance under medical supervision. Schedule III substances have (1) potential for abuse that is less than that for substances in schedules I or II; (2) well documented and approved medical use of the substance in the United States; and (3) evidence that abuse of the substance may lead to moderate or low physical dependence or high psychological dependence. MDMA and psilocybin, and their salts, isomers, and salts of isomers, are included on Schedule I. Ketamine, its salts, isomers, and salts of isomers, are included on Schedule III.

Recent Legislative Activity Regarding Veteran Mental and Behavioral Health Issues

Chapters 785 and 786 of 2021 established the Sheila E. Hixon Behavioral Health Services Matching Grant Program for Service Members and Veterans. Generally, the program awards competitive matching grants to local nonprofit organizations to establish and expand community behavioral health programs that serve service members, veterans, or the spouse, child, or stepchild of a service member of veteran; integrate the delivery of mental health and substance use treatment; and connect individuals to appropriate community-based care in a timely manner on discharge from community behavioral health programs.

Chapter 416 of 2017 established the Maryland Veterans Service Animal Program. The program is designed to refer eligible veterans to selected nonprofit organizations to be paired with service dogs or support dogs and facilitate their training. The program has been expanded to also encompass equine therapy. One of the stated purposes of the program is to assist in the reduction of the Maryland veteran suicide rate.

Chapter 555 of 2008 established Maryland's Commitment to Veterans within MDH and administered by the Behavioral Health Administration. The program assists veterans in coordinating comprehensive wellness and behavioral health services and directs veterans to federal services specifically available to veterans or to State resources when no federal services are available.

State Expenditures: General fund expenditures increase by \$37,954 in fiscal 2023, which accounts for a 30-day start-up delay from the bill’s July 1, 2022 effective date. This estimate reflects the cost of hiring one part-time (50%) contractual program administrator to oversee and manage the fund, coordinate with specified entities on alternative therapies for veterans with PTSD, and oversee the program’s required reporting, which begins December 1, 2022. It includes a salary, fringe benefits, one-time start-up costs, and ongoing operating expenses.

Position	0.5
Salary and Fringe Benefits	\$30,918
Operating Expenses	<u>7,036</u>
Total FY 2023 State Expenditures	\$37,954

This estimate does not include any health insurance costs that could be incurred for specified contractual employees under the State’s implementation of the federal Patient Protection and Affordable Care Act.

Future year expenditures reflect a full salary with annual increases and employee turnover as well as annual increases in ongoing operating expenses.

General fund expenditures increase by \$1.0 million in fiscal 2024 to reflect the bill’s mandated appropriation; special fund revenues increase accordingly. As the fund may be used for administrative expenses, it is assumed that staffing costs are covered by the mandated appropriation. After covering personnel costs, an estimated \$968,346 is available from the fund in fiscal 2024. Special fund expenditures further increase to the extent the fund is used for authorized purposes.

Additional Information

Prior Introductions: None.

Designated Cross File: SB 709 (Senator Elfreth, *et al.*) - Budget and Taxation and Finance.

Information Source(s): Department of Budget and Management; Maryland Department of Health; Department of Veterans Affairs; Department of Legislative Services

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Analysis by: Thomas S. Elder

Direct Inquiries to:
(410) 946-5510
(301) 970-5510