HB 1477

Department of Legislative Services

Maryland General Assembly
2026 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 1477 (Delegate Odom, *et al.*)
Health

Public Health - Ibogaine Clinical Research Grant Program - Establishment (Veterans Mental Health Innovations Act)

This bill establishes the Ibogaine Clinical Research Grant Program in the Maryland Department of Health (MDH) to provide grants to conduct a certified clinical drug development trial on the use of ibogaine to treat opioid use disorder (OUD) and other neurological conditions. MDH must administer the program in consultation with the Department of Veterans and Military Families (DVMF) and adopt regulations to carry out the program. The bill establishes reporting requirements for grant recipients and MDH. In fiscal 2028 through 2030, the Governor must include in the annual budget bill $500,000 from the Opioid Restitution Fund (ORF) for the program. The bill adds the program to the list of permissible uses of ORF. **The bill terminates September 30, 2031.**

Fiscal Summary

State Effect: No effect in FY 2027. MDH general fund expenditures increase by $43,000 in FY 2028 for contractual staff. ORF expenditures increase by $500,000 in FY 2028 through 2030 to reflect the mandated appropriation. Revenues are not affected. **This bill establishes a mandated appropriation for FY 2028 through 2030.**

(in dollars)	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Revenues	$0	$0	$0	$0	$0
GF Expenditure	0	43,000	37,500	39,100	0
SF Expenditure	0	500,000	500,000	500,000	0
Net Effect	$0	($543,000)	($537,500)	($539,100)	$0

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

Local Effect: None.

Small Business Effect: None.

Analysis

Bill Summary: An "eligible research institution" is an entity:

- located in the State;
- with a history of research and treatment of neurological diseases and expertise in substance use disorder, post-traumatic stress disorder (PTSD), or trauma;
- with a neurosurgery program with clinical research facilities that are (1) staffed by professionals with expertise in neurological and neurosurgical conditions and (2) capable of providing the necessary infrastructure and expertise to deliver cardiac intensive care services; and
- able to facilitate pioneering research and innovation in the diagnosis and treatment of neurological conditions.

"Ibogaine" means the naturally occurring psychoactive compound found in the root bark of the iboga plant. It includes ibogaine-based therapeutics and ibogaine analogs.

MDH may award up to three grants each year, and an eligible research institution must provide matching funds at least equal to the amount received.

An eligible research institution may use a grant only to conduct a certified clinical drug development trial overseen by the U.S. Food and Drug Administration (FDA) on the use of ibogaine for the treatment of OUD and any other neurological condition for which ibogaine demonstrates efficacy. An institution awarded a grant may sign an agreement with a consortium established by another state's government to join an FDA-overseen certified clinical drug trial that meets the standards for grant usage.

An institution awarded a grant must submit to MDH on a quarterly basis (1) a report on the progress of the grant-supported clinical drug trial and (2) a financial status report, including information to verify expenditures of grant funds and proof of matching funds.

By September 30, 2028, and annually thereafter through 2031, MDH must report to the General Assembly on (1) the number of grants awarded; (2) the value of each grant; (3) the eligible research institution to which each grant was awarded; and (4) the progress and financial status of the grant-supported trials.

Current Law: Chapters 792 and 793 of 2024 established the Task Force on Responsible Use of Natural Psychedelic Substances. The task force must (1) study the use of natural psychedelic substances (specifically including naturally derived psilocybin, psilocin, dimethyltryptamine, mescaline, and any other substance the task force determines to be a natural psychedelic substance, but not including peyote); (2) make recommendations

regarding any changes to State law, policy, and practices needed to create a Maryland Natural Psychedelic Substance Access Program; and (3) make recommendations to transition from criminalizing conduct involving natural psychedelic substances.

For more information about opioids, OUD, and ORF in the State, see **Appendix – Opioid Crisis.**

State Expenditures: The bill establishes a mandated appropriation from ORF for the grant program in fiscal 2028 through 2030. Additionally, under the bill, MDH must administer the grant program and write the report. To do so, Maryland's Office of Overdose Response within MDH advises that it needs to hire additional staff beginning in fiscal 2028 for the duration of the bill.

Staffing

MDH general fund expenditures increase by $43,041 in fiscal 2028 for one part-time contractual grant specialist to administer the grant program beginning in July 2027. This estimate reflects the cost of hiring one part-time (50%) grant specialist to administer the grant program and draft yearly reports. It includes a salary, fringe benefits, one-time start-up costs, and ongoing operating expenses.

Contractual Position	0.5
Salary and Fringe Benefits	$34,580
Operating Expenses	8,461
Total FY 2028 State Expenditures	**$43,041**

Future year expenditures reflect annual increases and employee turnover as well as annual increases in ongoing operating expenses. The contractual position and associated costs terminate at the end of fiscal 2030 concurrent with the termination of the mandated appropriation for the program, which assumes the 2030 report is finalized by existing staff and the 2031 report due under the bill (which would presumably just be the status of the prior-funded research) is handled entirely by existing staff.

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.

This estimate assumes that DVMF can consult with MDH on the administration of the program using existing budgeted resources.

Grant Funding

Pursuant to the mandated appropriation established by the bill, special fund expenditures from ORF increase by $500,000 annually from fiscal 2028 through 2030. This analysis does not assume discretionary funding beyond the mandated appropriation. In the absence of the bill, these ORF monies would likely remain available for other currently authorized and discretionary purposes.

Additional Comments: Ibogaine is a Schedule I controlled dangerous substance under State and federal law. A recent study found that some veterans experienced lowered PTSD symptoms when using ibogaine.

Additional Information

Recent Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: SB 527 (Senator Harris) - Finance.

Information Source(s): Maryland's Office of Overdose Response; University System of Maryland; Department of Budget and Management; Maryland Department of Health; Department of Veterans and Military Families; Department of Legislative Services

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js/jc

Analysis by: Eliana R. Prober

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

Appendix – Opioid Crisis

Opioid Overdose Deaths

Between April 2016 and April 2025, nearly 23,000 individuals died from overdose in Maryland, with approximately 88% of the deaths involving opioids. During the same period, approximately 780,000 individuals died from overdoses nationally, with 72.2% of those fatalities involving opioids. Since 2021, there has been a gradual decrease in overdose deaths both in Maryland and nationally. According to preliminary data covering April 2024 through April 2025, overdose deaths have decreased in both the United States and Maryland by approximately 26% and 33%, respectively.

In Maryland, disparities in overdose fatalities persist across race, age, gender, and jurisdiction. Statewide, Black men, particularly those aged 55 and older, have the highest overdose fatality rate, which is nearly double that of white men, the group with the second highest overdose fatality rate. Across race groups, more than twice the number of males die by overdose compared to females, and individuals aged 55 and older comprise the highest number of overdose deaths among each race and gender category except for white females. The Maryland Overdose Response Advisory Council voted in June 2024 to reinstate the Racial Disparities in Overdose Task Force to study the causes of racial disparities and recommend solutions.

Although opioid overdose fatalities are problematic statewide, Baltimore City is disproportionately impacted. Between calendar 2018 and 2022, Baltimore City experienced an overdose fatality rate nearly twice that of any other U.S. city. According to the Maryland Department of Health (MDH), there were 1,296 overdose-related fatalities across the State from October 2024 to September 2025, of which 536 occurred in Baltimore City, representing approximately 41% of the State's total overdose fatalities but just 9% of the State's population.

Maryland Actions to Address the Opioid Crisis

Legislative Response: The General Assembly has passed legislation to address the opioid crisis, including prevention, treatment, overdose response, and prescribing guidelines.

- Chapters 573 and 574 of 2017 expand drug education in public schools to include heroin and opioid addiction prevention; require local boards of education to require each public school to store overdose-reversing medication; and require institutions of higher education that receive State funding to establish a policy that addresses heroin and opioid addiction and prevention.

- Chapter 570 of 2017 requires a health care provider to prescribe the lowest effective dose of an opioid and a quantity that is no greater than that needed for the expected duration of pain severe enough to require an opioid that is a controlled dangerous substance, with specified exceptions.

- Chapters 215 and 216 of 2018 require a health care provider to advise a patient of the benefits and risks of a prescribed opioid or co-prescribed benzodiazepine.

- Chapter 537 of 2019 establishes the Opioid Restitution Fund (ORF), a special fund to retain revenues received by the State relating to specified opioid judgments or settlements, which may be used only for opioid-related programs and services.

- Chapter 82 of 2022 requires MDH to adopt a reporting system to monitor the prescribing of medications to treat opioid use disorders (OUDs), identify and reach out to prescribers who regularly prescribe nonpreferred medications, and identify barriers to individuals who need medication to treat an OUD to obtaining the medication in a timely manner.

- Chapter 224 of 2022 requires the Prescription Drug Monitoring Program to monitor the dispensing of naloxone and maintain confidentiality of naloxone data.

- Chapter 239 of 2022 broadens existing requirements and protections relating to the administration or provision of naloxone to encompass any opioid overdose reversal drug approved by the U.S. Food and Drug Administration (FDA) and authorizes specified providers and organizations across the State to offer naloxone free of charge to individual community members.

- Chapter 408 of 2024 requires MDH to report until 2026 on (1) current opioid overdose reversal drugs approved by the FDA and (2) whether MDH has added each current FDA-approved opioid overdose reversal drug to a standing order.

- Chapter 764 of 2024 expands the Public Access Automated External Defibrillator (AED) Program to include an initiative to locate up to two doses of naloxone with each AED in a public building.

- Chapter 886 of 2024 requires hospitals, beginning January 1, 2025, to establish protocols to provide appropriate care for patients admitted for opioid-related conditions, including overdose, possess specified medication for the treatment of OUD, and treat a patient who presents in an emergency room for opioid-related overdose or emergency medical condition, as specified.

- Chapter 759 of 2025 establishes a Buprenorphine Training Grant Program to support counties in training paramedics in administering buprenorphine.

Maryland has a statewide standing order for opioid overdose reversal drugs that authorizes any Maryland-licensed pharmacist to dispense unlimited prescriptions and refills of naloxone and devices for its administration to any individual, as specified. A pharmacist must provide consultation with the individual regarding the naloxone dosage that is most appropriate, select and dispense two doses of naloxone, and provide directions for use. If a patient cannot afford naloxone or related copayments, or does not wish to use insurance coverage, pharmacists are instructed to refer them to the nearest Overdose Response Program, a community organization providing overdose prevention education and supplies, where individuals can obtain a naloxone kit free of charge.

Opioid Manufacturer and Distributor Settlements: In October 2020, the U.S. Department of Justice announced a global resolution of its criminal and civil investigations of opioid manufacturer Purdue Pharma. After multiple rejected settlements and appeals, Purdue agreed to a $7.4 billion national settlement that was approved by a federal judge in November 2025.

The State was part of several other settlements, including ones with McKinsey & Company, Johnson & Johnson, Walmart, Walgreens, Allergan, Teva, and Publicis Health. All settlement revenues are allocated to ORF, as described below.

Opioid Restitution Fund: Through the end of fiscal 2025, Maryland has received more than $245.8 million from opioid settlements. By October 2038, the State is projected to receive more than $670.8 million in opioid settlement revenue, which is split between local jurisdictions and ORF.

While each Maryland county will receive block grant funding through ORF, Baltimore City will receive ORF funds from just one settlement, as it opted out of all other settlements to pursue separate litigation in pursuit of higher award amounts. As of September 2025, Baltimore City has announced nearly $580 million in separate settlement awards, with additional settlements in progress.

Under the National Opioid Settlement, Maryland's settlement revenues are directed into four distinct funding streams for expenditure; the amount in each stream must ultimately reach a specified percentage of total awards, with only 75% flowing through ORF, as follows:

- **Local Direct Funds (25%):** Direct payments from settlement administrators to participating subdivisions. As of the end of fiscal 2025, this accounts for approximately $53.6 million in revenues paid directly to local jurisdictions.

- **Targeted Abatement Grant Funds (45%):** Funds deposited into ORF that must be used for formula-based grants for participating subdivisions. As of the end of fiscal 2025, this accounts for approximately $97.0 million in ORF revenues.

- **State Discretionary Abatement Fund (15%):** Funds that must be made available for competitive grants. As of the end of fiscal 2025, this accounts for approximately $38.0 million in ORF revenues.

- **State Allocation Funds (15%):** Funds that may be spent at the State's discretion, within allowable parameters. As of the end of fiscal 2025, this accounts for approximately $57.3 million in ORF revenues.

Generally, legislative mandates and initiatives are funded with State Allocation Funds. Through the end of fiscal 2025, $14.4 million of the $57.3 million in State Allocation Funds received has been expended; another $34.5 million is allocated for future spending through 2038. Thus, approximately $8.4 million of State Allocation Funds received remains available for future discretionary spending. In addition, the Maryland Office of Overdose Response (MOOR) anticipates receiving an additional $64.7 million in State Allocation Funds through 2038.

Recent legislative initiatives funded through this revenue stream include co-location of naloxone with AED units (per Chapter 764); operating and personnel expenses for the Office of the Attorney General's Opioids Enforcement Unit related to investigation and enforcement of opioid settlements (per Chapters 700 and 701 of 2025); and development of an interactive dashboard to report on settlement revenue and the use of ORF (per Chapters 690 and 691 of 2025). Other current uses of this funding include salaries for MOOR staff and the Opioid Policy Advisor in the Lieutenant Governor's Office and a Medicaid waiver for medications for opioid use disorder (MOUD). Additionally, provisions in the fiscal 2026 budget temporarily expanded the allowable uses of ORF to supplement general funds for the buprenorphine initiative under the Behavioral Health Administration and MOUD in correctional and pre-trial detention facilities.