

SENATE BILL REPORT

SB 5263

As Reported by Senate Committee On:
Labor & Commerce, February 16, 2023

Title: An act relating to access to psilocybin services by individuals 21 years of age and older.

Brief Description: Concerning access to psilocybin services by individuals 21 years of age and older.

Sponsors: Senators Salomon, Rivers, Saldaña, Nobles, Lovick, Lovelett, Hunt, Hasegawa, Mullet, Trudeau, Robinson, Pedersen, Wellman, Muzzall, Wilson, C., Kuderer, Keiser, Lias, Van De Wege, Billig, Conway and Frame.

Brief History:

Committee Activity: Labor & Commerce: 1/30/23, 2/16/23 [DPS-WM, w/oRec].

Brief Summary of First Substitute Bill

- Establishes an Advisory Board and an Interagency Work Group to provide advice and recommendations on developing a comprehensive regulatory framework for access to regulated psilocybin for Washington residents over 21 years of age.
- Renames, modifies, and extends the psilocybin work group created in the 2022 supplemental operating budget.
- Directs the Washington State Department of Health to develop a registry for individuals over 21 years of age who are interested in using psilocybin by July 1, 2028.

SENATE COMMITTEE ON LABOR & COMMERCE

Majority Report: That Substitute Senate Bill No. 5263 be substituted therefor, and the substitute bill do pass and be referred to Committee on Ways & Means.

Signed by Senators Keiser, Chair; Conway, Vice Chair; Saldaña, Vice Chair; King,

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not part of the legislation nor does it constitute a statement of legislative intent.

Ranking Member; MacEwen, Robinson, Schoesler and Stanford.

Minority Report: That it be referred without recommendation.

Signed by Senator Braun.

Staff: Matt Shepard-Koningsor (786-7627)

Background: Psilocybin. Psilocybin is a naturally occurring, psychoactive chemical compound produced by over 200 species of mushrooms, many of which grow natively in the Pacific Northwest. Psilocybin is currently listed as a Schedule I controlled substance under the state and federal Uniform Controlled Substances Acts. Ingestion of psilocybin may produce changes in perception, mood, and cognitive processes common to other psychedelic drugs, a class of naturally-occurring and laboratory-produced substances, which includes mescaline, LSD, MDMA, and DMT. Psilocybin can be extracted or synthesized by chemical processes.

Psilocybin Work Group. The 2022 supplemental operating budget directed the Washington State Health Care Authority (HCA) to create a Psilocybin Work Group (HCA Work Group) to study and make recommendations to the Legislature regarding psilocybin services in the state. The HCA Work Group is tasked with reviewing:

- Oregon's psilocybin rules and assess the adaptation of similar laws and rules;
- the Liquor and Cannabis Board (LCB) systems and procedures to monitor manufacturing, testing, and tracking of cannabis to determine whether they are suitable for use with psilocybin;
- the social opportunity program proposed in SB 5660 (2022), and recommend improvements or enhancements to promote equitable access to legal psilocybin; and
- options to integrate licensed behavioral health professionals into the practice of psilocybin therapy where appropriate.

The HCA Work Group met four times in 2022, currently has two meetings scheduled in 2023, and issued a preliminary report in January 2023. The HCA Work Group must deliver its final report by December 1, 2023.

Other States. On November 3, 2020, Oregon voters adopted Oregon Measure 109, a ballot initiative supported by 55.75 percent of the voters. Measure 109 legalizes psilocybin in Oregon law, and establishes a regulatory structure similar to the one proposed in this legislation. On December 27, 2022, the Oregon Health Authority adopted final rules regulating the production of psilocybin products and the provision of psilocybin services in the state. The Oregon Health Authority projected it would begin accepting applications for licensure on January 2, 2023.

On November 8, 2022, Colorado voters passed Proposition 122—or the Natural Medicine Health Act of 2022—a ballot initiative supported by 53.64 percent of the voters. Proposition 122 created a regulatory system, administered by the Colorado Department of

Regulatory Agencies, to regulate the growth, distribution, and sale of certain hallucinogenic and entheogenic substances derived from plants and fungi. Proposition 122 decriminalized the personal use and possession, for individuals 21 years of age and older, of such substances that were previously-classified as Schedule I controlled substances under state law. While Measure 109 only included psilocybin, Proposition 122 includes other substances such as DMT, ibogaine, some mescaline, psilocybin, and psilocyn.

Summary of Bill (First Substitute): The legislation may be known and cited as the Washington Psilocybin Services Act (Act).

Psilocybin Advisory Board. A Psilocybin Advisory Board (Board) is established to provide advice and recommendations to the Department of Health (DOH), the Liquor and Cannabis Board (LCB), and the Department of Agriculture (WSDA), consisting of 17 to 20 members appointed by the Governor. Board members must serve for four-year terms at the pleasure of the Governor. Until July 1, 2025, the Board must meet at least five times per calendar year, and at least once every calendar quarter after that date. The Board may meet at other times if directed by the chair or a majority of voting Board members.

Interagency Psilocybin Work Group. An Interagency Psilocybin Work Group (IA Work Group) of DOH, LCB, and WSDA is created to provide advice and recommendations as regular updates to the Advisory Board on the following:

- developing a comprehensive regulatory framework for a regulated psilocybin system, including a process to ensure clean and pesticide-free psilocybin products;
- reviewing indigenous practices with psilocybin, clinical psilocybin trials and findings;
- reviewing research of medical evidence developed on the possible use and misuse of psilocybin therapy; and
- ensuring a social opportunity program is included within any licensing program created under the Act to remedy the targeted enforcement of drug-related laws on overburdened communities.

Psilocybin Task Force. The HCA Work Group is renamed to the Task Force (Task Force). A public health practitioner replaces the member of the nursing profession with knowledge of psilocybin on the Task Force. Two psychologists, two mental health counselors, and two physicians with experience in mental and behavioral health, or experience in palliative care are included on the Task Force. A pharmacologist with expertise in psychopharmacology is included on the Task Force. The current cannabis industry representative must have knowledge of medical cannabis. The duties of the Task Force are expanded to include, without limitation, the following activities:

- reviewing the available clinical information around specific clinical indications for the use of psilocybin, including what co-occurring diagnoses or medical and family histories may exclude a person from the use of psilocybin. Any review of clinical information should:
 1. discuss populations excluded from existing clinical trials;
 2. discuss factors considered when approval of a medical intervention is

- approved;
3. consider the diversity of participants in clinical trials and the limitations of each study when applying learnings to the population at-large; and
 4. identify gaps in the clinical research for the purpose of identifying opportunities for investment by the state for the University of Washington, Washington State University, or both to consider studying; and
- reviewing and discussing regulatory structures for clinical use of psilocybin in Washington and other jurisdictions nationally and globally, including how various regulatory structures do or do not address concerns around public health and safety the group has identified.

The Task Force must submit a preliminary report to the Governor and Legislature by December 1, 2023, and a final report by December 1, 2024.

Duties of the Department of Health. DOH has the following duties, functions, and powers:

- to examine, publish, and distribute to the public available medical, psychological, and scientific studies, research, and other information relating to the safety and efficacy of psilocybin in treating mental health conditions;
- to adopt, amend, or repeal rules necessary to carry out the intent and provisions of this chapter, including rules DOH considers necessary to protect the public health and safety;
- to exercise all powers incidental, convenient, or necessary to enable it to administer or carry out the Act or other state laws relating to psilocybin and psilocybin products;
- to establish fees for any license created under the Act, if the fee is reasonably calculated to not exceed the cost of the activity for which the fee is charged; and
- to adopt rules prohibiting advertising psilocybin products to the public and in a manner that is appealing to minors, promotes excessive use, promotes illegal activity, violates codes of ethics, or presents a significant risk to public health and safety.

DOH may not require that a psilocybin product be manufactured by means of chemical synthesis, prohibit the use of naturally-grown mushrooms that meet quality and safety standards, or mandate the use of patented products or procedures. The Pharmacy Quality Assurance Commission does not share the jurisdiction, duties, functions, and powers granted to DOH under the Act.

Psilocybin Registry. By July 1, 2028, DOH must develop a registry for individuals over 21 years of age who are interested in using psilocybin approved under rules adopted by DOH pursuant to the Act.

Duties and Prohibitions of Other State Agencies. LCB and the Washington State Department of Agriculture (WSDA) must assist and cooperate with DOH, and may not refuse to perform any duty on the basis that manufacturing, distributing, dispensing, possessing, or using psilocybin products is prohibited by federal law.

WSDA may not regulate psilocybin products or a licensee unless authorized in DOH rules. Specifically, WSDA may not establish standards for psilocybin as a food additive, consider psilocybin products to be an adulterant unless exceeding acceptable concentration levels, or apply or enforce controlled atmosphere laws to psilocybin products.

Protections. Medical professionals licensed by Washington must not be subject to adverse licensing action for recommending psilocybin to a patient if a full assessment is completed and a patient relationship exists, however, a practitioner must properly evaluate a patient's condition, and comply with the applicable standard of care in doing so. A psilocybin client is protected from criminal, civil, or adverse licensing action for the mere use of psilocybin. Employers may not discriminate against employees for receiving psilocybin services, if allowed under state law, absent visible impairment at work, and may not test employees for psilocybin unless the employee exhibits clear, observable symptoms of impairment.

Psilocybin as Agriculture. Psilocybin-producing fungi is:

- an agricultural commodity for purposes of the Open Space Taxation Act;
- an accessory for purposes of the Growth Management Act; and
- a crop for purposes of farmland and farm product, and an agricultural activity under the state nuisance laws.

Other. Specified information is exempt from public disclosure under the Public Records Act. A state severability clause is included.

An emergency clause is included relating to the Advisory Board, IA Work Group, and Task Force, having those sections take effect immediately.

EFFECT OF CHANGES MADE BY LABOR & COMMERCE COMMITTEE (First Substitute):

- Strikes a number of provisions in the bill including, among others, provisions relating to: establishing a two-year program development period; psilocybin licenses; psilocybin sessions; creating a psilocybin control and regulation account; authority of local jurisdictions to regulate psilocybin; testing, tracking, labeling, packaging, and dosing psilocybin products; and creating a social opportunity program.
- Modifies legislative intent language to state the Legislature intends to establish an Advisory Board and an Interagency Work Group (Work Group) to provide advice and recommendations on developing a comprehensive regulatory framework for access to regulated psilocybin for Washington residents who are at least 21 years of age.
- Retains the Advisory Board created in the underlying bill, but makes the following changes (1) Requires the Advisory Board to provide advice and recommendations to LCB and WSDA, in addition to DOH, and (2) requires the Advisory Board to meet at least five times per calendar year until July 1, 2025, and after that date, to meet at least once every calendar quarter.
- Establishes a Work Group with DOH, LCB, and WSDA to provide advice and recommendations to the Advisory Board on the following (1) developing a

- comprehensive regulatory framework for a regulated psilocybin system, (2) reviewing indigenous practices with psilocybin and clinical psilocybin trials and findings, (3) reviewing medical research on the possible use and misuse of psilocybin, and (4) ensuring a social opportunity program is included in any psilocybin licensing program to remedy targeted enforcement of drug-related laws on over-burdened communities.
- Renames the psilocybin stakeholder group created in the 2022 Supplemental Operating Budget to a Task Force and makes the following additional changes (1) replaces a member of the nursing profession with knowledge of psilocybin with a public health practitioner, (2) specifies two psychologists, two mental health counselors, and two physicians with experience in mental and behavioral health, or experience in palliative care are included on the Task Force, (3) adds a pharmacologist with expertise in psychopharmacology, (4) specifies that the cannabis industry representative must have knowledge of medical cannabis, and (5) expands the duties of HCA in consultation with the Task Force to include, among other things, activities regarding clinical trials and research, and reviewing and discussing regulatory structures for clinical use of psilocybin in Oregon and other jurisdictions.
 - Provides that medical professionals licensed in Washington must not be subject to adverse licensing action for recommending psilocybin treatments under certain conditions.
 - Protects psilocybin patients from criminal, civil, or adverse licensing action in Washington for the mere use of psilocybin.
 - Directs DOH to develop a registry for individuals over 21 who are interested in using psilocybin by July 1, 2028.
 - Amends other sections to refer to future psilocybin licenses and services, if allowed.
 - Makes other technical changes.

Appropriation: None.

Fiscal Note: Available. New fiscal note requested on February 16, 2023.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: The bill contains several effective dates and an emergency clause. Please refer to the bill.

Staff Summary of Public Testimony on Original Bill: *The committee recommended a different version of the bill than what was heard.* PRO: Washington is in a mental health crisis and this bill holds a ton of promise for mental health support. The bill sets up a supervised, consumer protection focused approach to psilocybin. This is not a recreational system and psilocybin is different from cannabis. Supervision and counseling after administration provide the benefit as opposed to taking it at a party. We are able to assist veterans obtain psilocybin therapy out-of-state and we need to be able to do that in-state. It is imperative we have better and safer options for suicide prevention. This bill will help

break the cycle of organized retail theft because it provides a useful tool to help the individuals involved. Psilocybin has been buried under a Schedule I designation and we are finding psilocybin is effective at addressing substance use disorder. We see efficacy rates between 40 to 60 percent with some of these preliminary studies. We have the opioid settlement fund to assist with funding this. This bill benefits from years of discussion regarding Oregon's psilocybin laws, Colorado's ongoing implementation of Proposition 122, and the Work Group. This bill contains substantial improvements over Oregon in terms of safety and accessibility. In the Netherlands, truffles containing psilocybin is legal so there is not stigma associated with the sessions this bill creates. Imagine this metaphor, your brain is constantly building sand castles, the sand is the information coming from your senses, and the buckets are your previous knowledge. For some people, the buckets might be causing a lot of pain and psilocybin can hyperactivate the appropriate receptor in the brain allowing people to heal and move forward after trauma. This bill creates the process for individuals suffering from depression, anxiety, and PTSD to use psilocybin in a regulated setting and move past their issues. As this bill moves forward, it should include a focus on equity and at-risk populations. British Columbia is effectively addressing end-of-life distress and treatment-resistant depression with psilocybin, and many clinical trials are ongoing. Psychedelic-assisted therapy has helped me move past mental health issues. Organizations assisting veterans obtain therapy have to send them to Peru to take ayahuasca, which works similarly to psilocybin. It is important we explore new ways to help the veteran community and first-responders with their mental health crisis. Traditional methods did not help and psilocybin-assisted therapy did. This bill creates a safe setting for psilocybin use. Three psilocybin sessions in Oregon gave me more relief than years of therapy. Psilocybin is ten times more effective than the next most effective therapy for smoking cessation. Regarding psilocybin therapy, many doctors and nurses would say you need to have a guide with you who knows what they are doing. Doctors and nurses do not want a diagnosis required for psilocybin therapy because they are concerned it would affect their professional licensure status. Psilocybin has been associated with a counterculture and was wrongly scheduled many years ago. Psilocybin is non-addictive and physically safe.

CON: This bill has internal contradictions, it cites studies with people diagnosed with psychiatric conditions to justify efficacy, but it does not have treatment providers involved. This bill is not focused on treatment, it is getting psilocybin out there for "wellness and personal growth." Psilocybin is a great drug that is not ready yet, and we should not bypass the Federal Food and Drug Administration in this way.

OTHER: There is no conclusive evidence that psilocybin can be used as a medication and is still in preliminary studies, therefore, we recommend any bill references to psilocybin being used as a mental health treatment be removed or stated as "possible." We ask that the evidence the bill requires to be disseminated to be unbiased and address any risks in addition to potential benefits. We ask that a psychiatrist with substance use treatment or psilocybin experience be included on the Board. The timelines in the bill should be extended. We have concerns about the tracking system timeline and request it be extended.

Persons Testifying: PRO: Senator Jesse Salomon, Prime Sponsor; Anthony Back; Jonathan Drew, HAVN Healing Center; Elliot Goit, Not sure yet; Mark Johnson, Washington Retail Association; Kody Zalewski, Psychedelic Medicine Alliance of Washington; Mason Marks; Jeff Hamburg; Sarah Hashkes; Jonathan Drew; Pamela Kryskow; Lisa Price; Chester Baldwin, Personal; Alex Kaper; Corey Champagne; Matthew Griffin, Combat Flip Flops, Forty Six & 2 Transitions; Lauren Feringa, Hippie and a Veteran Foundation.

CON: Rebecca Allen.

OTHER: Avanti Bergquist, The Washington State Psychiatric Association (WSPA); Lacy Fehrenbach, Washington State Department of Health.

Persons Signed In To Testify But Not Testifying: PRO: G Todd Williams; Nancy Connolly, University of Washington; David Heldreth; Tatiana Quintana, Psychedelic Medicine Alliance Washington; Myleea Spencer; Todd Youngs; Brookelle O'Riley; Sunil Aggarwal; Daniel Covington; Jojo Teutsch; Lilymoon Whalen; Pat Donahue, Terrapin Legal.