



UTAH DEPARTMENT OF
HEALTH

Center for Medical Cannabis

Medical Cannabis Implementation Update

Social Services Appropriations Subcommittee
Wednesday, January 25, 2021

Presented by Richard Oborn
Director, Center for Medical Cannabis

PRESENTATION OUTLINE

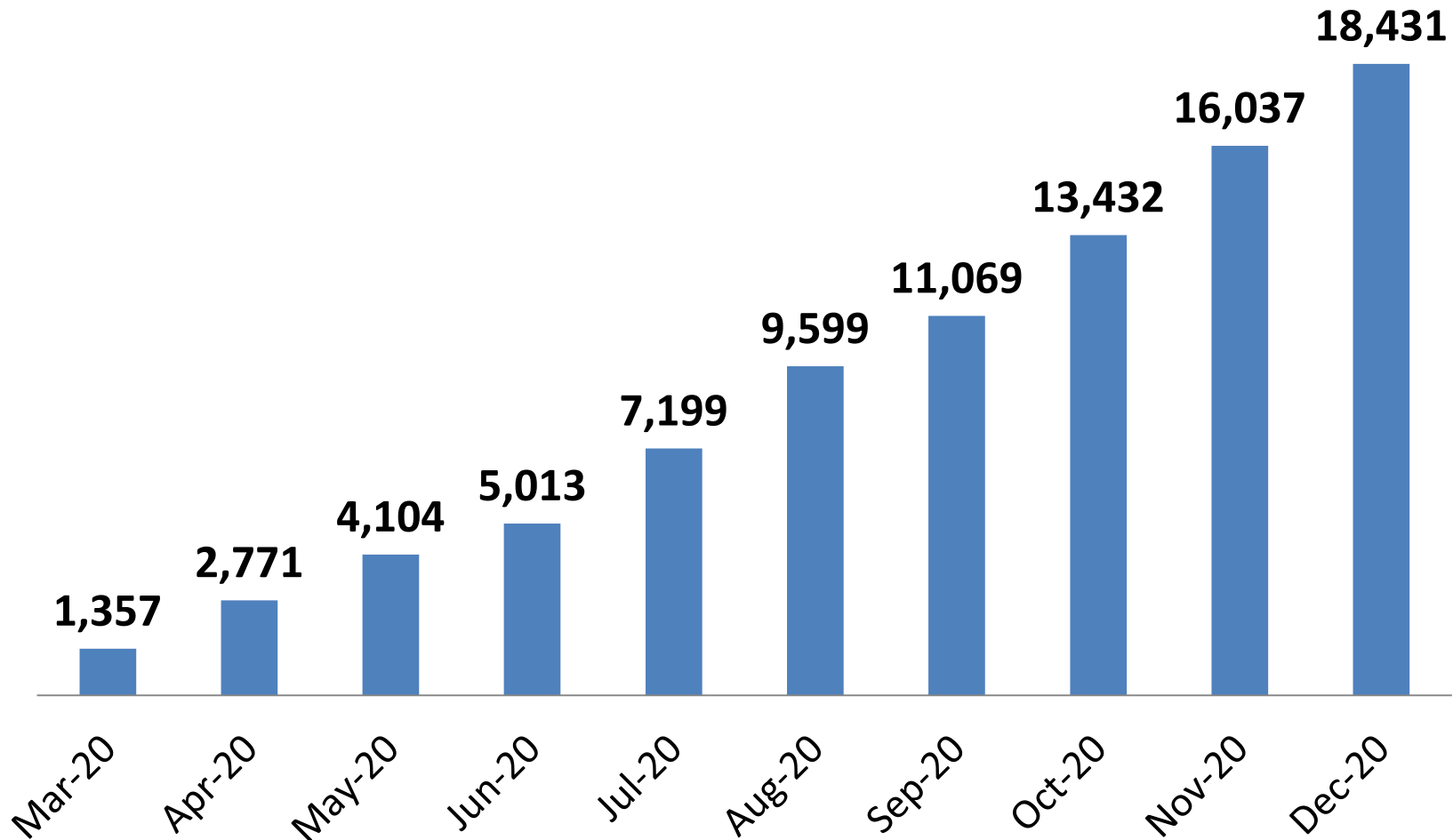


1. Center for Medical Cannabis Implementation of the Utah Medical Cannabis Act
2. Center for Medical Cannabis Budget Projections
3. Utah medical cannabis program impact on opioid use and prescribing

PROGRAM IMPLEMENTATION



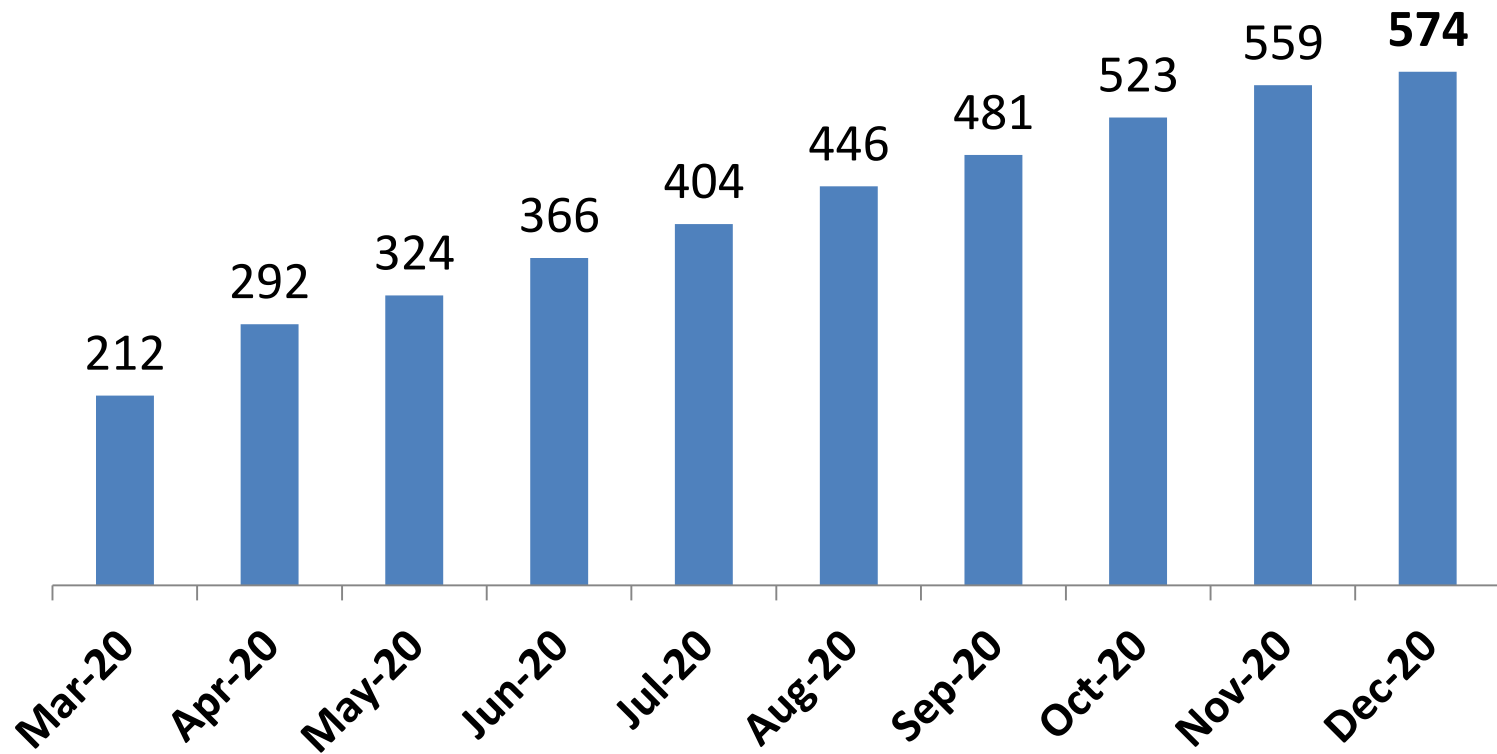
Number of Active Medical Cannabis Cards



PROGRAM IMPLEMENTATION



Qualified Medical Provider Registration



PROGRAM IMPLEMENTATION



- Seven medical cannabis pharmacy locations are open (see locations below).
- Seven more medical cannabis locations will open by April 2021 in St. George, Cedar City, Payson, Springville, & Brigham City.
- Home delivery of medical cannabis began earlier this month.



Dragonfly Wellness
711 S State St, SLC



Perfect Earth
3775 Wall Ave, South Ogden



Perfect Earth
2159 N Main St, North Logan



WholesomeCo Cannabis
580 W 100 N, West Bntfl



Deseret Wellness
222 N Draper Ln, Provo



Curaleaf
3633 N Thanksgiving Way, Lehi



Beehive Farmacy
1991 S 3600 W, SLC

PROGRAM IMPLEMENTATION



- Conducted patient survey which was published in November 2020.
- Compassionate Use Board has recommended 107 petitions for department approval.
- Cannabinoid Product Board has published guidance documents for patients and medical providers.
- When program launched, all product was purchased with cash but now patients have cashless payment option.



PROJECTED BUDGET



	Projected FY 2021	Projected FY 2022
Total Expense	\$ 2,319,432	\$ 1,926,918
Total Revenue	\$ 2,229,220	\$ 2,758,194
Profit (Loss)	\$ (90,212)	\$ 831,276

PROJECTED EXPENSES



	Projected FY 2021	Projected FY 2022
UDOH Personnel	\$ 829,573	\$ 942,614
Compassionate Use Board	\$ 33,232	\$ 33,232
Cannabinoid Product Board	\$ 70,602	\$ 70,602
Electronic Systems (ICS and EVS)	\$ 1,092,105	\$ 564,110
Travel	\$ 2,000	\$ 15,700
Current Expenses	\$ 174,802	\$ 183,542
DTS Teleworking & Hosting	\$ 12,547	\$ 12,547
Website, DTS	\$ 1,000	\$ 1,000
AG Time for Rulemaking, Legal, office maintenance, insurance, miscellaneous other	\$ 103,571	\$ 103,571
Total Expense	\$ 2,319,432	\$ 1,926,918

PROJECTED REVENUES



	Projected FY 2021	Projected FY 2022
Pharmacy Transaction Fees	\$ 857,376	\$ 1,380,000
Pharmacy Licensing Fees	\$ 853,000	\$ 853,000
Pharmacy Application Fees		\$
Interest Income - Restricted	\$ 17,731	\$ 17,731
Patient Card Fees	\$ 400,925	\$ 420,972
Caregiver Card Fees	\$ 17,445	\$ 18,317
Gaurdian Card Fees	\$ 4,123	\$ 4,330
Qualified Medical Provider Fees	\$ 32,900	\$ 36,000
Pharmacy Medical Provider Fees	\$ 6,750	\$ 4,425
Pharmacy Agent Fees	\$ 16,100	\$ 10,350
Courier Licensing Fees	\$ 10,570	\$ 13,070
Courier Agent Fees	\$ 1,800	\$ 1,800
Qualified Medical Provider Proxy Fees	\$ 4,500	\$ 4,500
Out of State Card Fees	\$ 6,000	\$ 6,000
Total Revenue	\$ 2,229,220	\$ 2,758,194

BUDGET CONSIDERATIONS



- Utah's medical cannabis program is young and continues to be in "launch" phase as only seven of 14 pharmacy locations have opened thus far and home delivery service began just two weeks ago.
- Revenues in FY 2020 and FY 2021 were not as high as they would have been if all 14 medical cannabis pharmacies and home delivery were operating.
- The recommendation letter amendment delayed some medical cannabis card application fee revenue that the department has not yet seen and card renewal requirements changed which caused less frequent renewal and less total revenue.
- In FY 2020 and FY 2021, law changes required modifications to the electronic systems that were more expensive than anticipated to implement. Additional law changes expected during the during the 2021 General Legislative Session will further increase electronic system expenses.
- The department is concerned that paying a portion of the loan now may cause it to have insufficient funds to cover current and anticipated implementation costs. The department must have a steady working revenue balance before it can responsibly begin reimbursing the general fund for the initial loan amount.

IMPACT ON OPIOID USE



Has medical cannabis influenced opioid use and prescribing in Utah?

- Utah's medical cannabis program is still new and no research studies have compared medical cannabis data to opioid use data.
- Chronic pain is by far the most common patient condition that people treat with medical cannabis and university researchers have interest in investigating whether medical cannabis use in Utah has led to a decrease in opioid use and prescribing.
- A patient survey conducted by the Center for Medical Cannabis found that 55% of respondents decreased their use of other medications due to the use of medical cannabis. Medications listed include adderall, oxycodone, gabapentin, and clonazepam. The survey results were self-reported and not scientific.
- The department supports plans to include medical cannabis product information into Utah's Controlled Substance Database and the investigation of connections between medical cannabis use and opioid use with IRB approval.

Contact Information



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