



Division of Medical Marijuana



Medical Marijuana Program Annual Report

Fiscal Year 2019

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Glossary

Cardholder: means a qualifying patient, designated caregiver, or compassion center agent who has been issued and possesses a valid registry identification card.

Compassion Center: means a manufacturing facility or dispensary.

Designated Caregiver: means an individual who agrees to manage the well-being of a registered qualifying patient with respect to the qualifying patient's medical use of marijuana.

Dispensary: means an entity registered by the department as a compassion center authorized to dispense usable marijuana to a registered qualifying patient and a registered designated caregiver.

Health Care Provider: means a physician, a physician assistant, or an advanced practice registered nurse.

Manufacturing Facility: means an entity registered by the department as a compassion center authorized to produce and process and to sell usable marijuana to a dispensary.

Qualifying Patient: means an individual who has been diagnosed by a health care provider as having a debilitating medical condition.

Registry Identification Card: means a document issued by the department which identifies an individual as a registered qualifying patient, registered designated caregiver, or registered compassion center agent.

Usable Marijuana: means a medical marijuana product or the dried leaves or flowers of the plant of the genus cannabis in a combustible delivery form. However, the term does not include a cannabinoid edible product. In the case of a registered qualifying patient who is a minor, "usable marijuana" is limited to pediatric medical marijuana.

Written Certification: means a form established by the department which is executed, dated, and signed by a health care provider within ninety calendar days of the day of application, stating the patient has a debilitating medical condition. A health care provider may authorize an enhanced amount of dried leaves or flowers of the plant of the genus cannabis in a combustible delivery form to treat or alleviate the patient's debilitating medical condition of cancer. A written certification may not be made except in the course of a bona fide provider-patient relationship.

Background Information and Status of the Program

In November 2016, an initiated measure, known as the “North Dakota Compassionate Care Act,” was approved by voters. On January 26, 2017, the provisions of the North Dakota Compassionate Care Act were suspended through legislation passed by the Legislative Assembly. On April 18, 2017, a new state law became effective requiring the North Dakota Department of Health (NDDoH) to establish and implement a Medical Marijuana Program allowing for the production and processing, the sale and dispensing of usable marijuana, and medical use of marijuana. Since the effective date of the new state law, the NDDoH has been committed to implementing a well-regulated program that would protect the health and safety of qualifying patients and the public.

The chart below provides information related to the major steps in implementing the program:



State law requires the NDDoH to register no more than two manufacturing facilities unless the NDDoH determines additional entities are necessary to increase access to usable marijuana by registered qualifying patients and registered designated caregivers. Two manufacturing facilities received their registration certificates in fiscal year 2019. One manufacturing facility, Pure Dakota LLC, is in Bismarck. One manufacturing facility, Grassroots Cannabis (legal name GR Vending ND, LLC), is in Fargo.

State law identifies the NDDoH is to register no more than eight dispensaries unless the NDDoH determines additional entities are necessary to increase access to usable marijuana by registered qualifying patients and registered designated caregivers. The NDDoH has established eight regions within the state where dispensaries will be located. Regions are comprised of a 50-mile radius from selected cities. Two dispensaries received their registration certificates in fiscal year 2019; the Botanist in Fargo and Strive Life in Grand Forks. The remaining six regions all have entities selected to move forward in the registration process. It is anticipated all six dispensaries will be operational by December 31, 2019.

At the end of October 2018, qualifying patient and designated caregiver applications were made available. An online application process is used for registering qualifying patients and designated caregivers. At the time of the opening of the first dispensary (March 1, 2019), there were approximately 140 registered qualifying patients. As of June 30, 2019, there were approximately 700 registered qualifying patients.

Summary of 2019 Legislative Changes

Several significant changes to the laws of the Medical Marijuana Program were passed by the 66th Legislative Assembly. The bills passed included emergency clauses resulting in changes being effective upon Governor Burgum's approval. A summary of significant changes is below. A list of all changes and actions taken by the NDDoH is available in the May 3, 2019 status update on the Division of Medical Marijuana's website (www.ndhealth.gov/mm).

| Program Area | Legislative Changes | Actions Taken |
|----------------------------|--|--|
| Health care providers | <ul style="list-style-type: none"> Removed the requirement for a health care provider to state that, in their professional opinion, the patient is likely to receive a therapeutic or palliative benefit from the medical use of marijuana Physician assistant added to the definition of health care provider, allowing a physician assistant to complete a written certification | Application materials were updated and made available the day after the governor signed legislation |
| Medical conditions | Twelve conditions were added to the list of debilitating medical conditions (see Appendix A for the list of conditions) | Application materials were updated and made available the day after the governor signed legislation. |
| Patient purchasing amounts | <ul style="list-style-type: none"> Patients age 19 years and older are authorized to purchase up to 2.5 ounces of dried leaves or flowers in a 30-day period without a special authorization from their health care provider A qualifying patient with the debilitating condition of cancer may be authorized by their health care provider to purchase up to six ounces of dried leaves or flowers in a 30-day period The maximum amount of THC permitted to be purchased in a 30-day period for a cannabinoid concentrate or cannabinoid product, or a combination of both, was increased from 2,000 milligrams to 4,000 milligrams | Necessary changes to the information technology system were made to reflect new limits. Application materials were updated and made available the day after the Governor signed legislation. |
| Veterans | In lieu of a written certification, a veteran receiving treatment from a federal VA entity may submit a copy of their medical records | Application materials were updated and made available the day |

| | | |
|--------------|--|---|
| | | after the governor signed legislation. As of June 30, 2019, 45 veterans had used the reasonable accommodation to become registered qualifying patients. |
| Plant limits | <ul style="list-style-type: none"> Removed the 1,000 marijuana plant limit at manufacturing facilities Manufacturing facilities are authorized to grow an amount of marijuana sufficient to meet the qualifying patient population demands For every 500 plants in excess of 1,000 plants, a manufacturing facility must pay an additional certification fee of \$10,000 | Necessary changes to the information technology system were made. One manufacturing facility paid \$10,000 by the end of the biennium. |
| Applications | <ul style="list-style-type: none"> Removed the requirement for qualifying patients, designated caregivers, and agents to provide their social security number on an application Added a requirement that qualifying patient and designated caregiver applications must include a disclosure that possession of a firearm by a person who possess marijuana may be a violation of federal law | Application materials were updated and made available the day after the governor signed legislation. |

State Law Reporting Requirements

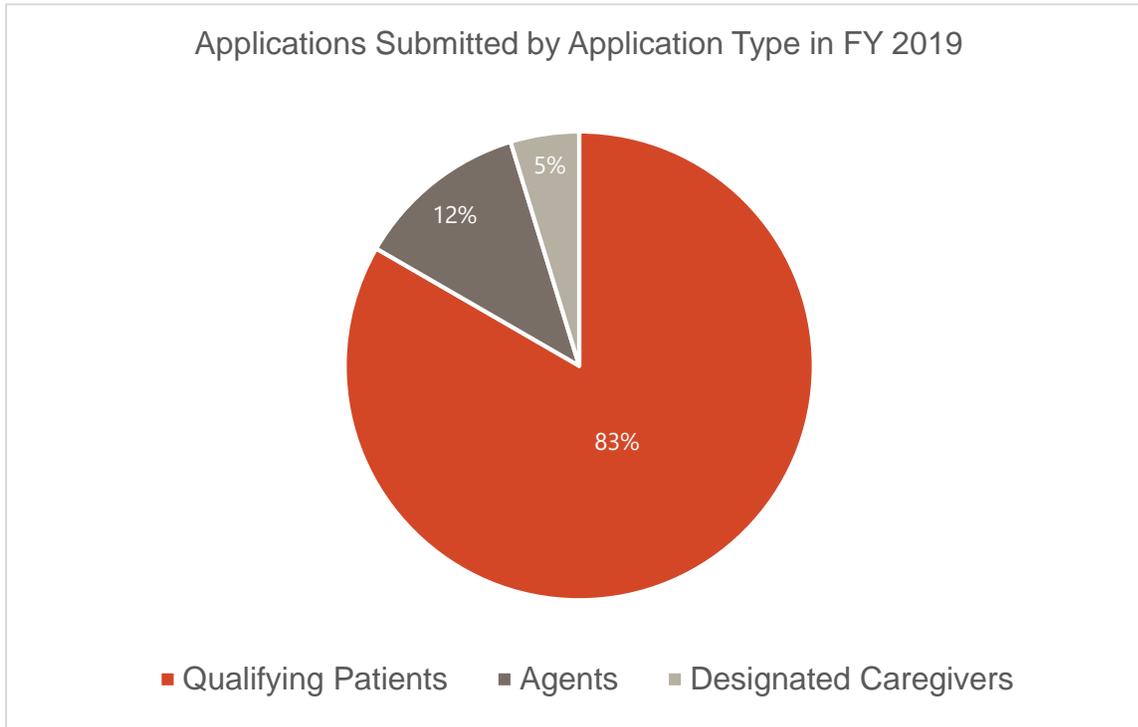
NDCC Section 19-24.1-39 requires the NDDoH to submit an annual report that contains the following information:

1. The number of registry identification card applications and renewals;
2. The number of registered qualifying patients and registered designated caregivers;
3. The nature of the debilitating medical conditions of the registered qualifying patients;
4. The number of registry identification cards revoked;
5. The number of health care providers providing written certifications for qualifying patients;
6. The number of compassionate care centers; and
7. Any expenses incurred and revenues generated by the department from the medical marijuana program.

All data is reported as of June 30, 2019.

APPLICATIONS AND RENEWALS

All individuals applying to become registered qualifying patient, designated caregiver, or agent submit their application through the North Dakota Medical Marijuana Program online registration system. In fiscal year 2019, the total number of applications submitted were 1,183. As the chart below identifies, most applications submitted were from individuals applying to become registered qualifying patients. Data from the Medical Marijuana Program online registration system.



REGISTERED QUALIFYING PATIENTS AND DESIGNATED CAREGIVERS

While over 1,100 applications were submitted in fiscal year 2019, not all applications were approved as of June 30, 2019. This was due to applications not being complete (no payment received, a written certification hadn't been completed, etc.) or had yet to have verification work performed by the staff of the Division of Medical Marijuana. The total number of registered individuals as of June 30, 2019 was (data from the Medical Marijuana Program online registration system):

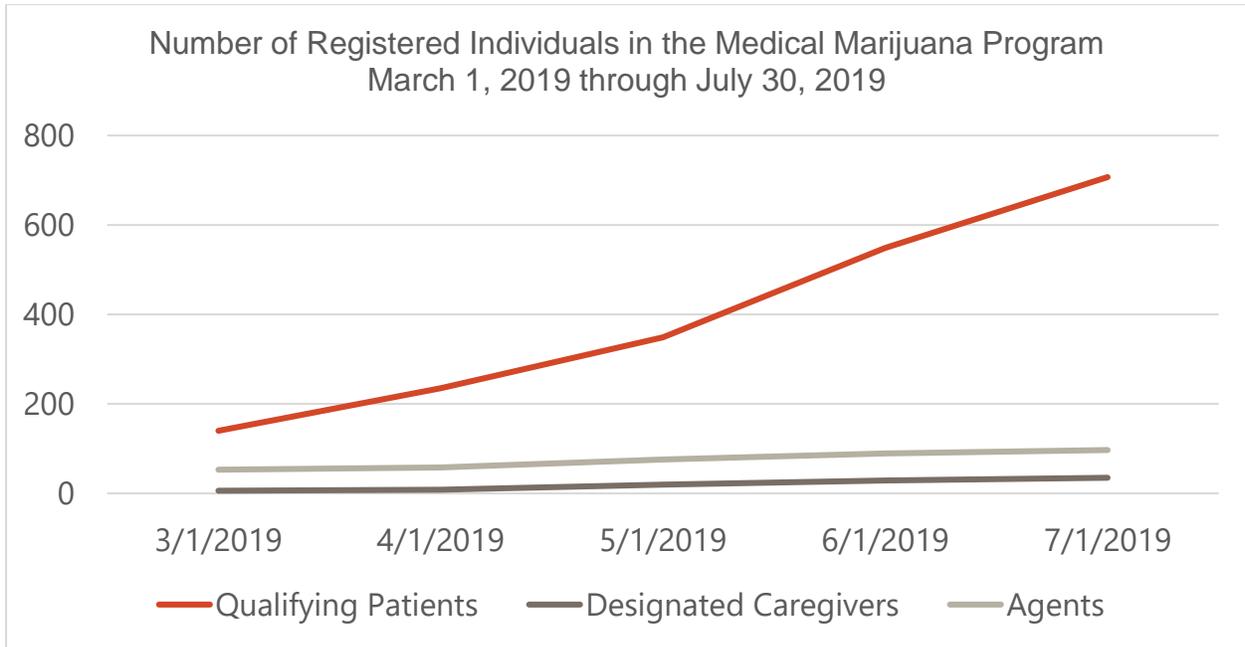
707: Registered qualifying patients

34: Registered designated caregivers

97: Registered agents

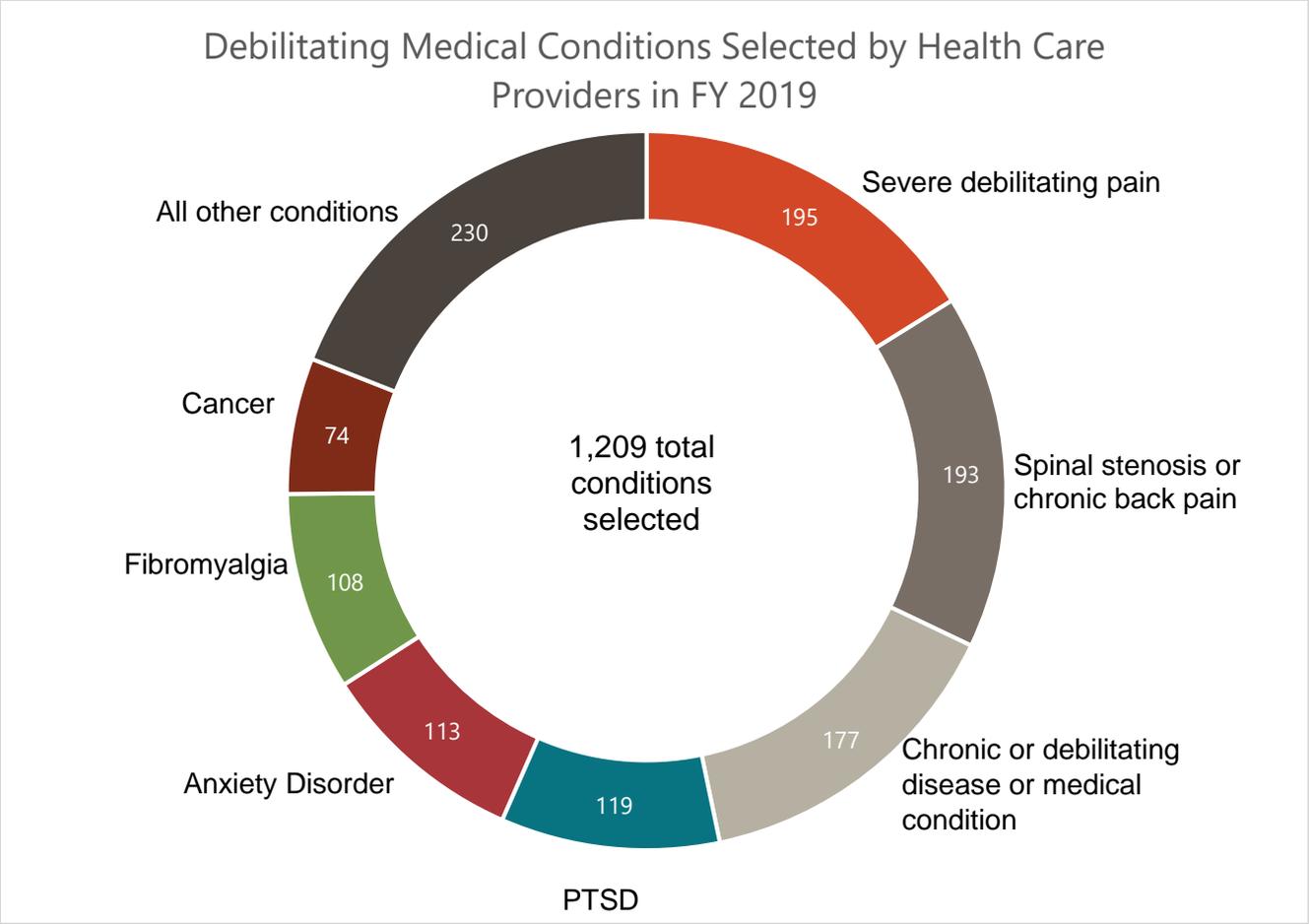
The following chart identifies information related to the number of registered individuals in the Medical Marijuana Program since March 1, 2019 (the first day a dispensary was open in the state). As seen by the graph, the number of registered qualifying patients increased significantly from

March 1, 2019 to end of the fiscal year (data from the Medical Marijuana Program online registration system).



DEBILITATING MEDICAL CONDITIONS

A qualifying patient application requires a health care provider to complete a written certification. A health care provider must select one of the debilitating medical conditions authorized in state law. A health care provider may select more than one debilitating medical condition on a written certification (thus, the total number of conditions exceeds the registered qualifying patient data). The graph on the following page identifies the medical conditions selected by health care providers in fiscal year 2019 (data from the Medical Marijuana Program online registration system). As the graph identifies, the top two conditions selected were severe debilitating pain and spinal stenosis or chronic back pain. The entire list of debilitating medical conditions can be seen in Appendix A.



REGISTRY IDENTIFICATION CARDS REVOKED

No registry identification cards were revoked in fiscal year 2019.

HEALTH CARE PROVIDERS PROVIDING WRITTEN CERTIFICATIONS

Written certifications completed during fiscal year 2019 totaled 155. The percent of written certifications completed by health care provider was (data from the Medical Marijuana Program online registration system):

- 73% Physicians
- 23% Advanced Practice Registered Nurses
- 4% Physician Assistants

Since the Division of Medical Marijuana began accepting applications in October 2018, they continue to hear concerns from potential patients regarding finding a health care provider to complete a written certification. The 66th Legislative Assembly modified requirements related to the written certifications and authorized physician assistants to complete a written certification. The Division of Medical Marijuana has provided information to the medical community through a

variety of means including conducting presentations at health care facilities, providing information at conferences/seminars, reaching out to professional organizations in the state, having information for health care providers on the its website, and responding to emails and phone calls from the medical community. It is the health care provider’s decision to complete a written certification or not to complete a written certification.

House Bill 1283 of the 66th Legislative Assembly also established a reasonable accommodation for veterans receiving treatment from a federal veterans’ affairs (VA) entity. The accommodation was added to the qualifying patient application process. In lieu of a written certification, a veteran may be eligible to submit their medical records and a copy of their military discharge papers to the division. This new law was effective April 24, 2019. As of June 30, 2019, 45 veterans had used the reasonable accommodation to become registered qualifying patients.

COMPASSIONATE CARE CENTERS

2 manufacturing facilities (Bismarck and Fargo)

2 dispensaries (Fargo and Grand Forks)

6 additional dispensaries to be open by the end of calendar year 2019

DIVISION OF MEDICAL MARIJUANA EXPENSES AND REVENUE

| Expenditures | | |
|--------------------|------------------|------------------|
| | Fiscal Year 2018 | Fiscal Year 2019 |
| Salaries and Wages | \$269,289 | \$364,530 |
| Operating | \$94,137 | \$358,220 |
| Total Expenses | \$363,426 | \$722,750 |
| | | |
| General Funds | \$345,651 | \$331,413 |
| Special Funds | \$17,775 | \$391,337 |

| Revenue | | |
|-------------------------|------------------|------------------|
| | Fiscal Year 2018 | Fiscal Year 2019 |
| Medical Marijuana Fees* | \$95,000 | \$928,300 |

* In fiscal year 2018, all revenue from the nonrefundable application fee (\$5,000) was paid by entities submitting manufacturing facility applications. Revenue in fiscal year 2019 included nonrefundable application fees paid by entities submitting dispensary applications (\$5,000), manufacturing facility certification fees (\$110,000 every two years), dispensary certification fees (\$90,000 every two years), qualifying patient and designated caregiver application fees (\$50), agent application fees (\$200), and miscellaneous fees. Expenditure and revenue data obtained from the state’s accounting information system.

Appendix A Debilitating Medical Conditions

| | Condition selected by Health Care Provider ⁺ |
|--|---|
| Acquired Immune Deficiency Syndrome (AIDS) | ^ |
| Agitation of Alzheimer's Disease or related dementia | ^ |
| Amyotrophic Lateral Sclerosis (ALS) | ^ |
| Anorexia nervosa* | ^ |
| Anxiety disorder* | 113 |
| Autism spectrum disorder* | ^ |
| Brain injury* | 12 |
| Bulimia nervosa* | ^ |
| Cancer | 74 |
| Crohn's disease | 17 |
| Decompensated cirrhosis caused by Hepatitis C | ^ |
| Ehlers-Danlos Syndrome* | ^ |
| Endometriosis* | ^ |
| Epilepsy | 12 |
| Fibromyalgia | 108 |
| Glaucoma | ^ |
| Interstitial Cystitis* | ^ |
| Migraine* | 21 |
| Neuropathy* | 47 |
| Positive status for Human Immunodeficiency Virus (HIV) | ^ |
| Post-Traumatic Stress Disorder (PTSD) | 119 |
| Rheumatoid arthritis* | 13 |
| Spinal stenosis or chronic back pain, including neuropathy or damage to the nervous tissue of spinal cord with objective neurological indication of intractable spasticity | 193 |
| Terminal illness | 12 |
| Tourette Syndrome* | |
| A chronic or debilitating disease or medical condition or treatment for such disease or medical condition that produces one or more of the following: | 177 |
| • Cachexia or wasting syndrome | 12 |
| • Severe debilitating pain that has not responded to previously prescribed medication or surgical measures | 195 |
| • Intractable nausea | 15 |
| • Seizures | 9 |
| • Severe and persistent muscle spasms, including those characteristic of Multiple Sclerosis | 45 |
| Total | 1,209 |

⁺ Data from the Medical Marijuana Program online registration system (data as of June 30, 2019)

[^] Five or less

* Condition added to state law effective April 24, 2019



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