

# DHHS Medical Cannabis Market Analysis input meeting

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Held by the Utah Department of Health and Human Services  
Center for Medical Cannabis

Thursday, September 1, 2022, 3-5pm

MASOB Building, Room 1020 C

# Meeting objectives

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- Review housekeeping items
- Introductions
- Explain market analysis purpose
- Review of factors for DHHS to consider with UDAF and the public as it conducts the market analysis and considers the possibility of issuing additional medical cannabis pharmacy licenses
- Public comment
- Review next steps in process of DHHS conducting the market analysis

# Housekeeping items

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# Background and purpose of the Utah Medical Cannabis Market Analysis

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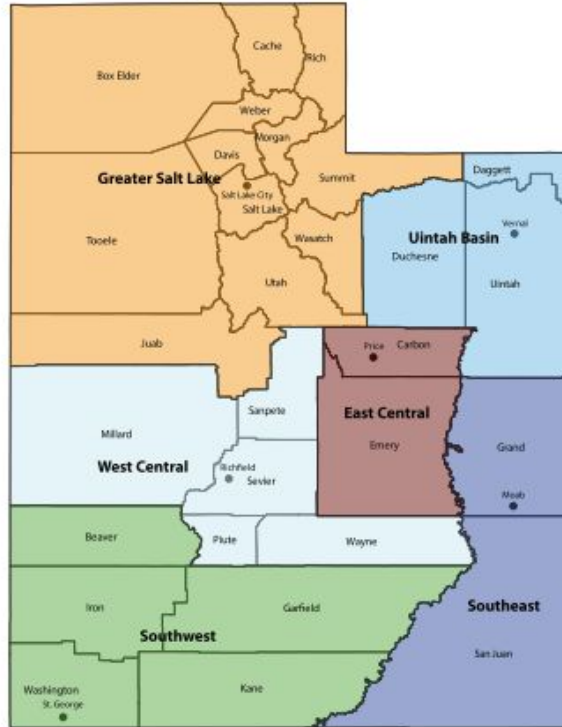
- Utah law provides that DHHS shall conduct an annual analysis of current and anticipated market for medical cannabis.
- The annual market analysis is to be used by DHHS and UDAF to determine if additional cannabis pharmacy licenses are needed in Utah.
- DHHS is to consult with public and hold public meeting as part of the market analysis.
- The market analysis must be reported to the Utah Legislature Executive Appropriations Committee.
- Anticipate it will be published by end of November 2022.

# Factors for DHHS to consider in the market analysis

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- High potential for growth in the number of medical cannabis card holders located in one or more regions.
- Access to medical cannabis home delivery service in the state or in certain economic regions.
- Commuting patterns and economic activity in specific regions.
- Distance for medical cannabis patients or potential medical cannabis patients residing in certain economic regions of the state from their home to the nearest medical cannabis pharmacy location.
- The inadequate supply, quality, or variety of medical cannabis (to be discussed at a future meeting).
- Other factors.

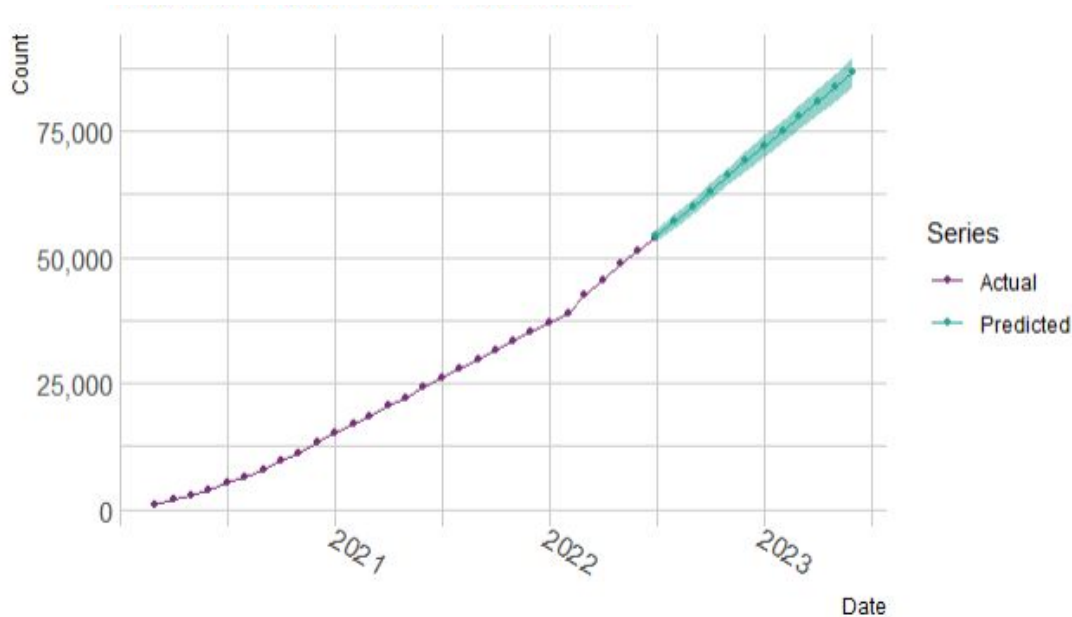
## Utah's Economic Regions



Source: Kem C. Gardner Policy Institute and State of Utah, SGID

# Utah's economic regions

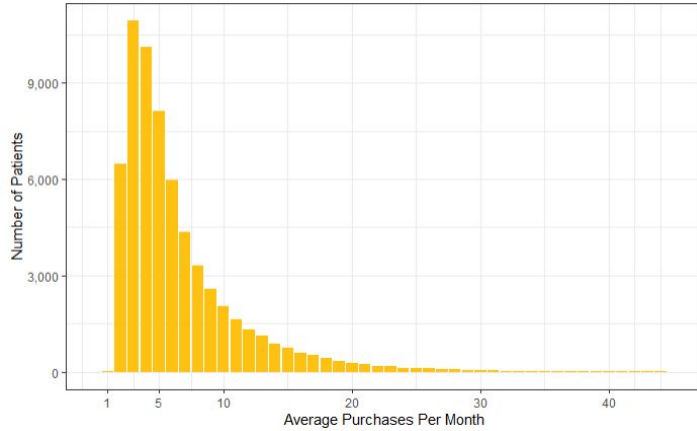
# Cardholder growth



- 56K cardholder, 1.7% of total state population.
- Of 12 medical-only states with similar programs, average is 1.5%.
- Utah ranks 5th of the 12 states in highest percentage of cardholders to total population.
- If the current growth trend continues, there would be 90K cardholders by end of July 2023 (2.8% of state total population).

**Factor 1: High potential for growth of medical cannabis cardholders in one or more regions of the state**

# Patient purchases per month



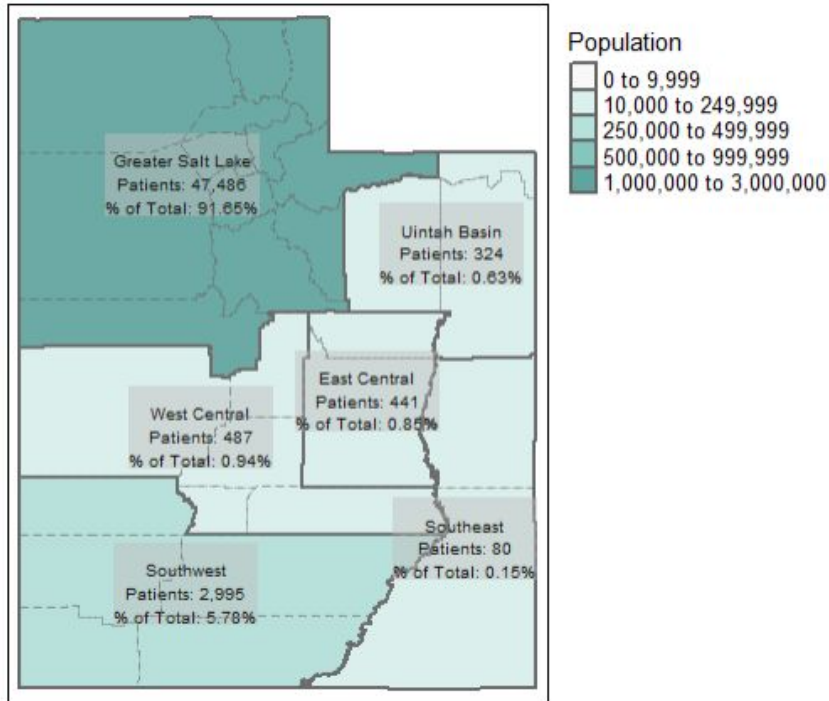
Number of Purchases	Last 3 Months		Last Month	
	#	%	#	%
1+	45,140	81%	32,566	58%
3+	26,422	47%	11,604	21%
10+	7,755	14%	885	2%

- Of the 56,000 patients in the program, about 29,000 patients make between 3 and 5 purchases per month.
- In August 2022, 58% of patients made at least 1 purchase, 21% made 3 or more purchases.
- In June, July & August 2022, 81% of patients made 3 or more purchases, 14% made 10 or more purchases.

**Factor 1: High potential for growth of medical cannabis patients in one or more regions of the state**



# Patients by economic region

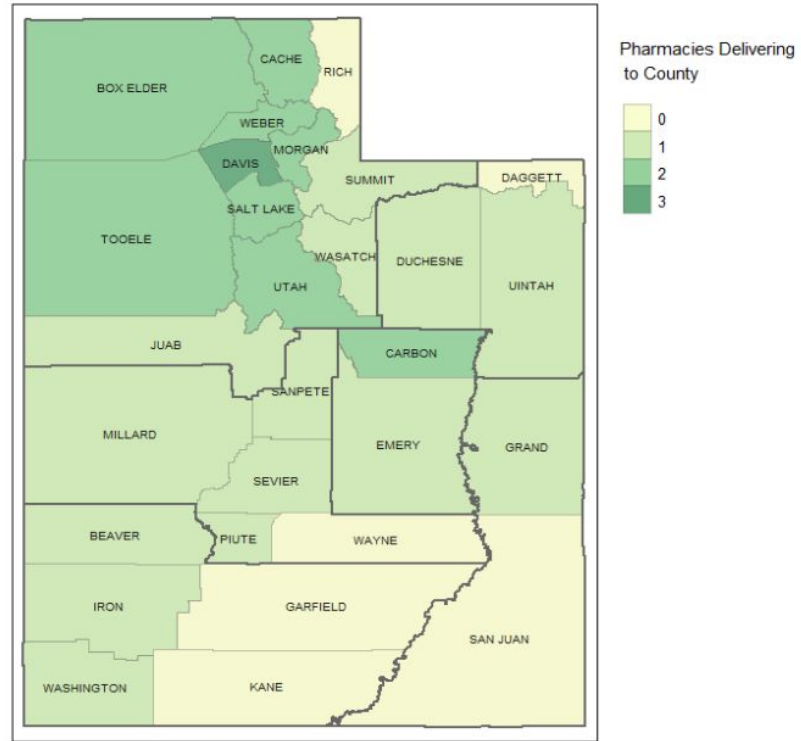


- Greater Salt Lake region has highest percentage of the medical cannabis patients (90.5% of total).
- Southwest region has second highest percentage of the medical cannabis patients (5.71% of total).
- Southeast region has lowest percentage of medical cannabis patients (.15% of total).

**Factor 1: High potential for growth of medical cannabis cardholders in one or more regions of the state**

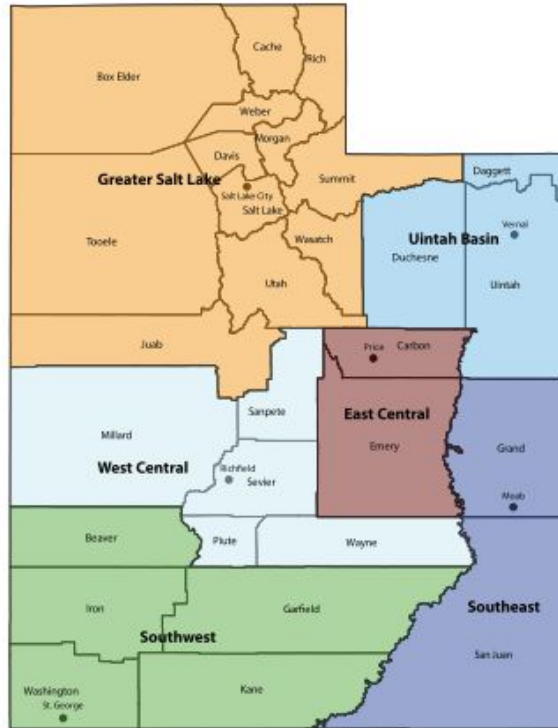
# Access to delivery

- Patients in Southwest & Southeast regions have the least or no access to medical cannabis delivery (Rich & Daggett county are outliers).
- Patients in Uintah Basin & West Central regions have moderate access to medical cannabis delivery.
- Patients in Greater Salt Lake region have the most access to medical cannabis pharmacy delivery.



**Factor 2: Access to medical cannabis home delivery service in the state or in certain economic regions of the state**

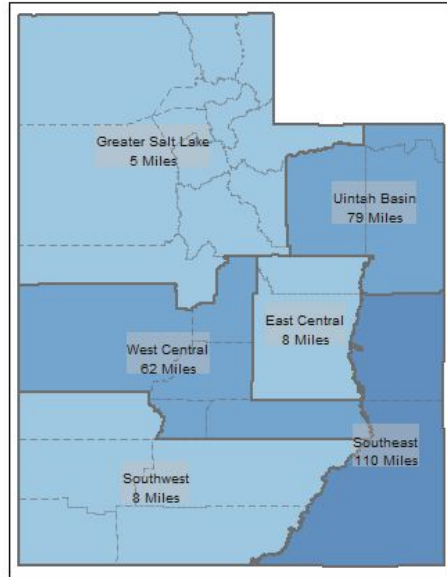
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**Factor 3: Commuting patterns and economic activity in specific regions of the state**

# Avg. distance to a medical cannabis pharmacy by economic region



- Distance is measured by “as the crow flies”, not actual driving distance.
- Southeast region has the longest avg. distance to the nearest medical cannabis pharmacy (110 miles).
- Greater Salt Lake, East Central, and Southwest regions have shortest avg. distance to nearest medical cannabis pharmacy.

**Factor 4: Driving distance for patients or potential patients residing in certain economic regions of the state**

# Ratio of retail locations to total state population

- Of 17 states with medical-only programs, **Utah** ranks 13th in lowest ratio of retail location to total population with a ratio of 1 retail location for every 238,427 residents.
- **Oklahoma** ranks first with 1 retail location for every 1,674 residents. Prohibits home delivery. Cannabis legalized in 2018.
- **South Dakota** ranks second with 1 retail location for every 9,948 residents. Prohibits home delivery. Cannabis legalized in 2021.
- **Florida** has highest ratio with 1 retail location for every 990,051 residents. Allows home delivery. Cannabis legalized in 2016.

**Other factors**

# Ratio of retail locations to total state sq. miles

- Of 17 states with medical-only programs, **Utah** ranks 14th in lowest ratio of retail location to sq. total state mileage with a ratio of 1 retail location for every 6,064 sq. miles.
- **Oklahoma** ranks first with 1 retail location for every 29 sq. miles. Prohibits home delivery. Cannabis legalized in 2018.
- **Maryland** ranks second with 1 retail location for every 118 sq. miles. Allows home delivery. Cannabis legalized in 2013.
- **Iowa** ranks last with 1 retail location for every 11,255 sq. miles. Allows home delivery. Cannabis legalized in 2014.

**Other Factors**