

DHHS Medical Cannabis Market Analysis Input Meeting Minutes Sept 1, 2022

- Meeting started at 3:00pm MDT.
- Present staff included Rich Oborn from DHHS, Dr. Brandon Forsyth from UDAF, and support staff from DHHS.

Rich Oborn, DHHS Center for Medical Cannabis director

- This meeting will include a review of factors that DHHS considers as it conducts the market analysis and considers the possibility of issuing additional medical cannabis pharmacy licenses. This meeting is also being used to receive input from the public about the market analysis.
- The market analysis has not been completed - this public meeting is a kick-off meeting to share that the analysis process is starting.
- This meeting complies with the Utah Public Notice act, and information about this meeting can be found on the Utah Public Meeting website:
<https://www.utah.gov/pmn/sitemap/notice/776207.html>
- The DHHS Center for Medical Cannabis consults with many organizations to meet the needs of the program. These include UDAF, the cannabis industry, and the public.
- Written comments are being accepted until 5:00pm on Friday, September 16, 2022, via email at medicalcannabis@utah.gov or by physical mail.
 - Emailed comments should include “Medical Cannabis Market Analysis Input” as the subject.
 - Mailed comments can be addressed to the department office
Attn: Medical Cannabis
195 N 1950 W
SLC, UT, 84116
- In-person attendees should sign the paper sign-up sheet. Virtual attendees should ensure that their actual name appears in the virtual google meet meeting in your profile.
- Attendees participating via the phone should send an email to medicalcannabis@utah.gov with the last 4 digits of your phone number and your name so you can be recorded in the minutes as having joined this meeting.
- Public comments are limited to 3 minutes.

Slide 4:

- One reason for conducting the market analysis is to be compliant with Utah law.
- DHHS conducts the market analysis annually, and it will be used by both DHHS and UDAF to determine if additional medical cannabis licenses are needed in Utah. DHHS also consults with the public through holding public meetings as a part of the market analysis.
- The market analysis will be submitted to the legislature once it is completed.
- The anticipated completion date is the end of November, 2022.

Slide 5:

- The administrative rule R380-406-20 states that the following factors must be considered in the market analysis:
 1. High potential for medical cannabis cardholder growth in one or more of the regions of Utah.
 2. Access to medical cannabis home delivery services in certain regions of the state.
 3. Commuting patterns and economic activity in specific regions of the state
 4. Driving distance for current or potential medical cannabis cardholders from their homes to the nearest medical cannabis pharmacy.
 5. Other factors that will be discussed in future meetings.

Slide 6

- This is a map of Utah's economic regions from the Kem C. Gardner Policy Institute.
- Within each economic region, there's a main city that acts as the main population center.
- Commuting patterns and economic activity are also taken into account.

Slide 7:

- There are currently 56,000 cardholders which is 1.7% of the state population.
- Utah is the 5th highest state out of 12 state medical cannabis programs for the percent of cardholders out of the state population.
- If the growth trend continues, there will be 90,000 cardholders or 2.8% of the population by the end of July 2023.
- You can make comments on differences in data and medical cannabis trends between the Center for Medical Cannabis data and public or corporation data.

Slide 8:

- 29,000 patients make between 3-5 purchases each month.
- In August 2022, 58% of patients made at least 1 purchase and 21% made 3+ purchases.
- In June & July 2022, 81% of patients made 3+ purchases and 14% made 10+ purchases.

Slide 9:

- The percentage of cardholders in each economic region is based on 2010 census data.
- The Great Salt Lake region has the highest number of medical cannabis patients with 1.67% of the population having a medical cannabis card.
- 1.4% of the East Central Region and 1.16% of the Southwest Region have a medical cannabis card.
- 0.33% of Southeast, 0.58% of the Uintah Basin, and 0.73% of the West Central regions have medical cannabis cards.
- The number of patients and high potential for growth in these regions may influence the decision about potentially extending pharmacy licenses.

Slide 10

- Davis County has 3 medical cannabis pharmacies offering home delivery.
- Most of the Great Salt Lake region has 2 pharmacies offering home delivery.
- Most counties throughout the state only have 1 pharmacy offering home delivery.
- 6 counties do not have any home delivery options available.

Slide 11

- The Kem C. Gardner Policy Institute map of Utah's economic regions indicates commuting patterns throughout the state.

Slide 12

- The distances on this map are measured "as the crow flies", not by driving distance.
 - Measuring distance "as the crow flies" is always shorter than the actual driving distance.
- The Southeast region has the longest distance to the nearest medical cannabis pharmacy at 110 miles.
- The Greater Salt Lake, East Central, and Southwest regions have the shortest distances to a pharmacy.

Slide 13

- When looking at other states' data on comparing retail locations to total state populations:
 - Utah ranks 13th out of 17 in the lowest ratio of retail locations to total population.
 - Oklahoma ranks 1st and prohibits home delivery.
 - South Dakota ranks 2nd and allows home delivery
 - Florida ranks last and allows home delivery.

Slide 14

- When comparing other states' data on the ratio of retail locations to the square mileage of the state:
 - Utah ranks 14th out of 17 in the lowest ratio.
 - Oklahoma ranks 1st and prohibits home delivery.
 - Maryland ranks 2nd and allows home delivery.
 - Iowa ranks last and allows home delivery.

Rich Oborn, DHHS Center for Medical Cannabis director

- We are now opening up for the public comment portion of this meeting.
- Please be respectful and courteous when making comments, and limit the comments to the factors that DHHS is considering in this market analysis. You may suggest additional factors for DHHS to consider beyond the ones discussed in the presentation, because the legal statute for the market analysis doesn't limit the factors for DHHS to consider.
- Limit comments to 3 minutes.
- If you have written comments here at the meeting that you would like to submit, please submit those to the policy coordinator, Jeremiah Sniffin.

Scott Ericson, Utah Cannabis Co-op and Standard Wellness

- The data shows that additional pharmacies will be needed in Utah.
- The Cannabis Co-op will submit additional data to DHHS about patient growth.
- The process to start a pharmacy, including the RFP process, takes a lot of time and so it's important to start licensing pharmacies before they are urgently needed.
- Extra consideration should be given to companies who have already invested in Utah's medical cannabis program.
- Because the Great Salt Lake area has the highest percent of patients, it needs more pharmacies than rural areas.
- The best way to reduce costs for patients is to allow pharmacies to control their own costs and have control over supply and distribution.

Christine Stenquist, TRUCE

- To improve the number of patients participating in the program, more medical pharmacies are needed.
- There are concerns that Utah is not growing its program to scale, and so in addition to having more pharmacies, there also needs to be more high quality products available.
- Rural counties aren't being served and don't have access to medical cannabis pharmacies. Would like to see a pharmacy in every county.
- There are bigger concerns than pharmacy licenses, such as patient retention and QMP access.
- Would like to see additional market analyses for QMPs and agriculture.

Alyssa Smailes, Utah Cannabis Association

- Would like to see the factors outlined by DHHS analyzed through analytic methodology, and would like to see the formulas used to calculate data.
- The Utah Cannabis Association believes that the factors need analytical backing before issuing new licenses.
- The Utah Cannabis Association doesn't oppose new licenses, but wants the process to be analytical.
- The Utah Cannabis Association believes that active patient count should be considered as a factor, including the trend of negative patient growth.
- Other states use active patient count as the the most trusted metric for issuing medical pharmacy licenses.
- Before issuing new pharmacy licenses, ancillary barriers, such as the frequency and cost of renewals, need to be considered.
- If medical cannabis cards are easier to obtain, the number of patients who use the program will increase.

Clinton Young, Medical cannabis patient

- Lack of access to QMPs is a primary barrier for rural patients.
- The cost of the medical cannabis program for rural patients is prohibitive between the cost of QMPs, the cost of traveling to a QMP, and the cost of products in medical cannabis pharmacies.

- Home delivery is not feasible for patients in rural areas because there is a high minimum purchase requirement to be eligible for home delivery.
- It is more effective for many patients in the Uintah Basin to drive to Colorado to purchase the cannabis that they need at better prices and with better quality and variety.

Desiree Hennesy, Utah Patient's Coalition

- The data shows that there are medical cannabis patients in Utah who are underserved and need better access to the program.
- Would like to see data on if a pharmacy in every county is needed, similarly to the cultivation license board.
- Another concern is that even if more pharmacy licenses are issued, rural pharmacies may not receive enough business to stay open, especially when there have been supply and patient retention concerns.
- Patient retention is a bigger concern and needs to be evaluated before additional pharmacy licenses are issued.

Drew Reese, State Veteran Caucus Chair, TRUCE

- Opening more pharmacies is important, but current pharmacies need to have reliable and consistent products available.
- It is difficult to find specific product types and strains consistently in pharmacies.
- Upscaling the entire program to improve growing, manufacturing, and distributing is needed to improve product availability and to lower prices.
- Patient experiences need to be taken into consideration over data about miles or patient counts.

Zac King, Medical cannabis patient

- The cost of medical cannabis is too expensive, making it difficult for patients to afford the product they need.
- Increased cultivation of cannabis would help to improve product consistency.
- Would like more transparency in manufacturer growing and production practices.

Zachary Chase, Medical cannabis patient

- More data is needed, but patient experiences need to be heard and considered in the market analysis, too.
- Current fees to participate in the program are prohibitive.
- Knows people who cross state lines to purchase cannabis because it is easier and less expensive than participating in Utah's program.
- Product quality, navigating the website, and lack of access to QMPs are factors that prevent patients from participating in Utah's program.

Elisha Christensen, TRUCE

- The cost of participating in the program is prohibitive, particularly for individuals on a fixed income.
- Cost is the biggest concern of patients.

Rich Oborn, DHHS Center for Medical Cannabis director

- DHHS is willing to discuss other factors and concerns about Utah's medical cannabis program at another time, but this specific meeting is intended to discuss the market analysis for medical cannabis pharmacy licenses and factors that impact the number of pharmacy licenses in the state.
- In order to evaluate other factors for the current market analysis, they would need to be relevant to the total number of medical cannabis pharmacy licenses in the state.
- Additional analyses on markets outside of pharmacy licenses may be conducted in the future.
- DHHS is working on obtaining data about cannabis products, but has not shared this data yet. If parties have comments about product analysis, please share it via a written comment.
- DHHS recognizes that there are still barriers to patients using Utah's medical cannabis program, but solutions are being created and implemented currently to help address those barriers. Some of these solutions include the following:
 - Utah's patient cost comparison website
 - The LMP program
 - Conducting outreach about the LMP program
 - The customer support team providing assistance to patients who are applying for/renewing medical cannabis cards
 - Providing education opportunities for medical providers about medical cannabis.
 - Nonprofit organizations offering financial assistance for medical cannabis patients
- Additional solutions may arise in the future with legislative action, too.
- It appears that the public attending in-person and virtually have no additional oral public comments regarding the market analysis to make at this time.
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- Meeting adjourned at 4:14pm MDT.