



**2020 SESSION
POSITION PAPER**

**BILL NO: HB 870
COMMITTEE: HGO
POSITION: SWA**

TITLE: Natalie M. LaPrade Medical Cannabis Commission – Repeal of Compassionate Use Fund, Standard Price List, and Sales at Reduced Cost

BILL ANALYSIS: As introduced, House Bill 870 requires each licensed grower, processor, and dispensary to maintain and make available a standard price list of medical cannabis and medical cannabis products offered for sale by the licensee. The bill repeals the Compassionate Use Fund and instead requires each dispensary to offer for sale medical cannabis and medical cannabis products to qualifying patients enrolled in the Maryland Medical Assistance Program or in the Veterans Administration Maryland Health Care System at a reduced cost of not less than 20% of the price indicated on the dispensary’s standard price list. The bill also requires dispensaries to submit an annual report to the Commission regarding these reduced-cost sales.

POSITION AND RATIONALE: The Maryland Medical Cannabis Commission (the Commission) supports HB 870, as amended by Vice-Chair Pena-Melnyk, the bill’s sponsor. The Commission commends the bill sponsor for prioritizing this important issue and engaging with stakeholders to identify a consensus solution. The sponsor’s amendments would retain the Compassionate Use Fund, with oversight of the Fund transferred from the Maryland Department of Health to the Commission. The amendments would also require the Commission to adopt regulations to implement the Fund allowing veterans and Medicaid medical cannabis patients to access medical cannabis at a reduced cost. The amendments offset the significant cost to dispensaries of offering discounted medical cannabis to patients enrolled in the Maryland Medical Assistance Program or Veterans enrolled in the VA Health Care System by assessing fees on medical cannabis growers, processors, and dispensaries. The details of the medical cannabis discount and licensee fees will be developed through Commission regulations with stakeholder input from the growers, processors, and dispensaries, as well as patients and patient advocacy groups. The Commission supports the bill, as amended, because the approach taken by the sponsor (1) utilizes the existing Compassionate Use Fund structure enacted by the General Assembly in 2018, and (2) has the support of the growers, processors, and dispensaries that will be subject to the fees.

Medical cannabis is currently not covered by the Maryland Medical Assistance Program or insurance. Although the cost of medical cannabis in Maryland is on par with other medical-only jurisdictions, the median patient expenditure in 2019 ranged from \$260 to \$310 per month, and represents a financial hardship and sacrifice for many patients and their families. Since the inception of the Maryland Medical Cannabis Program, patients, caregivers, providers, and many

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other constituencies have voiced concerns over the cost of medical cannabis for low-income and other vulnerable populations. HB 870, as amended, provides a viable strategy – endorsed by grower, processor, and dispensary stakeholders – for making medical cannabis affordable, and therefore more accessible to veterans and Medicaid enrollees.

Most licensed dispensaries in Maryland currently offer price discounts to veterans. Further, while some dispensaries are offering discounts to certain low-income qualifying patients, the Commission is unaware of the extent to which such cost reductions are occurring at dispensaries throughout the State. In 2019, approximately 20% of qualifying medical cannabis patients were enrolled in the Maryland Medical Assistance Program. It is notable that one in five Marylanders, or 1.2 million individuals, participate in the Maryland Medical Assistance Program.

The Commission appreciates the sponsor bringing stakeholders together to identify a consensus solution that addresses this complicated issue. The Commission believes this bill will mitigate costs for existing qualifying patients and remove a substantial barrier for low-income individuals and veterans interested in accessing medical cannabis to treat chronic pain, PTSD, or similar severe and debilitating conditions.

For more information, please contact William Tilburg, Executive Director, Maryland Medical Cannabis Commission at william.tilburg@maryland.gov and (410) 487-8069.