

Compassionate Use Fund

Summary

This proposal establishes a framework for the administration of the Compassionate Use Fund. Health-General Article § 13-3303.1 requires the Maryland Medical Cannabis Commission to implement a program to: (i) Allow eligible individuals enrolled in the Maryland Medical Assistance Program or in the Veterans Affairs Maryland Health Care System to obtain medical cannabis from a licensed dispensary at a reduced cost; and (ii) Reimburse a licensed dispensary for the cost of the medical cannabis dispensed to an eligible individual under the program from the Compassionate Use Fund. This proposal:

- Establishes the fees to be paid by medical cannabis licensees into the Compassionate Use Fund;
- Outlines the responsibility of dispensaries to provide a discount of at least 20% to eligible patients; and
- Establishes the process for dispensaries to be reimbursed for the discounted portion of medical cannabis sold to eligible patients.

10.62.30 Dispensing Medical Cannabis

.03 Procedure for Dispensing Medical Cannabis.

A. (text unchanged)

B. Before any distribution of medical cannabis, a dispensary agent shall query the Commission data network using a unique log-in that identifies the registered dispensary agent and verify that:

(1) (text unchanged)

(2) A certifying provider issued a valid written certification to the qualifying patient; [and]

(3) The amount of medical cannabis that has already been dispensed pursuant to the written certification[.]; *and*

(4) The patient is actively enrolled in the Maryland Medical Assistance Program or in the Veterans Affairs Maryland Health Care System, and therefore, eligible for discounted medical cannabis pursuant to COMAR 10.62.38.

C. – G. (text unchanged)

10.62.35 Fee Schedule

.01 Fees.

The following fees are established by the Commission:

A. Grower fees:

(1) License as Grower-only:

- (a) Application fee — \$6,000 (Stage 1: \$2,000; Stage 2: \$4,000); [and]
- (b) Annual license fee — \$125,000; and
- (c) *Compassionate Use Fund fee – the lesser of \$75,000 or 1 percent of the previous year’s annual gross revenue; and*

(2) License as Grower and Dispensary:

- (a) Application fee — \$11,000 (Stage 1: \$3,000; Stage 2: \$8,000); [and]
- (b) Annual licensing fee — \$165,000; and
- (c) *Compassionate Use Fund fee – the lesser of \$95,000 or 1 percent of the previous year’s annual gross revenue.*

B. (text unchanged)

C. Licensed Processor fees:

- (1) Application fee — \$6,000 (Stage 1: \$2,000; Stage 2: \$4,000); [and]
- (2) Annual license fee — \$40,000; and
- (3) *Compassionate Use Fund fee – the lesser of \$60,000 or 1 percent of the previous year’s annual gross revenue.*

D. (text unchanged)

E. Licensed Dispensary fees[;]:

- (1) Application fee — \$5,000 (Stage 1: \$1,000; Stage 2: \$4,000); [and]
- (2) Annual license fee — \$40,000; and
- (3) *Compassionate Use Fund fee – the lesser of \$20,000 or 1 percent of the previous year’s annual gross revenue.*

F. – L. (text unchanged)

10.62.38 Compassionate Use Fund

.01 Definition.

In this chapter, “licensee” means a licensed grower, processor, and dispensary.

.02 Annual Fee Payment.

A. Except as provided in ⁵B of this regulation, on or before June 30 of each year, each licensee shall pay an annual Compassionate Use Fund fee specified in COMAR 10.62.35.01.

B. No fee shall be assessed on a licensee for the first two years immediately following the issuance of a license pursuant to COMAR 10.62.08, 10.62.19, and 10.62.25.

C. In addition to the fee, a licensee shall submit to the Commission, in a manner determined by the Commission, a copy of the licensee's previous year's federal income tax return.

.03 Dispensary Responsibility.

A. A dispensary shall:

(1) Make medical cannabis available at a reduced cost to individuals who are actively enrolled in the Maryland Medical Assistance Program or in the Veterans Affairs Maryland Health Care System;

(2) Offer a discount of at least 20 percent off the price of all medical cannabis products to patients eligible under §A(1) of this regulation; and

(3) Verify a patient's active enrollment in the Maryland Medical Assistance Program or the Veterans Affairs Maryland Health Care System at the time the medical cannabis is dispensed.

B. Nothing in this regulation prohibits a dispensary from offering a discount above 20 percent off the price of all medical cannabis products to patients eligible under §A(1) of this regulation.

C. It is at the discretion of the dispensary as to whether the discount required under this regulation may be combined with any other discount or promotion offered by the dispensary.

.04 Reimbursement.

A. A dispensary may request reimbursement from the Commission for the discounted portion of the medical cannabis sold to eligible patients under this chapter on a monthly basis.

B. A dispensary shall submit a request for reimbursement by the 15th of the following month, in the manner determined by the Commission.

C. To request reimbursement, a dispensary must provide the Commission with detailed records of the reduced cost medical cannabis sold, including:

(1) A list of qualifying patients who obtained reduced cost medical cannabis in the past month, and whether the patient was enrolled in the Maryland Medical Assistance Program or the Veterans Affairs Maryland Health Care System;

(2) An itemized account of the reduced cost medical cannabis sold to eligible patients in the past month, indicating:

(a) The full price of the medical cannabis; and

(b) Reduced price at which the medical cannabis was sold; and

(3) Any additional information requested by the Commission.

D. The Commission shall reimburse a licensed dispensary for the discounted portion of the medical cannabis, not including any portion of the discount that exceeds 20 percent off the price of the medical cannabis, on a monthly basis, to the extent funds are available within the Compassionate Use Fund.

E. If the Compassionate Use Fund at any time lacks sufficient funds to provide reimbursement to a licensed dispensary:

(1) The Commission shall cease providing reimbursements; and

(2) A licensed dispensary is no longer required to provide reduced cost medical cannabis pursuant to Regulation .03 of this chapter.

F. The Commission shall notify each licensed dispensary at least 30 days before the date the Compassionate Use Fund lacks sufficient funds to provide reimbursement to a dispensary under this chapter.