

**Report to the Utah State Legislature
Health and Human Services Interim Committee**

**Center for Medical Cannabis
Utah Department of Health**

2020 Annual Report

November 17, 2020



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1. INTRODUCTION

The Utah Department of Health, Center for Medical Cannabis is pleased to submit this annual report as required by Utah Code 26-61a-703. This report highlights general information about Utah's medical cannabis program as of October 31, 2020.

2. CENTER BACKGROUND AND DUTIES

On November 6, 2018, Utah voters approved Proposition 2 which legalized use of medical cannabis in Utah for qualifying patients. Since its passage, the Utah Medical Cannabis Act (Utah Code 26-61a) has been amended multiple times by the Utah lawmakers. Utah Code 26-61a designates the Utah Department of Health as the state agency responsible for licensing and oversight of medical cannabis pharmacies, registration of medical providers, and issuance of medical cannabis cards to qualifying patients. Qualifying patients first purchased medical cannabis in Utah on March 2, 2020.

The Center for Medical Cannabis carries out the department's duties under the Utah Medical Cannabis Act (Utah Code 26-61a). Responsibilities carried out by the Center for Medical Cannabis include:

- licensing of medical cannabis pharmacies and medical cannabis couriers;
- registration of qualified medical providers, medical cannabis cardholders (patients, guardians, and caregivers), medical cannabis pharmacy agents, cannabis courier agents, and pharmacy medical providers;
- establishment and enforcement administrative rules regulating the medical cannabis industry;
- inspection, audit, and investigation of complaints filed against licensees;
- selection and oversight of vendors responsible for Utah's medical cannabis software used to run Utah's electronic verification system (EVS) and inventory control system (ICS); and
- providing administrative support to the Compassionate Use Board and the Cannabinoid Product Board as they perform their duties under the Act.

3. CENTER ACHIEVEMENTS

Noteworthy achievements of the Center for Medical Cannabis during the past year include the following:

- **Launching of Utah's Medical Cannabis Program.** The Center for Medical Cannabis pre-registered qualified medical providers (QMPs) before medical cannabis cards were first issued on March 1, 2020 and a medical cannabis pharmacy was open for business to serve qualified patients on March 2, 2020. Few other states were able to launch their medical cannabis program so quickly after initial passing of legislation.

- **Number of Cardholders and Qualified Medical Providers Have Exceeded Expectations.** Researchers at the University of Utah estimated Utah would have between 11,000 and 16,000 medical cannabis cardholders within the first year of launching Utah’s program. Just eight months since launch of the program, there are over 13,000 active medical cannabis cardholders registered by the Center for Medical Cannabis. It was expected to take one year to reach 500 qualified medical providers (QMPs) but after just eight months, the Center for Medical Cannabis has registered over 500 QMPs.
- **Seven Medical Cannabis Pharmacies Have Opened.** Utah law limits the Center for Medical Cannabis to issuance of 14 medical cannabis pharmacies. Despite the COVID-19 pandemic and its negative impact Utah’s economy, seven of the fourteen businesses approved to open medical cannabis pharmacies have begun selling medical cannabis products to qualifying patients. The seven pharmacies that are currently operating are located in cities such as Logan, Ogden, West Bountiful, Salt Lake City, Lehi, and Provo. An additional seven medical cannabis pharmacies plan to open by the end of the first quarter of 2021 in cities such as Brigham City, Springville, Payson, Cedar City, and St. George.
- **Publishing and Distribution of “Guidance on the Suggested Use of Medical Cannabis.”** The Center for Medical Cannabis assisted the Cannabinoid Product Board (CPB) with publishing and distribution of a resource document titled “Guidance on the Suggested Use of Medical Cannabis.” This document is intended to be a resource to medical professionals who work with patients using medical cannabis as a treatment for their medical condition.
- **Stakeholder Outreach.** Outreach to stakeholders has been a priority of the department. During the past year, the Center for Medical Cannabis has presented to groups of medical providers, students, law enforcement, hospital administrators, the Utah Pharmacy Association, the Utah Coalition for Opioid Overdose Coalition, Homecare and Hospice Association, and the Utah Prevention Advisory Council. Department staff have toured cannabis cultivation and processing sites and these visits have helped us better understand the industry and how we can be most effective working with them for the benefit of medical cannabis patients. The Center for Medical Cannabis sends monthly updates to stakeholders to keep them informed of medical cannabis industry growth and general information.
- **Rule Filings.** In December 2019, the Center for Medical Cannabis filed eleven sets of administrative emergency rules addressing issues such as medical cannabis pharmacy standards, medical professional continuing education, home delivery standards, and security of data stored in the electronic verification system (EVS). These rules were later formally published and became effective in June 2020.

- **EVS Software Improvements.** The Center for Medical Cannabis had made multiple improvements to the original version of the electronic verification system (EVS) that was launched in March 2020. The EVS registers patients and providers for participation in Utah’s medical cannabis program. Improvements include the following:
 - removed unnecessary steps in the application process for patients and providers;
 - added more instructional text to prompt a patient and medical provider during online application process;
 - added an application dashboard to provide applicants a visual representation of what steps remain in the application process;
 - medical providers now receive automated email notification when their patient’s application is incomplete; and
 - updated user guides and educated QMPs, medical assistants and patient advocates on how to help patients through the application process.
- **Patient Survey Results.** In October 2020, the Center for Medical Cannabis conducted a survey of cardholders and received 559 responses. The survey results were self-reported by an individual patient, guardian, or a caregiver over the age of 18. Results from the cardholder survey included the following:
 - 98% reported that they experienced some sort of benefit from the use of medical cannabis for their qualifying condition.
 - 90% of those who reported improved symptoms related to the medical condition being treated rated the improvement as a 7 or higher (0 = no significant change, 10 = significant change).
 - 86% of those who reported improved sleep rated the improvement as a 7 or higher (0 = no significant change, 10 = significant change).
 - 84% of those who reported a decrease in general pain rated the improvement as a 7 or higher (0 = no significant change, 10 = significant change).
 - 55% of respondents reported a decrease in the use of other medications due to the use of medical cannabis. Medications listed by respondents include opioids and other pain medications.
 - 90% of respondents reported their confidence in the qualified medical provider who recommended medical cannabis to them as an 8 or higher (0 = no confidence, 10 = great deal of confidence).
 - 71% of respondents reported their confidence in their pharmacy medical provider who they met with at the pharmacy as an 8 or higher (0 = no confidence, 10 = great deal of confidence).

- Governor’s Award for Excellence.** In October 2020, the Center for Medical Cannabis received the Governor’s Award for Excellence for Outstanding Public Service after successfully launching Utah’s medical cannabis program. Creating a medical cannabis program from scratch demanded capable employees willing to take on and complete many demanding assignments. The Center for Medical Cannabis enjoyed being recognized for its outstanding service and is committed improving the quality of life of Utah residents.

4. MARKET ANALYSIS

Utah Code 26-61a-305 states that the Utah Department of Health (UDOH) shall consult with the Utah Department of Agriculture and Food (UDAF) after an annual or more frequent analysis of the current and anticipated market for medical cannabis to determine if additional medical cannabis pharmacy licenses are necessary to provide an adequate supply, quality, or variety, of medical cannabis to medical cannabis cardholders. After only eight months of program implementation, the UDOH and UDAF have determined that no additional licenses should be awarded until all 14 medical cannabis pharmacies are open and home delivery service begins. UDOH and UDAF will conduct additional analysis in 2021 of the possible need to approve additional licenses beyond the 14 already awarded. A comprehensive market analysis of Utah’s cannabis supply is provided in UDAF’s Industrial Hemp and Medical Cannabis Program Annual Report.

5. PATIENT REGISTRATIONS

Table 1. Cardholders, Caregiver, and Recommendation Letter Customers

13,681	<u>Active patient cardholders</u> – Number of patients with an active medical cannabis card as of October 31, 2020.
83	<u>Caregiver cardholders</u> - Number of caregiver cardholders with an active medical cannabis card as of October 31, 2020.
5,495	<u>Recommendation letter customers in October 2020</u> – Number of customers who purchased medical cannabis using a recommendation letter during October 2020.

Figure 1. Active Patient Cardholder by Month

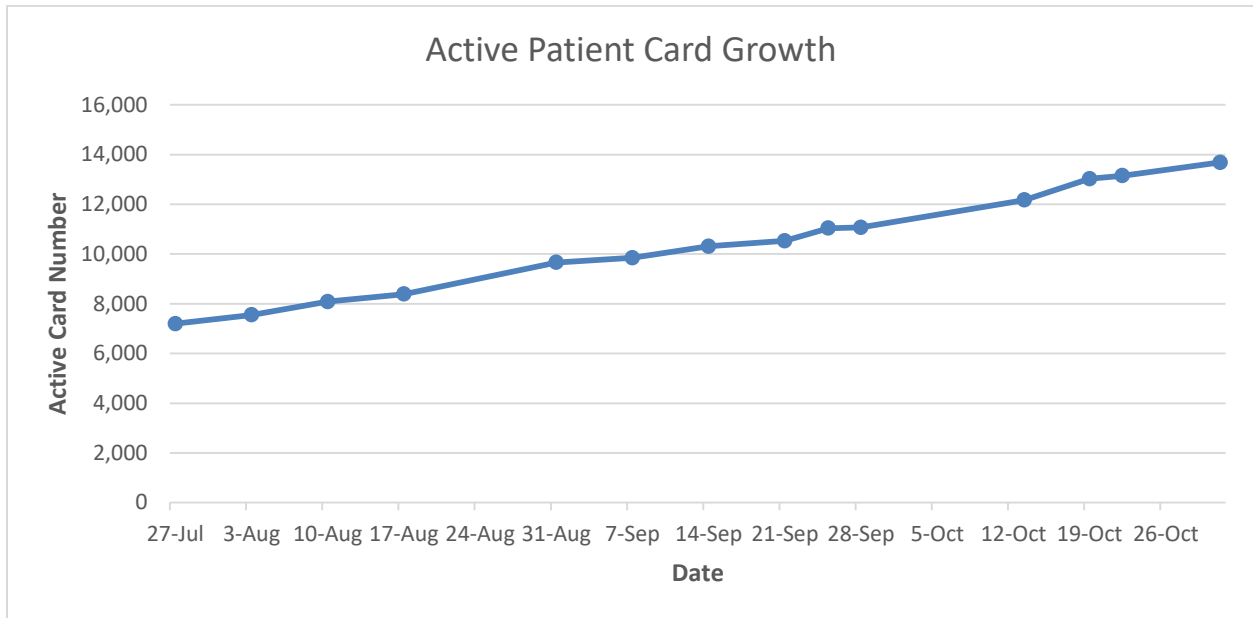


Table 2. Patient Demographics by Age and Sex

Patient Age	Number (N = 13,681)	Percentage
Less than 10 years	4	Less than 1%
11-21	60	Less than 1%
22-30	3,116	23%
31-45	5,473	40%
46-55	1,998	15%
56-65	1,743	13%
66+	1,287	9%
Patient Sex		
Male	7,509	55%
Female	6,146	44%
Other	26	Less than 1%

Table 3. Patient Cardholders by County of Residence

County	Number of Patient Cardholders	% of Total Patient Cardholders in each county
Beaver	25	Less than 1%
Box Elder	190	1%
Cache	504	4%
Carbon	70	1%
Daggett	3	Less than 1%
Davis	1,074	8%
Duchesne	19	Less than 1%
Emery	13	Less than 1%
Garfield	4	Less than 1%
Grand	5	Less than 1%
Iron	32	Less than 1%
Juab	18	Less than 1%
Kane	6	Less than 1%
Millard	21	Less than 1%
Morgan	14	Less than 1%
Piute	0	Less than 1%
Rich	6	Less than 1%
Salt Lake	3,801	28%
San Juan	3	Less than 1%
Sanpete	34	Less than 1%
Sevier	20	Less than 1%
Summit	138	1%
Tooele	160	1%
Uintah	51	Less than 1%
Utah	5,898	43%
Wasatch	79	1%
Washington	173	1%
Wayne	1	Less than 1%
Weber	1,319	10%
Total Active Patient Cardholders	13,681	100%

Table 4. Patient Cardholders by Medical Condition

Patients may register in the program with more than one qualifying condition, thus the total number of patient cards by condition is higher than the actual number of total active patient cards.

Medical condition	Total Number of Patient Certifications as of October 31, 2020	% of Total Number of Patient Certifications
AIDS	4	Less than 1%
ALS	4	Less than 1%
Alzheimer's	6	Less than 1%
Autism	91	1%
Cachexia	20	Less than 1%
Cancer	163	1%
Chronic Pain	10,961	76%
Crohn's Disease	238	2%
Debilitating Seizures	50	Less than 1%
Epilepsy	146	1%
HIV	95	1%
Hospice	5	Less than 1%
MS	215	1%
Nausea	315	2%
Other*	15	Less than 1%
Persistent Muscle Spasms	38	Less than 1%
PTSD	1,678	12%
Rare Condition	33	Less than 1%
Terminal Illness	284	2%
Ulcerative Colitis	74	1%
Total number of patient certifications	14,435	100%

*Other denotes those conditions petitioned to the Compassionate Use Board. Conditions petitioned to the Board appear in Table 6 with an asterisk.

Table 5. Compassionate Use Board Approved Petitions by Age

	Approved		Denied	
	Minors	Adults	Minors	Adults
Mar-20	0	0	0	0
Apr-20	11	0	0	0
May-20	17	3	0	0
Jun-20	13	1	0	0
Jul-20	11	0	1	0
Aug-20	12	1	0	0
Sep-20	10	1	0	0
Oct-20	27	0	0	0
Total	101	6	1	0

Table 6. Approved Compassionate Use Board Petitions by Medical Condition

Medical Condition	# Approved	% of Total Approved
Chronic Pain	36	34%
PTSD	27	25%
Autism	24	22%
Anxiety*	4	4%
Persistent Nausea	4	4%
Epilepsy	3	3%
Cancer	1	1%
Cachexia	1	1%
Sleep Disorder*	1	1%
Parkinson's*	1	1%
POTS*	1	1%
Crohn's Disease	1	1%
Intellectual Disability*	1	1%
Lipodystrophy Pain*	1	1%
Rare Disease	1	1%
Total Approved	107	

*indicates a condition that is not listed in Utah Code 26-61a-104 (2) as a qualifying condition.

6. QUALIFIED MEDICAL PROVIDERS

Table 7. Qualified Medical Provider Totals

528	<u>Active Qualified Medical Providers</u> – Number of medical providers with an active QMP registration.
116	<u>Active Qualified Medical Providers with Cardholder Cap of 600</u> – Number of medical providers approved by UDOH to recommend to up to 600 active cardholders at one time (22% of all QMPs).
412	<u>Active Qualified Medical Providers with Cardholder Cap of 275</u> – Number of Medical Providers limited to recommend to up to 275 active cardholders at one time (78% of all QMPs).

Table 8. Qualified Medical Providers by County

A qualified medical provider (QMP) may list more than one office location for their practice. The table below shows the distribution of QMPs registered throughout Utah by county. This total is greater than the total of registered QMPs because a QMP may have multiple office locations.

County	Number of QMP office locations registered as if October 31, 2020	% of total QMP office locations in each county
Salt Lake	241	44%
Utah	186	34%
Davis	40	7%
Weber	33	6%
Washington	16	3%
Cache	7	1%
Summit	4	Less than 1%
Tooele	3	Less than 1%
Uintah	3	Less than 1%
Juab	3	Less than 1%
Carbon	2	Less than 1%
Millard	2	Less than 1%
Sevier	2	Less than 1%
Beaver	1	Less than 1%
Box Elder	1	Less than 1%
Grand	1	Less than 1%
Iron	1	Less than 1%
Sanpete	1	Less than 1%
Daggett, Duchesne, Emery, Garfield, Morgan, Piute, Rich, San Juan, Wayne	0	0%
Total	549	100%

Table 9. Qualified Medical Providers by American Board Certification

Most QMPs are limited to recommending cannabis as a treatment to up to 275 active patient cardholders but some QMPs have qualified to recommend to up to 600 active cardholders. To qualify to recommend to up to 600 active cardholders, a QMP must be a physician certified by the appropriate American Medical Board of anesthesiology, neurology, oncology, pain, hospice and palliative care, physical medicine and rehabilitation, endocrinology, rheumatology or psychiatry OR the QMP may be employed or contracted by a business for the specific purpose of providing hospice and palliative care. The table below shows the distribution of QMPs reporting an American Medical Board Certification to receive the higher patient cap. This is a total list of MDs and DOs only. APRNs and PAs can only apply for the higher patient cap if they are employed by hospice and palliative care which is not represented below.

American Medical Board Certification	Number of QMPs reporting American Medical Board Certification
Anesthesiology	17
Endocrinology	0
Gastroenterology	4
Hospice and Palliative Care	11
Neurology	10
Oncology	8
Pain Medicine	10
Physical Medicine and Rehabilitation	16
Psychiatry	16
Rheumatology	1
Total QMPs with American Medical Board Certification	93

Table 10. Qualified Medical Providers by DOPL License Type

Qualified Medical Providers	Number of QMPs Registered	% of Total QMPs Registered
Medical Doctor (MD)	208	39%
Osteopathic Doctor (DO)	43	9%
Physician Assistant (PA)	64	12%
Advanced Practice Registered Nurse (APRN)	213	40%
Total	528	100%

Table 11. Qualified Medical Providers by Active Patient Certifications

Of the 531 registered QMPs as of November 6, 2020, 5 QMPs are responsible for over 300 active certifications; 8 QMPs with the highest number of active certifications are responsible for 17% of the total patient certifications; 25 QMPs with the highest number of active certifications are responsible for 42% of the total patient certifications; and 65% of QMPs (376 of 531) are responsible for 100% of the total active patient certifications.

Active Certifications	Total number of QMPs submitting active patient certifications in this range as of 11/06/2020 (N=531)	% of QMPs	Total Active Certifications in this range	% of total active certifications
301-600+	4	1%	1,981	12%
276-300	4	1%	879	5%
200-275	17	3%	4,120	25%
100-199	18	3%	2,569	15%
26-100	97	18%	5,035	30%
1-25	236	45%	1,894	13%
0	155	29%	0	0
Total	531	100%	16,478	100%

7. MEDICAL CANNABIS PHARMACIES

Table 12. Medical Cannabis Pharmacy Licenses

Name	Location	Opening Date or Estimated Opening
Dragonfly Wellness	Salt Lake City	March 2, 2020
Perfect Earth Modern Apothecary	North Logan	March 16, 2020
Perfect Earth Modern Apothecary	South Ogden	April 28, 2020
WholesomeCo Cannabis	West Bountiful	August 12, 2020
Curaleaf	Lehi	August 26, 2020
Deseret Wellness	Provo	August 31, 2020
Beehive Farmacy	Salt Lake City	October 23, 2020
Beehive Farmacy	Brigham City	December 2020
Deseret Wellness	Park City	1 st Quarter 2021
Justice Grown	St. George	1 st Quarter 2021
Pure UT	Payson	1 st Quarter 2021
Columbia Care	Springville	1 st Quarter 2021
Bloom Medicinals	Cedar City	1 st Quarter 2021
Justice Grown	Salt Lake County	1 st Quarter 2021

Table 13. Medical Cannabis Pharmacy Employee Totals

35	<u>Active Pharmacy Medical Providers</u> - Pharmacy medical providers who have an active registration with the Utah Department of Health.
109	<u>Active Pharmacy Agents</u> - Pharmacy agents who have an active registration with the Utah Department of Health.

Table 14. Medical Cannabis Pharmacy Transaction and Sales Revenue Totals

109,207	<u>Transactions at Medical Cannabis Pharmacies</u> – Transactions at medical cannabis pharmacies between March 2, 2020 and October 31, 2020.
27,247	<u>Transactions at Medical Cannabis Pharmacies in October 2020</u> – Transactions at medical cannabis pharmacies in October 2020.
\$14,462,748	<u>Medical Cannabis Sales Revenue</u> – Medical cannabis sales revenue at licensed medical cannabis pharmacies between March 2, 2020 and October 31, 2020 (does not include sales of medical cannabis devices and medical cannabis educational materials).
\$ 3,380,665	<u>Medical Cannabis Sales Revenue in October 2020</u> - Medical cannabis sales revenue at licensed medical cannabis pharmacies during October 2020 (does not include sales of medical cannabis devices and medical cannabis educational materials).

Figure 2. Medical Cannabis Transactions at Pharmacies by Month

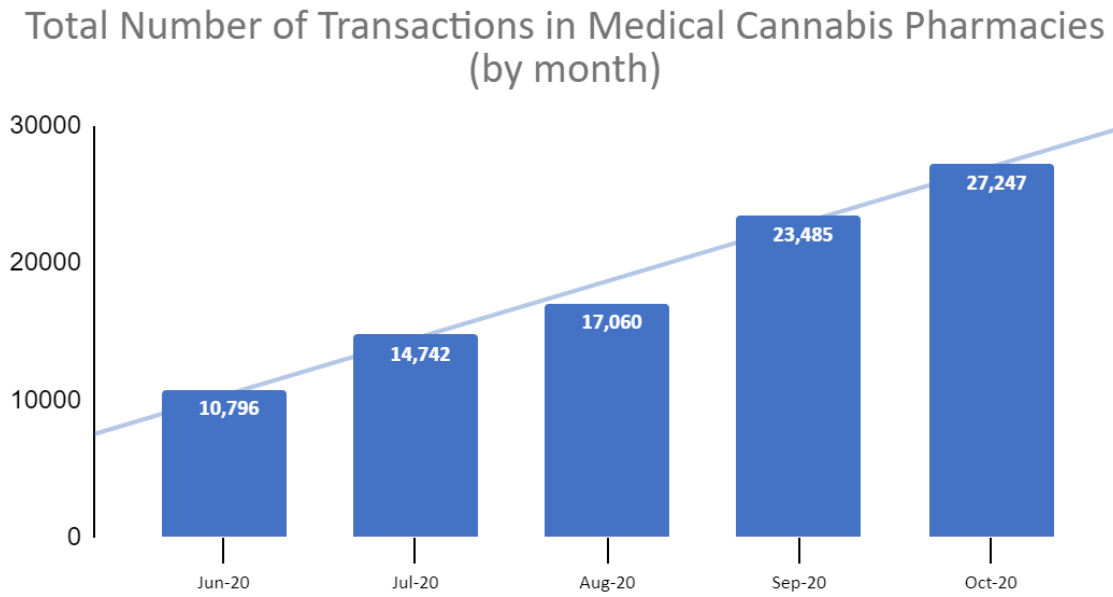
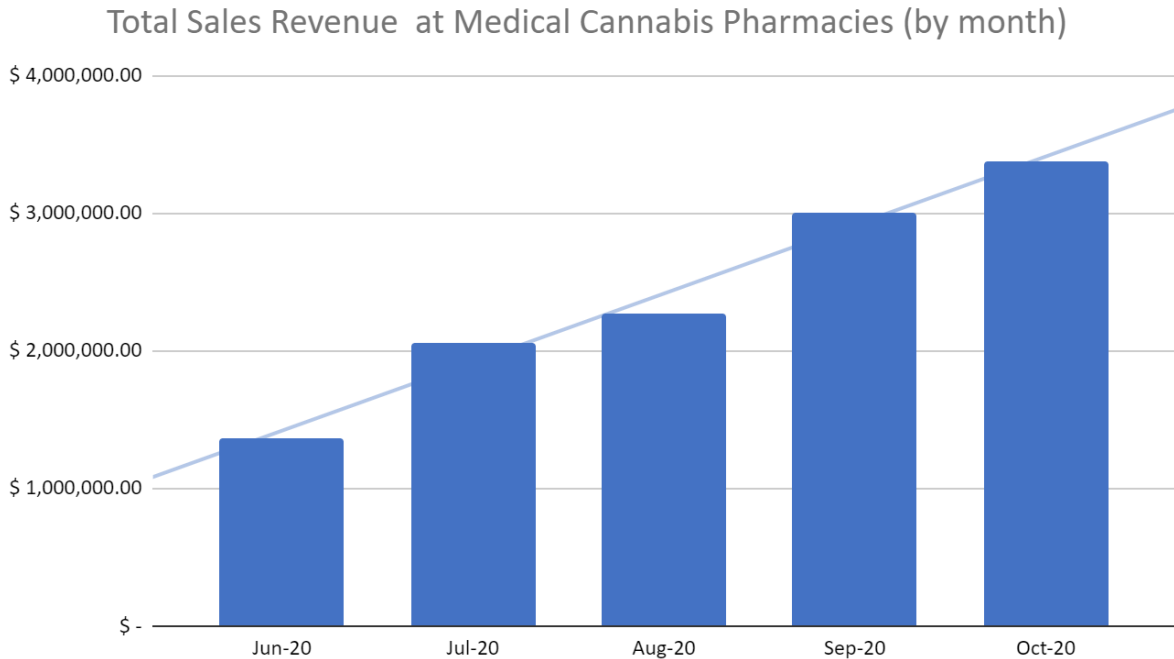


Figure 3. Medical Cannabis Sales Revenue By Month



8. CENTER EXPENSES AND REVENUES

Table 15. Expenses of the Center for Medical Cannabis, FY 2020 and FY 2021

Expense Description	FY 2020 (Actual)	FY 2021 (Projected)
Department Personnel	\$688,015	\$896,886
Electronic System Software (fees, maintenance, and change orders for inventory control system and electronic verification system)	\$954,817	\$1,092,105
Travel (In State and Out of State)	\$8,879	\$15,700
Misc. Transaction Fees and Office Supplies	\$52,964	\$140,702
DTS Teleworking and Hosting	\$10,086	\$12,547
Compassionate Use Board	\$32,145	\$33,232
Cannabinoid Product Board	\$26,507	\$42,078
Website, DTS	\$1,763	\$453
Misc. Expenses including Attorney General Time for Rulemaking, Legal, Office Maintenance, Insurance, other	\$89,069	\$109,571
Total Expenses	\$1,864,245	\$2,337,274

Table 16. Revenues of the Center for Medical Cannabis, FY 2020 and FY 2021

Revenue Description	FY 2020 (Actual)	FY 2021 (Projected)
Pharmacy Transaction Fees	\$80,379	\$1,002,897
Pharmacy Licensing Fees	\$184,000	\$853,000
Pharmacy Application Fees	\$315,000	\$0
Interest Income	\$56,687	\$14,966
Patient Card Fees	\$99,645	\$330,825
Caregiver Card Fees	\$3,716	\$17,085
Guardian Fees	\$795	\$4,095
Qualified Medical Provider Fees	\$39,100	\$35,100
Pharmacy Medical Provider Fees	\$2,100	\$3,000
Pharmacy Agent Fees	\$4,600	\$7,800
Courier Licensing Fees	\$0	\$7,500
Total Revenues	\$786,022	\$2,276,268



For more information, contact:

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