The Case for Retaining and Improving the Oregon Medical Marijuana Program

January 2015

By Anthony Taylor and Cheryl K. Smith

Compassionate Oregon

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The Case forRetainingand Improvingthe Oregon Medical Marijuana Program

"For last year's words belong to last year's language and next year's words await another voice." T.S. Eliot

Introduction

The Oregon Medical Marijuana Program (OMMP) has become an integral part of health care for some 70,000 Oregonians. It provides a vital service to many who have exhausted all other sources for relief from chronic pain, cancer and other debilitating conditions, or who have found its benefits superior to pharmaceutical medications. The OMMP has also provided protection from criminal prosecution for its patients and established itself as one of the best medical marijuana programs in the country. The industry serving medical marijuana patients provides jobs for thousands of Oregonians in clinics, dispensaries and supporting businesses.

In November 2014, voters passed Measure 91, an initiative that legalized and regulated the responsible adult use of marijuana for recreational purposes. This initiative expressly stated that *"the Act may not be construed to affect or amend the Oregon Medical Marijuana Act" and "[d]o not affect or amend in any way the functions, duties or powers of the Oregon Health Authority under the Oregon Medical Marijuana Act."* Despite these provisions, there has been discussion in the media, and by certain legislators, regarding rolling medical marijuana into Measure 91 regulation, as well as comments stating or implying that the OMMP was just a sham or a "foot in the door" for legalization and is now unnecessary.

The urge to begin the process of ending a program long considered by some legislators to be problematicis understandable, but there should be no rush to diminish a program that has benefited so many Oregonians for so long. We believe that the OMMP can and should continue to exist, despite implementation of an adult use program—albeit with some improvements that will make both programs more effective.

That being said, however, there remainsa clear and distinct difference between marijuana for personal use and marijuana for medical use. For too many years, state administrators, elected officials and even some in the marijuana community itself have conflated the two.

So how do we have a debate without a true understanding of the difference? And how do we make that distinction when discussing and formulating policy?

Compassionate Oregon hopes legislators will find the information contained in this report helpful in answering these questions. We hope legislators look to this paper for guidance as the policy debate in Oregon moves toward implementation of Measure 91 and the consequences its impact could have on the OMMP.

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History

The Oregon Medical Marijuana Act (OMMA), passed by voters in 1998, became ORS 475.300-475.346.This new statute created the OMMP, which administers OMMA through the Oregon Health Authority (OHA).

The OMMA was modified in 2005, adding plant definitions, increasing plant limits, expanding the list of conditions and creating the Advisory Committee on Medical Marijuana (ACMM).

The OMMA underwent further changes in 2013 when the Legislature added PTSD as a qualifying condition and created the Oregon Medical Marijuana Dispensary Program (OMMDP), which the OHA then implemented as a Section separate from the OMMP.

The OMMP is a self-funded program that acts as a registry for patients, caregivers and growers. The program issues identification cards for patients whose doctors have recommend medical marijuana for a qualifying, debilitating medical condition, as well as for caregivers and individuals who grow for patients. (See Appendix 2, Qualifying Conditions). A patient is allowed to grow and possess marijuana, and that individual, with a caregiver and/or grower, may collectively possess up to six mature plants, 18 seedlings and 24 ounces of marijuana.

Initially patients could only obtain marijuana in three ways:

1) Grow it themselves;
2) Have another patient give it to them for free;
3) Find a person to grow it for them.

As of 2014, there is a fourth way:Patients may now legally obtain medical marijuana from a dispensaryauthorized by OMMA through a statutory change in 2013. (See discussion, p. 8)

In 2010 Oregon acknowledged that cannabis does have a medical use when it became the first state in the US to reclassify marijuana when the Oregon Board of Pharmacy changed it from a Schedule I controlled substance to a Schedule II controlled substance. (www.oregon.gov/Pharmacy/Pages/Marijuana-Rescheduling.aspx)

While California and other states experienced federal intervention in their medical marijuana programs, Oregon has avoided this intervention due to its registry system.

Current Program

It is important to remember in any discussion of the OMMA that 1) Under both the OMMA, *patients own any and all of the marijuana.* Only by their authorization are growers, caregivers and dispensaries allowed the same protections from prosecution given those patients under the Act, and 2) The registry list identifying all patients and their medical information is created and maintained under ORS 475.331 (1)(a)and states that ..."the list shall be confidential and not subject to public disclosure."Law enforcement may have access only for the purpose of verifying the status of any cardholder or address associated

with a cardholder such as the location of a grow-site. This information is not to be shared or used by law enforcement in any other manner than the reasons stated.

The OMMP is a section of the Department of Health Protection, Public Health Department under the Oregon Health Authority. It is effectively managed by Tawana Nichols and currently employs approximately 30 staff, who are responsible for registering the approximately 70,000 patients, along with caregivers and growers, as well as answering questions and providing educational materials for patients, administrators and law enforcement.

In addition to the paid program staff, a volunteer committee of 11 individuals makes up the Advisory Committee on Medical Marijuana (ACMM). Members include advocates, attorneys, health care professionals, and community members. This committee meets four times a year and is mandated by law to "advise the Director of the OHA on the administrative aspects of the OMMP, review current and proposed administrative rules of the program and provide annual input on the fee structure of the program." (ORS 475.303

Financial

The OMMP is a robust, self-funded program, generating millions of dollars each year. In addition to fully funding the administrative costs of the Program, in the last biennium $9.3M in revenue generated by the Program was allocated by the legislature to help fund OHA programs, still leaving amulti-million dollar surplus.(See Appendix 1)

All revenue is generated from patient fees. Patients currently pay a fee to register and obtain a card. Fees range from $20 for patients on SSI or with VA disability to $200 for patients who do not qualify for any discounts and pay full price. This fee also includes a card for the primary caregiver and a designated grower if one has been chosen. If another individual is growing for the patient, an additional $50 is charged. Just making a change to information on a registration card or replacement of a lost card generates a charge of $100.

While it is commendable that this program is able to self-fund and partially fund other programs, it unfortunately is doing so on the backs of those who, in some cases, are least able to afford it. This is doubly damaging because many of these same patients are required to pay out-of-pocket to see a physician who will ensure that they meet requirements of the law, because the OHP and other insurers are unwilling to pay for such a visit. The fee structure is an area in need of improvement.

The ACMM has repeatedly encouraged the state to strike a balance by reducing the highest fees for patients—with limited success—and to redirect some of the revenue generated by the Program into research on medical marijuana.

Statistics

As of January 1, 2015, the OMMP has approximately 70,000 patients, 35,000 caregivers and 47,000 growers. The primary qualifying conditions for which patients obtain cards include severe pain, muscle spasms, nausea, PTSD and cancer. Statistics are reported

quarterly and can be found on the OMMP website. (See Appendix 2,Oregon Medical Marijuana Statistics—December 8, 2014.)

Clinics

Oregon's medical marijuana clinics evolved out of necessity and have become essential to the program. When the program first began, only a limited number of doctors were willing to recommend medical marijuana to their patients, for fear of losing the ability to serve patients, practice medicine and even being arrested. This issue has slowly been resolved through a 9th circuit court case(*Conant v. Walters*) and statutory and administrative rule change, but misinformation and fear among some medical practitioners has not.

The value of medical marijuana clinics cannot be understated. They have filled a vacuum and have been the first line of defense for patients who need a physician's authorization to qualify for the Program, yet are faced with a health care community with limited or no expertise regarding the medical use of marijuana. Add to thatan institutionalized unwillingness to accept marijuana as having any therapeutic benefits at all and even now most physicians, for various reasons, refuse to participate in the program or even consider recommending marijuana and often express disapproval of such use

In many cases Oregon's medical clinics and hospitals have implemented policies that discourage physicians from participating in advocacy for or acknowledgment of marijuana's therapeutic benefits. This may include withholding other medications solely because a patient holds a medical marijuana card. In fact, many clinics administering pain management programs refuse to allow patients to use cannabis concurrently with opiates and will terminate—with no appeal process—participation in a pain management program based on a urinalysis that is positive for marijuana.

Even physicians who do approve the use of medical marijuana for their patients often refer to reputable clinics (although no referral is needed to obtain these services). This is the case with the VA system, which serves the many veterans who have returned from active service with traumatic brain injuries and PTSD and treat their symptoms by self-medicating with marijuana. Because they receive federal funds, their staff cannot make recommendations regarding medical marijuana. (Geppert, CMA. Legal and Clinical Evolution of Veterans Health Administration Policy on Medical Marijuana.*Fed Practitioner* Mar 2014:6–12.)

A growing number of physicians now refer patients to medical marijuana clinics that have proven their professionalism. In one case,an Oregon cancer center routinely refers newly-diagnosed patients who express a desire to try using medical marijuana for symptom relief or palliative care to a local medical marijuana clinic.

Clinics are only minimally regulated by the OMMP, mainly through documentation requirements provided by rule. Many of the clinics operate from a compassionate model and are rather strict in their policies regarding qualifying conditions. They perform a physical examination and require established documented medical history of a qualifying condition before their physicians will sign the Attending Physician Statement, which is required to

obtain a card. These are the predominant model and provide a great service and other benefits to their patients.

The flip side is the often cited "card mill" clinic, where a patient's medical history may not withstand scrutiny but they are nonetheless authorized on an "in and out in five minutes" basis. There has been no significant effort to address oversight by either the state or the clinics.In an effort to resolve the card mill issue, some of the clinics have expressed a willingness to establish by rule standards and practices that will bring an end to clinics operating in a less than discriminating manner. In an effort to address this issue Rep. Lively has introduced legislation limiting the number of patients a doctor may sign for to 450, except under certain criteria.

A variety of services are provided by clinics throughout Oregon, in addition to providing physicians to verify that patients have a qualifying condition. Some provide services for the medical marijuana community beyond those mandated by law. These services include:

- ✓ Answering questions and providing forms and educational materials regarding the OMMP
- ✓ Offering referrals to other social service organizations
- ✓ Educating patients and the public regarding safe use including side effects and other medical information, available forms of cannabis and which strains work best, other patient concerns
- ✓ Assisting with documentation, completion of forms, mailing and interacting with the OMMP
- ✓ Assisting with finding a grower, another patient who can share their cannabis, or a reputable dispensary
- ✓ Home visits and other support services
- ✓ Other types of health care services, such as massage or chiropractic, part of a holistic approach

Kelly Paige, Outreach Coordinator for the OHA Community Partner Program and the first Manager of the OMMP, recently received approval to begin a program to educate and enable medical marijuana clinics and dispensaries to provide information to patients regarding health insurance coverage under the Affordable Care Act. She presented this at the December meeting of the ACMM in an effort to reach out to the medical marijuana program, a historically a low-income demographic. (Unpublished minutes, ACMM, December 17, 2014)

Medical marijuana clinics are also invaluable in their unique experience with all the forms required by the OMMP in much the same way as any normal clinic is with insurance,or Medicaid. Under the OMMA, a patient is considered a cardholder as soon as an application is received and while it is being processed. This is another area in which the clinics provide a valuable service. They explain the need tomail forms to the OMMP by certified mail with return receipt requested, providing those forms and an addressed envelope. They make photocopies of all paperwork for patients and explain the process. Once a patient receives a

return receipt, the paperwork substitutes for the official card, providing proof of submission and legal protection until the registration is approved or denied.

Finally, there are nearly 1,650 doctors with at least one current medical marijuana patient. Many physicians work in a revolving approach serving several clinics, not unlike other physicians rotating in and out of small clinics in outlying areas to bring health care to those communities. Some are independent physicians who see medical marijuana patients as part of their regular practice, while others work at a medical marijuana clinic, as well as operating a separate practice that does not provide that service. A third group consists of Oregon-licensed physicians who are flown in from out of state for the sole purpose of signing for patients. Most Oregon physicians who are part of a regular clinic or hospital group, however, do not typically participate in authorizing paperwork for medical marijuana patients, or do so only on a very limited basis (e.g., terminal cancer patients or MS patients).

The Oregon Medical Marijuana Dispensary Program (OMMDP)

While the purpose of this paper is to provide background on the OMMP, it would not be complete without some discussion of the Oregon Medical Marijuana Dispensary Program. (www.oregon.gov/oha/mmj/Pages/index.aspx)

The Oregon Medical Marijuana Dispensary Program was made a part of the OMMA by statute in 2013 and became effective March 3, 2014. It is distinct from the OMMP with funding, staff and rules independent from the OMMP.

Although dispensaries had been operating prior to being added to the OMMA, they were considered to be operating in a gray area. The OMMDP allows growers and dispensaries (legally called "medical marijuana facilities") to be reimbursed for the normal cost of doing business. More importantly, it also established a way for growers who produce excess marijuana when growing for a patient to make it available to other patients through dispensaries, thereby making diversion to the black market less likely. This outlet for excess and allowing growers and dispensaries to be reimbursed for the normal cost of doing business was the impetus behind HB 3460 and the subsequent dispensary program. In addition, the OMMDP provides a revenue stream for many rural Oregonians in counties that have seen declining revenues due to losses of O&C timber sales and a shrinking tax base.

The OMMDP is responsible for licensing and inspecting dispensaries and providing standards for quality and safety that make the therapeutic use of cannabis safe for patients.

The Future of OMMP

- ✓ **Increased enrollment in and a continuing role for OMMP**. The number of Oregonians now using recreational marijuana on a regular basis will almost certainly

drive the recreational market and, as can be expected, some medical users will leave themedical program. However, once a legal medical market exists for adult use, patients who have not participated in the OMMP will be more willing to try marijuana for symptom relief—largely as a result of a growing body of anecdotal evidence regarding the benefits of cannabis for many conditions. This will continue to drive an increase in medical marijuana patients, as many will opt for the medical program for this reason alone. We can expect to see this increasing evidence of the efficacy of cannabis, combined with a rise in recreational users who find cannabis effective for pain or other conditions, leading to more physicians who are willing to consider integrating marijuana into patient treatment plans and to recommend its use under the OMMP.

So while some patients will leave the OMMP, others will join. Without a crystal ball, it is impossible to say what the numbers will be a few years down the road. One thing we do know is that cannabis will continue to have a role in health care in Oregon, and we should strive for an effective system in which all parties are educated.

- ✓ **Increased substitution of medical cannabis for certain pharmaceuticals.** Over the past 16 years, many physicians have seen that the use of medical marijuana concurrently with, or in place of, other medications such as opioid drugs addresses the three primary drivers of healthcare costs: pain management, chronic disease management and end-of-life care. Its use improves the quality of life and, in some instances, the outcomes.

Recent studies show that when medical marijuana is used with opioids and other drugs, patients are able to reduce the amounts of pharmaceuticals needed or, in some cases, even eliminate them altogether. (Lucas, P., et al. Cannabis as a substitute for alcohol and other drugs: A dispensary-based survey of substitution effect in Canadian medical cannabis patients. *Addiction Research &Theory* 2013, 21: 5, 435-442; Reiman, A. Cannabis as a substitute for alcohol and other drugs.*Harm Reduction Journal* 2009, 6:35 .) This also reduces patients' doctor visits, hospital visits and prescription drug use, mostly because it improves patient outcomes.

Although some physicians are willing to change their practices to include cannabis, before they can do so clinic and hospital policies must change. Denying certain medication and treatment options based solely on a patient's use of marijuana must be addressed. We believe that the approach the Department of Veterans Affairs has taken in developing their policy regarding concurrent use of cannabis with other treatment plans can serve as a roadmap for the Oregon medical community.

In the future we believe a thriving adult use market will fund the compassionate medical use community and that should Oregon see the future here, there will be a network of recognized caregivers across the state who provide services to this community.

- ✓ **Health care coverage for medical cannabis.**It will be crucial for the Oregon Health Plan to begin covering some of the costs associated with the use of medical marijuana. While it may be hard to envision OHP actually reimbursing patients for the cost of their medicine, they could certainly begin absorbing the cost of marijuana clinic costs. This will begin the process of bringing those patients into mainstream medicine and creating a working relationship between regular physicians and those involved with marijuana patients.

  For instance, the Oregon Pain Management Commission, a supporter of concurrent use of cannabis in pain management, has estimated that 720,000 Oregonians have chronic or severe pain. Currently, about 60,000 Oregonians obtain a medical marijuana card for pain. If overdose deaths do in fact decline by as much as 25%, this should certainly be considered a viable alternative to opioid drugs.

- ✓ **More sophistication in knowledge of medical cannabis.** Doctors are faced with a unique situation.Many are unfamiliar with cannabis but most admit to its therapeutic benefit. Still, many doctors and patients suffer some degree of fear at the mere mention of marijuana. These two factors combined make it hard to integrate marijuana with a treatment plan. In addition, marijuana it is not yet generally available in pill form so doctors cannot reach for a prescription pad.As with all medications, physician supervision is essential. This is especially true in pediatric care where the use of cannabis is typically in concentrate form and, like the other medications and treatments toxic to the body, must be tightly monitored. The point is that as marijuana's place in the treatment community becomes more accepted, the dialogue will open up and those who once questioned its benefits will now seek it out.

  We believe the surface has just been scratched regarding medical research and development around cannabis. We envision cannabis-driven research at all Oregon's colleges and universities providing the needed data to shift the medical community to what we believe will become a valuable treatment tool. (This is already beginning at Oregon State University, where students at the OSU campus in Corvallis will have a chance to help shape policies related to marijuana legalization in Oregon as part of a new sociology course entitled "Marijuana Policy in the 21st Century.")

Challenges

The OMMP faces a number of challenges today:

1. **Lack of Understanding of OMMP by Leaders.** The biggest challenge is a lack of understanding of the current program by legislators, as evidenced by recent statements made in and by the media. In addition to overall lack of understanding of the program, there is also a lack of knowledge among leadership at the state level in various agencies and within the Oregon medical community about the program itself and how well it is currently working. Examples of this include the following:

- ✓ Cannabis is successfully being used by patients to decrease and even eliminate their use of substances, including prescribed opioid drugs, alcohol and even tobacco. In fact, according to a study in the *Journal of the American Medical Association*, in medical marijuana statesthere was a 24.8% decrease in opioid overdose deaths. (Bachhuber, MA. Lower Opioid Overdose Rate Associated with State Medical Marijuana Laws. *JAMA Intern Med.* Published online August 18, 2014. http://archinte.jamanetwork.com/article.aspx?)
- ✓ The American Academy of Pediatrics recently recommended the Drug Enforcement Administration reschedule marijuana to facilitate research and development regarding marijuana. (American Academy of Pediatrics Policy Statement: The Impact of Marijuana Policies onYouth: Clinical, Research, and LegalUpdate, January 26, 2015).
- ✓ In an isolated incident where child care providers violated current rules regarding smoking and use of medical marijuana, the Oregon Early Learning Council overreacted and passed emergency rules prohibiting providers from even having a medical marijuana card. During Rules Advisory Committee meetings, it became apparent that they needed education.
- ✓ A policy by some physicians to "fire" a patient who is using opioids in conjunction with cannabis, despite no evidence of adverse interactions.

2. **Veterans face a unique problem.**Veterans receiving their health care from the Department of Veterans Affairs(DVA) are in a unique situation. DVA policy has been moving in the right direction regarding veterans who use cannabis for a medical condition. Under current policy, veterans *must* participate in a state-approvedmedical marijuana program to avoid violating a pain contract that controls the use of opioid drugs for pain, in the event that they test positive for marijuana.

3. **Long Timeline for Implementation of Measure 91.** Like it or not, OMMP is the program we are operating under until adult use is implemented.Eliminating the program at this point would adversely impact the protection now offered for patients. (We don't know how Measure 91 will affect the viability of the program but we do believe it may change but it will survive because there is a need for it.)

4. **Card Mills.**There is a need to address the "quick stop" clinics that provide authorization for individuals who may be taking advantage of the program by being less than honest about their debilitating conditions. We understand that it is more appropriate for such individuals to be served by the adult use program, rather than medical marijuana dispensaries. We do not believe that simply limiting the number of patients for whom a doctor may recommend medical marijuana will solve this problem without harming patients.

5. **Negative Perception of the Term "Marijuana."** The term "marijuana" is slang, and is an impediment to taking cannabis seriously as a medicine. We do not want

Oregonians to be confused when discussing the legal adult use of marijuana versus the medical use.

6. **Continued discrimination based solely on the use of marijuana or possession of a medical marijuana card.** "Don't ask; don't tell attitude," either intentional or not, should not become part of reasoned drug policy in Oregon. Already at least one agency has taken this approach, where individuals are prohibited from running a child care facility if they simply have a medical marijuana card.

Recommendations

1. **Continue to maintain and expand the OMMP as a separate entity.** Improving the OMMP and its effectiveness and function can only serve to further benefit Oregonians. This should include:

   - ✓ Develop further rules for clinics and clinic oversight.
   - ✓ Expand list of debilitating conditions.
   - ✓ Expand the responsibility and powers of the ACMM.

2. **Ensure that Oregon's medical community is better educated on the benefits of cannabis** and how to best use it in an integrated health care plan. This should include:

   - ✓ Developing an educational program for health care workers including as a part of standard curriculum in Oregon's colleges and universities. (The Medical Cannabis Caregivers Training Program licensed in California could provide a template for Oregon's health care professionals).
   - ✓ Allowing health care workers to administer marijuana as a part of hospice, palliative care, residential care and home health care services.
   - ✓ Allowing Naturopaths, Physicians Assistants, and Nurse Practitioners to recommend medical marijuana under the OMMP for their patients.
   - ✓ Providing for coverage by OHP for annual doctor visits for physical examination required to obtain a medical marijuana card.

3. **Remove discriminatory action by State agencies and programs based solely on the possession of a medical marijuana registry identification card.**

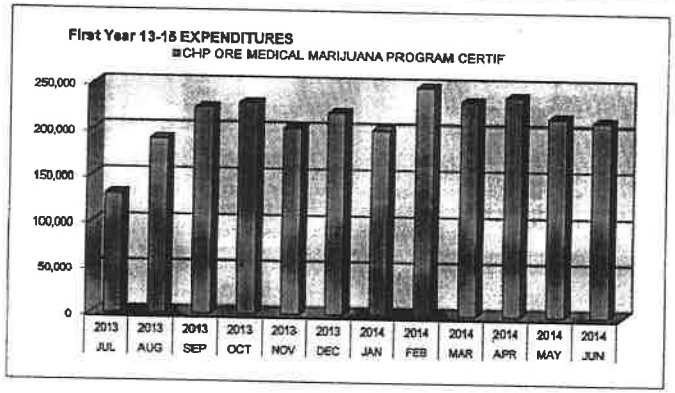
   - ✓ Develop policy to allow doctors latitude in integrating cannabis into patient health care plans.
   - ✓ Review all policy to ensure the possession of a registry identification card is not probable cause for denying or limiting any state programs or services.

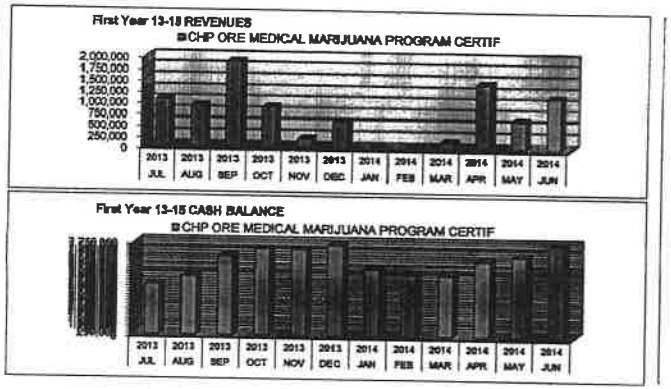
CENTER FOR HEALTH PROTECTION

OTHER FUNDS GRANT LOOKUP

GRANT NUMBER 48035215 — **CHP ORE MEDICAL MARIJUANA PROGRAM CERTIF**

	JUL 2013	AUG 2013	SEP 2013	OCT 2013	NOV 2013	DEC 2013	JAN 2014	FEB 2014	MAR 2014	APR 2014	MAY 2014	JUN 2014	Total 1st Year
Revenue	1,040,609	905,270	868,146	888,356	764,413	574,401	756,680	256,477	516,486	1,809,175	988,221	1,147,357	10,515,593
Personal Services	127,373	122,911	130,365	126,060	126,509	136,048	139,773	132,848	129,426	135,589	132,287	139,633	1,578,820
Service & Supplies	0	11,112	18,039	33,251	14,269	12,317	14,194	10,407	39,718	26,604	28,194	15,218	223,321
Capital Outlay	0	0	0	0	0	0	0	0	0	0	0	0	0
Special Payments	0	0	0	0	0	0	0	0	0	0	0	0	0
Transfers	0	0	1,020,000	0	(565,000)	0	(2,575,839)	(367,977)	(367,977)	(367,977)	(367,977)	0	(3,592,747)
Cost Allocation	3,608	57,008	75,688	70,330	62,503	71,138	48,045	105,238	64,257	76,502	55,470	57,450	747,237
		44.76%	58.47%	47.39%	39.23%	50.63%	32.38%	66.35%	44.86%	45.23%	34.20%	36.80%	
Summary:													
Revenues	1,040,609	905,270	1,888,146	888,356	199,413	574,401	(1,819,159)	(111,500)	148,509	1,441,198	620,244	1,147,357	10,515,593
Expenditures w/o CA	127,373	134,023	148,403	159,311	140,778	148,365	153,967	143,253	169,143	162,193	160,481	154,851	1,802,142
Expenditures w/CA	130,981	191,031	224,091	229,641	203,281	219,503	202,012	248,491	233,399	238,696	215,951	212,301	2,549,379
Cash Balance:													
3,313,900	4,223,528	4,937,767	6,601,823	7,260,538	7,256,670	7,611,568	5,590,397	5,230,406	5,145,515	6,348,018	6,752,310	7,687,366	





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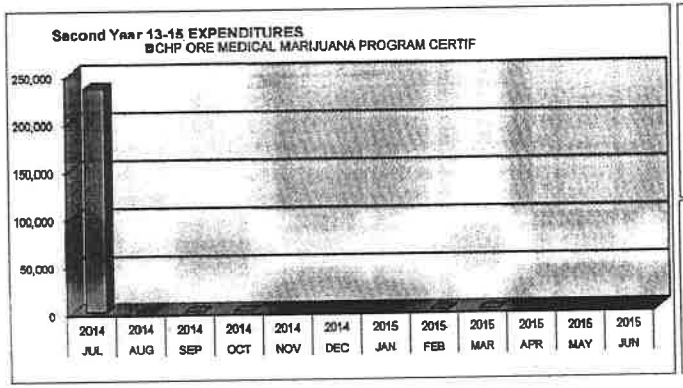
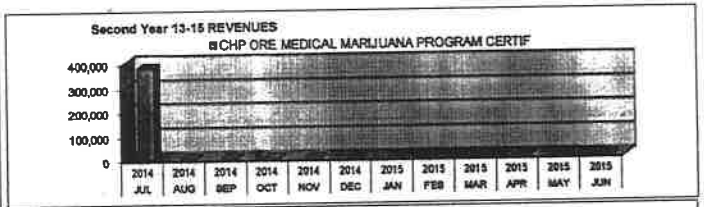
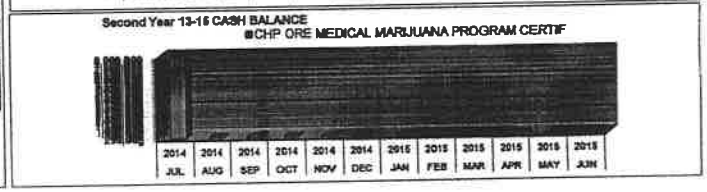
CENTER FOR HEALTH PROTECTION — **OTHER FUNDS GRANT LOOKUP**

GRANT NUMBER 48035215 — **CHP ORE MEDICAL MARIJUANA PROGRAM CERTIF**

	JUL 2014	AUG 2014	SEP 2014	OCT 2014	NOV 2014	DEC 2014	JAN 2015	FEB 2015	MAR 2015	APR 2015	MAY 2015	JUN 2015	Total 2nd Year	Total Biennium
Revenue	1,111,576	0	0	0	0	0	0	0	0	0	0	0	1,111,576	11,627,169
Personal Services	134,103	0	0	0	0	0	0	0	0	0	0	0	134,103	1,712,924
Service & Supplies	22,864	0	0	0	0	0	0	0	0	0	0	0	22,864	248,176
Capital Outlay	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Special Payments	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Transfers	(735,954)	0	0	0	0	0	0	0	0	0	0	0	(735,954)	(4,326,701)
Cost Allocation	78,610	0	0	0	0	0	0	0	0	0	0	0	78,610	825,847
	50.76%													
Summary:														
Revenues	375,622	0	0	0	0	0	0	0	0	0	0	0	1,111,576	11,627,169
Expenditures w/o CA	156,958	0	0	0	0	0	0	0	0	0	0	0	156,958	1,969,099
Expenditures w/CA	235,567	0	0	0	0	0	0	0	0	0	0	0	235,567	2,784,946
Cash Balance:	$7.8 million	0	0	0	0	0	0	0	0	0	0	0		







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Appendix 2

Oregon Health Authority, Public Health Division

2013-15 Expenditures Funded with OMMP Fee Revenues

Public Health Program	Transfer Amount	Cost Allocation (estimate)	Total Transfer
Emergency Medical Services/Trauma System	$2,050,000	$439,511	$2,489,511
Drinking Water	$3,000,000	$671,169	$3,671,169
School Based Health Centers	$500,000	$12,667	$512,667
Contraceptive Care*	$2,650,000	$0	$2,650,000
Midwives	$30,000	$0	$30,000
WIC Senior Farmers Market	$5,000	$0	$5,000
Total	$8,235,000	$1,123,347	$9,358,347

*includes 1-biennium increase of $1.5M by 2013 Legislature

Oregon Medical Marijuana Statistics – December 8, 2014

Number of OMMP Patients	70,128
Number of OMMP Caregivers	47,187
Number of OMMP Growers	38,291
Patients listing grower not themselves	33,201
Number of Physicians with a current OMMP Patient	1,637

Oregon Medical Marijuana Program – Breakdown by Age

Age	Cards Issued
17 or younger	211
18 - 20	1,090
21 -30	9,973
31 – 40	14,107
41 - 50	12,124
51 - 60	16,866
61 - 70	12,803
71 or older	2,859

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Qualifying Conditions

Condition	Cards Issued
Severe Pain	64,781
Spasms	17,774
Nausea	9,468
Cancer	3,612
PTSD	3,203
Seizures	1,821
Cachexia	1,141
Glaucoma	1,092
HIV/AIDS	757
Alzheimer's (agitation)	83
Severe Pain only	38,918
PTSD only	787

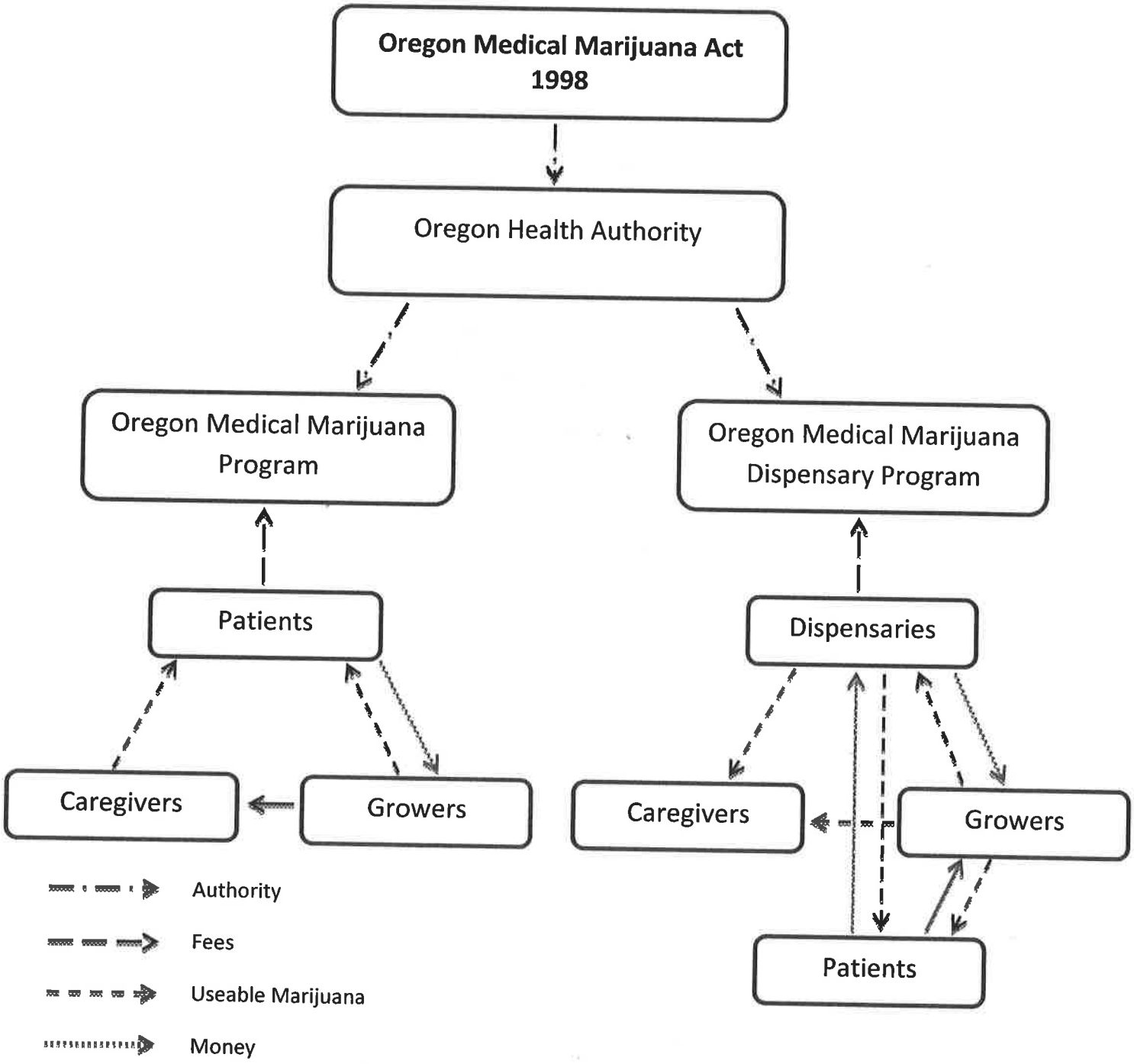
Fee Breakdown (1/1/14 – 1/1/15)

Patients who paid full $200 registration fee	**38,121**	**$7,624,200**
Patients who paid reduced fee of $60 based on receiving SNAP assistance	9,805	$588,300
Patients who paid reduced fee of $50 based on OHP eligibility	15,312	$765,600
Patients who paid reduced fee of $20 based on receiving SSI benefits	4,420	$8,840
Patients who paid reduced fee of $20 based on receiving specific Veterans benefits (since 6/1/14)	328	$6,560
Totals	67,986	$8,993,500

OMMP Patients at Grow-site Addresses (12.2.14)

Growsite Addresses with 4 patients or less	**34,566**
Growsite Addresses 5 > 20 patients	2,021
Growsite Addresses with 21 patients or more	17
Patients with no growsites	7,335

Oregon Medical Marijuana & Medical Marijuana Dispensary Program Flowchart



This chart illustrates the flow of fees, useable marijuana and reimbursement under the Oregon Medical Marijuana Act.*

The above chart illustrates how simple the programs really are.

Patients may, under the OMMP, authorize a grower to produce marijuana for them and may reimburse the grower for a portion of their cost for utilities and supplies, but not labor or other overhead. Patients may also authorize a caregiver to help facilitate exchanges between patient and grower or patient and dispensary as needed. For the most part growers do not charge their patients for marijuana especially if they are allowed to put any excess not used by the patient into the dispensary pipeline to help recoup expenses. Unlike the dispensary program growers can be reimbursed by dispensaries for the normal cost of doing business.

In the same manner, patients may authorize their growers to transfer any excess marijuana produced by their growers to dispensaries. Dispensaries are allowed to redistribute that excess to patients who use dispensaries. At the point of exchange by a grower to a dispensary, ownership of the marijuana transfers from the patient to the dispensary and the dispensary becomes responsible to ensure that the marijuana is properly handled and accounted for. Dispensaries are responsible for testing to ensure useable marijuana is safe for consumption as well as other public safety concerns. Dispensaries are not restricted in how much they may possess but are held to strict reporting, handling and accounting procedures.