



# August 2014 Update on the Medical Marijuana Program



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# The Medical Marijuana Establishment Application Process

NAC 453A Adopted Regulation R004-14, Section 25

- Notification: On May 30, 2014, the Division issued a 45-day request for applications to operate a medical marijuana establishment.
- Window: The Division accepted applications for all 4 establishment types for 10 working days, August 5-18, 2014.
- Announcement: The Division will announce provisional certifications on November 3, 2014 (90 days from August 5).
- The Division will similarly accept applications in future years, pending additional participating counties and the need for additional establishments to serve the needs of Nevadans.



# Essential Elements of the MME Application Process

- The Division must accept all applications it receives from potential applicants.
- Medical marijuana registration certificates will be issued pursuant to a merit based application process.
- The top candidate(s) will be issued a provisional certificate and the Division will forward the candidate to the appropriate local government.



# Regulations Focus on Safety

More on NAC 453A Adopted Regulations R004-14

The Regulation was conceived with the focus on marijuana as a medicine and on public safety.

- Nevada requires medical marijuana to be tested at harvest and when it changes form.
- Testing will only be allowed by Nevada certified independent testing laboratories.
- Strict guidelines must be followed for labeling and packaging.





# Implementation Status of SB 374

- Temporary subject matter experts were hired and trained to sit on 3-person review teams for MME applications
- Application intake was held between August 5 and 18, 2014
- Several hundred MME applications had been received by 11am on Monday, August 18<sup>th</sup>, the majority from southern Nevada. Additional applications postmarked by the U.S. Post Office for dates within the application window are also expected this week.
- The applications are currently being reviewed and scored (90 days allotted)
- Results to be announced on November 3, 2014



# Transfer of Ownership of Establishment Certificates?

NRS 453A.334: The following are nontransferable:

1. Medical marijuana establishment agent registration card
2. Medical marijuana *establishment registration certificate*

However, if a certificate is issued to a corporation or similar organization, the smaller percentage owners (less than 10% total) within the organization can change.

→ All new owners within the corporation must have a background check.



# How can an Establishment make a Significant Ownership Change?

NAC 453A (R004-14A) Sec. 35: A medical marijuana establishment *must surrender* its establishment registration certificate and reapply for a establishment registration certificate during the next request for applications issued by the Division

- a) *Before all or substantially all of the assets of the medical marijuana establishment or 10 percent or more of the stock of the medical marijuana establishment are transferred...*



→ *Unauthorized ownership changes can result in Revocation (sec. 35)*



# Additional Dispensaries?

The Legislature makes the determination of how many dispensaries are allowed →

**NRS 453A.324:** 1. Except as otherwise provided in this section and [NRS 453A.326](#), the Division shall issue medical marijuana establishment registration certificates for medical marijuana dispensaries in the following quantities for applicants who qualify pursuant to [NRS 453A.322](#):

- (a) In a county whose population is 700,000 or more, 40 certificates;
- (b) In a county whose population is 100,000 or more but less than 700,000, ten certificates;
- (c) In a county whose population is 55,000 or more but less than 100,000, two certificates; and
- (d) In each other county, one certificate

→ Per NRS 453A.326, the board of county commissioners of the State's two counties with populations of 100,000 or more have changed the percent allocation of dispensaries for local governmental jurisdiction within the county.





# Projected Number of Cardholders Using Data from Other States

- Both Arizona and Colorado have legalized MME's within the past several years, providing an idea of the demand for medical marijuana cards in the coming months.
- Arizona's medical marijuana experience has been quite similar to that of Nevada, likely making it a better example for Nevada's future.
- Arizona's Active Cardholder count has grown at a rate of 32.18% per year since the opening of dispensaries in December of 2012.
- Colorado was not used in projection due to large variances in cardholders and recent law changes allowing for recreational use of marijuana. The state has seen a 6.92% increase per year in cardholders since dispensaries opened in the summer of 2010.





# Projected Number of Cardholders Based on Post-Dispensary Arizona

## Projection A (% increase from Current)

Current Cardholders: 6,496 (-)

Dec. 2014 Projected: 7,685 (+18.30%)

Jul. 2015 Projected: 8,473 (+30.43%)

Dec. 2015 Projected: 8,687 (+33.73%)

Assumptions:

- Base number of 186\* new cardholders per month.

- Nevada's current cardholder growth rate applied through Mar. 2014.

Arizona's post-dispensary growth rate applied thereafter.

\*Likely lower than true number due to current staffing constraints, which has slowed application processing time and influenced the number of new cardholders per month.

## Projection B (% increase from Current)

Current Cardholders: 6,496 (-)

Dec. 2014 Projected: 7,685 (+18.30%)

Jul. 2015 Projected: 9,362 (+44.12%)

Dec. 2015 Projected: 9,817 (+51.12%)

Assumptions:

- Base number of 396\* new cardholders per month.

- Nevada's current cardholder growth rate applied through Mar. 2014.

Arizona's post-dispensary growth rate applied thereafter.

\*Using 75% of the avg. monthly initial applications received since 4/1 fee reduction. More representative of the true new cardholders per month once staffing constraints are resolved.



# Medical Marijuana Physicians on Division website?

**NRS 453A.700 Duties of Division concerning confidentiality; certain items of information not subject to subpoena, discovery or inspection.**

1. Except as otherwise provided in this section, [NRS 239.0115](#) and subsection 4 of [NRS 453A.210](#), the Division and any designee of the Division shall maintain the confidentiality of and shall not disclose:
  - (b) The name or any other identifying information of:
    - (1) An attending physician;



# Medical Marijuana Program Contacts

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# Questions?

