



Advancing Legal Medical Marijuana Therapeutics and Research

To: Georgia state legislators contemplating medical cannabis legislation
From: Michael Liszewski, Government Affairs Director
Date: February 19, 2016
Re: Academic Institutions and State Agencies as Medical Cannabis Cultivation Sources

Introduction

Of the 24 existing medical cannabis programs in the 23 States and the District of Columbia, not a single one relies on academic institutions or state agencies to produce medicine for patients enrolled in their programs. The overwhelming majority of these programs provide medicine to patients through licensed and regulated private cultivators and dispensaries. A small minority of these programs rely solely on patient/caregiver cultivation, and many of programs utilize both the licensed commercial model and patient/caregiver cultivation to provide medicine for their patients.

There have been two major attempts by states (New Jersey and Maryland) to utilize academic institutions and/or public agencies as cultivation or dispensing facilities for their state's medical cannabis program. Both efforts were failures and both of these states ultimately adopted the traditional licensed and regulated commercial model.

Because the licensed model has been proven to work and the failure of states attempting to assign these duties to other entities, ASA recommends that lawmakers adopt a traditional regulated commercial model and dispensing. Toying with a novel approach that has failed previously is harmful to patients who need safe and legal access to regulated medical cannabis as soon as possible. Instead, ASA recommends enacting a program that allows state regulators to adopt high quality product safety standards that ensure patients with qualifying conditions are obtaining consistent and reliable medical cannabis products.

New Jersey - Rutgers University Refused to Cultivate for State Program

The New Jersey Legislature approved its medical cannabis program, SB 119, in January 2010, shortly before Governor Christie took office. The SB 119 program approved by the legislature included traditional licensed and regulated commercial cultivators and dispensaries. Through executive action, Governor Christie attempted to change the program by requiring that all cannabis be grown by Rutgers's University, a public college under the Office of the Secretary of Higher Education, a state agency.

Rutgers refused the opportunity to grow cannabis for the state's medical program because federal funding would be at risk. Rutgers executive dean of agriculture and natural resources, Robert M. Goodman, said that forcing the state institution to grow medical cannabis "just puts too much risk," with respect to scholarships and research

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contracts.¹ The state was in jeopardy of losing more than \$500 million in federal aid.² This money for research and scholarships would not be at risk with a state system that licenses and regulates private parties to cultivate medical cannabis. And while the federal Department of Justice is forbidden from interfering with state legal medical cannabis programs under the Rohrabacher-Farr Amendment, other federal agencies are still free to pull funding from state agencies that directly produce and distribute Schedule I substances.

Maryland - No Academic Medical Centers were willing to Become Dispensaries

In 2013, the Maryland General Assembly enacted a medical cannabis law, HB 1101, that only allowed for dispensing through “academic medical centers” (“AMCs”).³ The law defined AMCs as hospitals that conduct “research that is overseen by the federal Department of Health and Human Services and involves human subjects.” ASA cautioned the Maryland General Assembly that this program was not going to result in the participation by any AMCs in the state.

Over the following year, not a single AMC was willing to participate in the program.⁴ Again, federal funding and accreditation over the handling of a Schedule I substance was the key issue. In 2014, the General Assembly voted to include traditional regulated medical cannabis dispensaries as part of its program with the passage of HB 881. The Fiscal and Policy Note from the Maryland Department of Legislative Services on HB 881 noted that, “the academic medical centers in the State (The Johns Hopkins University and the University of Maryland Medical System) continue to advise that they have no plans to participate in the medical marijuana program, no fee revenues are anticipated from this source.”⁵

Conclusion

In the nearly two decades of medical cannabis laws in the U.S., two states have made serious attempts at assigning the cultivation and/or dispensing duties of their medical cannabis program to state or academic institutions. Neither of these attempts were successful. ASA recommends adopting a traditional licensed commercial cultivation and dispensing model, as these models have been proven to facilitate safe and legal access to medical cannabis products for qualifying patients.

¹ *New Jersey's Medical Marijuana Law Loses Planned Grower and Dispensers*, Richard Pérez-Peña, New York Times, July 23, 2010, available at: <http://www.nytimes.com/2010/07/24/nyregion/24marijuana.html>.

² *Rutgers declines growing medical marijuana to not risk federal funding*, Susan K. Livio, NJ.com, July 24, 2010, available at: http://www.nj.com/news/index.ssf/2010/07/rutgers_declines_growing_medic.html.

³ Maryland HB 1101 (2013), available at: <http://mgaleg.maryland.gov/2013RS/bills/hb/hb1101T.pdf>.

⁴ *Why Maryland's Medical Marijuana Law May Need Revision*, John Lee, WYPR, Dec. 3, 2013, available at: <http://news.wypr.org/post/why-maryland-s-medical-marijuana-law-may-need-revision#stream/0>.

⁵ Maryland General Assembly, Fiscal and Policy Note on HB 881 (2014), available at: http://mgaleg.maryland.gov/2014RS/fnotes/bil_0001/hb0881.pdf.

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