



MEDICAL MARIJUANA LEGISLATIVE OVERSIGHT WORKING GROUP
ACT 230, HB 2707, SESSION LAWS OF HAWAII 2016

Meeting Minutes

DATE: Wednesday, December 14, 2016
TIME: 1:00 PM – 3:00 PM
PLACE: Conference Room 325
State Capitol
415 South Beretania Street

Working Group Members & Presenters in Attendance:

Senator Rosalyn Baker, Co-Chair
Representative Della Au Belatti, Co-Chair
Representative Joy San Buenaventura
Professor Susan Chandler, Facilitator, UH-Manoa Public Policy Center
Carl Bergquist, Drug Policy Forum of Hawai'i
John-Paul Bingham, University of Hawai'i, College of Tropical Agriculture
Michael Contrades, Kauai Police Department
Christopher Garth, Executive Director, Hawai'i Dispensary Alliance
Wendy Gibson, Drug Policy Forum of Hawai'i/Medical Cannabis Coalition of Hawai'i
Richard Ha, Lau Ola, Dispensary Industry Representative (Hawai'i County)
Bill Jarvis, Qualifying Patient over the age of 18
Karen Kahikina, Department of Transportation, Highway Safety (alt.)
Stacy Kracher, APRN/RX
Rob Lee, Department of Transportation, Airports Division (alt.)
Ally Park, Laboratory Representative
Jari Sugano, Parent of Qualifying Patient under the age of 10
Keith Ridley, Hawai'i DOH, Office of Healthcare Assurance
Michael Takano, Pono Life Sciences, Dispensary Industry Representative (Maui County)
Scottina Ruis, Hawai'i DOH, Medical Marijuana Registry Program Coordinator (presenter)
Thomas Wills, University of Hawai'i Cancer Center
Greg Yim, MD

Working Group Members Present by Phone:

Patricia Wilson, Honolulu Police Department (alt.)
Thayne Taylor, Hawai'i Dispensary Alliance

I. Review of 11/09/2016 meeting minutes

Welcoming remarks made by Representative Belatti followed by brief introductions of Working Group members present in person and by phone.

Susan Chandler presented an overview of the agenda and reviewed the November minutes for approval.

- Working group approved the December 14, 2016, agenda.
- Working group approved the November 9, 2016 minutes with a clarification of the DOH website training for physicians on page 4.

II. Dispensary Presentation: Aloha Green Holdings

James Lee, Tai Cheng, and Wayne Wills of Aloha Green Holdings provided a presentation on the status of their company, the timeline, milestones, community engagement, and industry challenges. The presentation slides are available at <http://www.publicpolicycenter.hawaii.edu/projects-programs/act230.html>

Following the Aloha Green presentation, Working Group members engaged in the following question and answer session with the Aloha Green Holdings Management Team:

Q: Why did you choose not to have sub-contractors for the growing operations? Are you contracting with any local vendors?

A: We wanted to create a local industry. Sub-contractors for growing operations own the intellectual property and only provide the product. We're not sub-contracting the growing in order to keep the intellectual property here.

Sub-contractors also fly in from mainland and fly back after the job is complete. We wanted to hire local employees. We are growing in a different way here in Hawai'i. All of the products will be lab tested.

We have contracted locally for construction, electricity, and other business operations.

Q: You mentioned you already built a nursery. Did Aloha Green go through the agricultural exemption for building the nursery?

A: Yes, we did. Phase two will be exempt also. Phase three will need to be permitted.

Q: Are there any issues with waste water at your grow site?

A: No.

Q: Is the DOH aware of this?

A: Yes, we are just waiting for notice from them to proceed.

Q: How can we work with the DOH to move more quickly with the seed-to-sale tracking system?

A: We have contracts with BioTrack. They are able to phase in software. I am not aware of the problems with the DOH. It's different from state to state.

Q: You mentioned that you had to let some growers go because you could not start as planned. Are you experiencing any other economic hardships?

A: Yes, we are paying for land at the grow site and the dispensary location. The growers were not laid off. They are currently on vacation because there is no work. The reserve required to be in the bank to apply for a license is not enough to start a dispensary. You need 10 times that amount. It's what's being spent now with no revenue.

Q: There are different medical marijuana strains for different conditions. Who advises patients at the distribution end? Is there a body of research to support this?

A: Yes, there is research on cannabinoids with different effects for different conditions. However, there is no research on dosing. We have a manual available to patients to educate them. Also, among patients there is a lot of communication.

Q: Is there any ability to accelerate the start of these businesses?

A: We have spoken with DOH. Our facilities are secure. Our tracking systems are in place. We are ready to grow, and we want to grow. If the product does not meet lab standards we would destroy it. We understand the risks involved in having the product diverted to the black market. We believe it's safe with the security measures we have in place. Contracts are a handcuff at the end of the day. There's a rent payment and a percentage of sales due each month. Our current growers are not master growers, but we have master growers from other places training our growers.

Q: Does Mr. Wills want to add anything about Aloha Green's security operations?

A: There are many moving parts – the production site, grow site, cash only basis, and banking issues. We need a way to move cash out of the dispensary. HPD has access to the production center 24-7.

III. DOH Monthly Update

DOH representatives (Keith Ridley & Scotti Ruis) presented an update of the two parts of the DOH Medical Marijuana Program: (1) the Medical Marijuana Patient Registry Program; and (2) the Dispensary Program.

DOH Patient Registry Program

- On November 30, 2016, there were 14,937 registered patients.
- On November 30, 2016, 9% of patients had a caregiver.
- DOH has a 5 business day application turn-around.
 - They have been able to work through their backlog with approved overtime.
 - One new position has been established and they will be able to hire in January.
- Waiting for HIC to execute contract. Implementation of the contract will reduce turn around time.

Q: What is the timeframe on the length of contract with HIC? How long does it last?

A: The database is a webhosted data system that's housed in the cloud. It's paid per use. There is no end date. If there was a termination of the state contract, then we could have another entity.

Q: Could you talk about adding new medical conditions?

A: In the administrative rules, adding new conditions is discussed. Once we know how many new conditions to anticipate, then we will set a timeframe. The process has not been announced yet. It is articulated in the administrative rules with each petition and public hearing process.

Q: Has the backlog changed at all?

A: We were approved to use overtime to catch up on backlog. What you don't see in those numbers registered are application renewals. We have no less than 50 applications per day. It's typically 80-100 applications a day.

Dispensary Licensing Program

- Status of BioTrack contract:
 - A meeting was held last week with BioTrack.
 - DOH is looking at unfolding the entire contract using a phased approach
 - Phase 1
 - Train
 - Configurations
 - Ensure the requirements and configurations are in-line with the law
 - General plans in place for follow-up training for DOH staff and licensees
 - Anticipating implementation in the next couple of months; if it can be sooner it will be
 - A system needs to be in-place to allow dispensaries to tie into the state tracking system grow and inventory. That is what the law requires. The DOH can't move before that happens.
 - There has been a partnership with BioTrack throughout the implementation process
- Testing labs:
 - DOH has only received one application to date
 - The DOH is working with the applicant on the application process
 - The lab is working to get their certification which is a requirement

Q: What is the projected timeline?

A: I am not sure of the dialog with the accreditor.

Q: If BioTrack is in place, the fact that the lab is not in place will not stop growing operations?

A: Correct.

Q: Are you aware of other labs applying?

A: I've heard about intended applications, but haven't seen any at this time.

A: Laboratory representative: AEOS labs submitted an application yesterday.

Q: Has DOH considered how they will review plants and samples?

A: Transportation will be tracked in BioTrack.

Q: Will it be a random testing or testing of every plant?

A: Samples will be tested.

Q: Can you address the issue with getting cultivation started sooner? Can dispensaries start cultivating before the BioTrack system is up?

A: The law requires that the dispensary tracking systems tie into the states tracking system. The law wouldn't allow for it, so that's why the DOH has to wait.

Q: This is a large-scale software implementation. Have they provided a timeline? What's their end date for implementation?

A: We can't give you that at this time. We are still working on establishing that.

Q: Have you hired staff to oversee the BioTrack system?

A: Yes.

Q: So, there is no timeline?

A: I don't have a date. At this time, we are saying in the next couple of months.

Q: Do we have a plant inventory?

A: The day we give them notice to proceed they can start growing.

Q: What does that require for infrastructure of the state?

A: It requires a system for them to plug into.

Q: How often do you meet with BioTrack?

A: We met last week.

Q: What will it take to speed this up?

A: It would require us not responding to hearing requests or lawsuits that we've had. There are a number of things that have engaged our staff.

Q: Aloha Green already has BioTrack, what's stopping you?

A: The law states that dispensaries systems *must tie into the state system*. The state doesn't have a system in place yet. They are waiting on us.

Q: In terms of the inventory control system not being in place, could they get seeds in the ground?

A: The DOH requires the inventory of seeds, clones, etc. No, not just the plant count.

Q: If dispensaries have BioTrack and are able to keep track of inventory, can they keep track and then off load data to the state system later?

A: No, the law doesn't allow for operations until both systems are ready.

Q: If there is a tracking system even on paper would this not count? Why does it have to be an electronic system? What are the options on how we can move this forward?

A:

Comment: We need firmer timelines with BioTrack before the next meeting in January. The suggestions about work arounds should be reviewed. If the law is too strict, we can propose legislation to help with this.

A: Some of these suggestions are ideas we had discussed early on. When we looked at the law it doesn't allow us to move forward until the systems are in place.

IV. Report on Hawaii Medical Board's discussion and/or actions on FSMB's "Model Guidelines for the Recommendation of Marijuana in Patient Care"

Ahlani Quiogue (Executive Officer of the Hawai'i Medical Board) and Dr. Peter Holt presented an overview of the model guidelines. The guidelines have been informally adopted by the Hawai'i Medical Board. The board did not want to put them in the administrative rules or legislation.

The model guidelines include:

- Physician-patient relationship
- Patient evaluation in person and documented
- Informed decision making process – explore patient options
- Duration of therapy
- Treatment plan – adaptable
- Consultation and referral services
- Documentation of on-going assessment
- Physician conflicts of interest
 - The board is not tasked with investigating physicians

Q: Opioid use and misuse is a great topic of discussion. Has the board adopted guidelines of opioid use/abuse?

A: HRS Chapter 453 – Pain management guidelines discuss opioid use/abuse. These guidelines are available on the Board’s website http://cca.hawaii.gov/pvl/boards/medical/statute_rules/
Also, medical marijuana is not analogous to opioids. Opioids are prescribed drugs.

Q: Would it benefit physicians to know if the patients are buying medical marijuana?

A: That is part of the discussion under patient care. It should already be happening.

Q: Was the language in the guidelines and HB 2707 changed to include APRNs?

A: This is the Medical Board’s language.

Q: You stated the guidelines were adopted informally. Will that be communicated to the medical community?

A: The guidelines will be posted to our website.

Q: Is the Hawai‘i Medical Board open to meet with sub-committees?

A: I’ve never discussed that with them, but I would be open to do that as an administrator.

Q: Why do the guidelines state medical marijuana not be a first line of treatment? Also, the treatment duration of 12 months doesn’t make sense. What is the rationale behind that?

A: These are guidelines only. It is meant to be a general guideline.

Q: Would it be appropriate for the Board to be presented with continuing education and science behind medical marijuana?

A: The medical board does not review continuing medical education (CME) units. The board requires physicians to obtain CMEs in their specialties.

Q: Are there any standards to deal with patients from other states?

A: This will be discussed in sub-committees.

Q: The medical board is responsible for physician discipline. With the informal adoption of these guidelines, will the board still discipline physicians?

A: The board just adopted the guidelines on Thursday, December 8, 2016.

Q: If a doctor personally has a blue patient registry card, is that an issue?

A: We are not able to answer that question.

V. Discussion of subcommittee survey results & topics

Professor Chandler reviewed the prioritization of subcommittee topics survey results. There were 21 of 28 responses recorded.

The top 3 issues identified with sub-committee leads are:

- Education – Stacey Kracher
- Patient Issues – Carl Bergquist
- Product – Mike Takano

Banking sub-committee

- Iris Ikeda may potentially provide a presentation on this at the January meeting

Representative Belatti requested sub-committees hold a meeting, identify tasks the sub-committee will tackle, create a timeline, gather information and provide a report to the working group with identified solutions, prior to the next oversight committee meeting. This should be accomplished within the next two-weeks in order to produce a preliminary report at the January meeting. Check-in reports should be prepared by February or March. Sub-committee leads should send an update to the chairs on their group's progress prior to the January 25th meeting for distribution to the working group.

The University of Hawaii has recently decided to pursue a federal license that will allow research into medical marijuana. A team at the University, including Working Group member Jon-Paul Bingham, will be leading these efforts with the University working to ensure they operate within federal guidelines and relevant federal statutes.

VI. Discussion of Working Group's Draft Report to 2017 Legislature

Representative Belatti explained the working group must draft a report by the beginning of next legislative session to document progress. Upon completion, the report will be available on the PPC website at <http://www.publicpolicycenter.hawaii.edu/projects-programs/act230.html>

VII. Questions and comments from public

Comment: In order for this to work, it must be collaborative. It seemed contentious here. Many other states have already done this. Can we learn from the other states?

Comment: PharmLabs Hawai'i was the first to submit a lab application. They received their ISO accreditation last week and that has been provided to the DOH. The lab is fully staffed and fully operational. We are willing to offer services to the working group if needed.

Comment: Not allowing dispensaries to start growing is an issue to the industry and patients. There is an urgency on the patient side that should be understood.

VIII. Next Steps & Announcements

IX. Adjournment

**The next Task Force Meeting is Wednesday, January 25, 2016
at the State Capitol, Room 325, 1:00-3:00pm.**