

The Department of Health Medicinal Marijuana Program 2014 Annual Report

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Chris Christie, Governor
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**The Department of Health
Medicinal Marijuana Program
2014 Annual Report**

This document reports the current status of the New Jersey Department of Health (DOH), Medicinal Marijuana Program's (MMP) progress in the implementation of the New Jersey Compassionate Use Medical Marijuana Act (the Act), N.J.S.A. 24:6I-1 et seq. This report will offer an update of program developments in calendar year 2014 on the status of the Alternative Treatment Centers; the patient, caregiver, and physician registries; laboratory testing; the regulatory process; and, conclude with calendar year 2014 statistics.

Alternative Treatment Centers (ATCs)

Greenleaf Compassion Center (GCC) in Montclair, Essex County, was issued a permit to cultivate on April 16, 2012, and issued a final permit on October 15, 2012. GCC began dispensing medicinal marijuana to patients on December 6, 2012. Since its initial permitting, 462 patients have been served, 2,226 transactions completed, and 80 pounds of product dispensed. From January 1, 2014 through December 31, 2014, 361 patients were served, 1,747 transactions completed, and 55.3 pounds of product dispensed. GCC dispensed product on 78 days in 2014. The Department maintains 24/7 video surveillance of the ATC operation and access to its internal inventory management system. GCC was re-permitted on January 1, 2014.

Compassionate Care Foundation (CCF) in Egg Harbor, Atlantic County, was issued a permit to cultivate on June 6, 2013, and issued a final permit on October 3, 2013. CCF began dispensing medicinal marijuana to patients on October 28, 2013. Since its initial permitting, 983 patients have been served, 4,968 transactions completed, and 212 pounds of product dispensed. From January 1, 2014 through December 31, 2014, 583 patients were served, 4,420 transactions completed, and 185 pounds of product dispensed. CCF dispensed product on 216 days in 2014. The Department maintains 24/7 video surveillance of the ATC operation and access to its internal inventory management system.

Garden State Dispensary (GSD) in Woodbridge, Middlesex County, was issued a permit to cultivate on August 7, 2013, and issued a final permit on November 20, 2013. GSD began dispensing medicinal marijuana to patients on November 22, 2013. Since its initial permitting, 2,165 patients have been served, 13,020 transactions completed, and 515 pounds of product dispensed. From January 1, 2014 through December 31, 2014, 1,682 patients were served, 12,051 transactions completed, and 493 pounds of product dispensed. GSD dispensed product on 346 days in 2014. The Department maintains 24/7 video surveillance of the ATC operation and access to its internal inventory management system.

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Breakwater ATC (Breakwater) in Cranbury, Middlesex County, was issued a temporary permit to cultivate on November 20, 2014. Breakwater has initiated cultivation of eight strains of medicinal marijuana and has an inventory of 540 plants. Breakwater has advised the Department that they expect to be fully operational in the summer of 2015. The Department maintains 24/7 video surveillance of the ATC operation and access to its internal inventory management system.

Compassionate Science ATC (CSATC) has secured a host community in Bellmawr, Camden County. The examination of its principals, corporate structure and funding source was initiated on December 14, 2012, and is expected to be completed during the second quarter of 2015. CSATC has completed the construction of its cultivation facility. Final inspection of the facility will be conducted following the completion of the examination process.

Foundation Harmony (Harmony) has secured a host community in Secaucus, Hudson County. The examination of Harmony principals, corporate structure, and funding source was initiated on December 2, 2014, and is ongoing. The Department is working with Harmony to achieve regulatory compliance during the examination process.

Medicinal Marijuana Cultivation

As a result of amendments to P.L.2009, c.307, ATCs are not limited in the number of strains of medicinal marijuana cultivated. The chart below outlines the number of medicinal marijuana strains cultivated by permitted ATCs since the inception of the program. The laboratory results of strains available are contained in the MMP Strain Library. The Strain Library is described further on page five of this report.

	GCC	CCF	GSD	Breakwater	Total
Total Strains Initiated	13	16	22	8	59
Strains Discontinued	3	3	4	0	10
Strains in Cultivation	10	13	18	8	49
Strains Tested	13	9	14	0	36
*CBD Strains Available	2	1	2	0	5
Total Strains Available	10	9	14	0	33

*CBD strains are, at a minimum, a 1 to 1 ratio of CBD to THC

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ATC Examinations

The Department executed a Memorandum of Agreement with the Department of Law and Public Safety (LPS) on January 12, 2012. LPS agreed to assist DOH with obtaining credible and relevant criminal, financial, and other information; as well as provide legal expertise in the examination of the ATCs' principals and business structure to assist the Department in making informed decisions regarding ATC permitting.

Greenleaf Compassion Center (GCC) – Examination of GCC principals and business structure was initiated on December 15, 2011. Examination was completed on April 16, 2012. MMP issued the ATC permit upon review of the examination.

Compassionate Care Foundation (CCF) – Examination of CCF principals was initiated on February 13, 2012. Examination was completed on March 18, 2013. MMP issued the ATC permit upon review of the examination.

Garden State Dispensary (GSD) – Examination of GSD principals was initiated on September 4, 2012. Examination was completed on April 24, 2013. MMP issued the ATC permit upon review of the examination.

Breakwater ATC (Breakwater) – Examination of Breakwater principals was initiated on August 24, 2012. Examination was completed on December 13, 2013. The MMP is assisting them in attaining full regulatory compliance.

Compassionate Science ATC (CSATC) – The examination of CSATC principals, corporate structure, and funding source was initiated on February 12, 2013, and is ongoing.

Foundation Harmony (Harmony) –The examination of Harmony principals, corporate structure, and funding source was initiated on December 2, 2014, and is ongoing.

Examination timeframes are impacted by a number of factors including the complexity of the ATC business structure, their contractual agreements and their responsiveness to requests for information.

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Patients/Caregiver Registry

The MMP developed an electronic patient and caregiver registration and payment process (the registry). The registry is an encrypted, public-facing web application that provides end-to-end security of personal, medical and financial information of the applicant. This registry opened on August 9, 2012. Since the registry opened, 3,727 qualifying patients and 501 caregivers have been registered with the program. From January 1, 2014 through December 31, 2014, 2,057 qualifying patients and 304 caregivers registered with the program. The MMP has issued identification cards to 4,228 qualifying applicants completing the registration process. Additionally, all authorized debilitating illnesses are represented in the present patient population.

On August 18, 2014 the MMP initiated the patient and caregiver registration renewal process. A prorated registration fee is provided to patients who paid an initial registration fee but did not receive medicinal marijuana for a period of time after receiving their initial MMP ID card. The prorated fee is applied at the time of registration renewal and deducts for the time period a patient did not receive medicinal marijuana from an Alternative Treatment Center.

The patient and caregiver registration fee is \$200.00 for two years. Patients and caregivers that receive New Jersey Medicaid, Supplemental Nutrition Assistance Program benefits, New Jersey Temporary Disability Insurance benefits, Supplemental Security Income (SSI) benefits or Social Security Disability (SSD) benefits, receive a reduced registration fee of \$20.00. Approximately 48 percent of registered patients and caregivers receive the reduced application fee of \$20.00.

Physician Registry

Since the inception of the program, 371 physicians have registered with the program; of those physicians registered, 325 are active, 42 requested to be inactivated, and four were disapproved. From January 1, 2014 through December 31, 2014, 77 new physicians registered with the program. Of active physicians, 70 percent are currently authorizing patients for the program. All registered physicians are listed on the MMP website. Patients may ask their primary physician to register with the MMP or they may locate a participating physician on the website by county and/or medical specialty.

Participating physicians must hold an active New Jersey medical license in good standing issued by the NJ Board of Medical Examiners, possess an

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active controlled dangerous substances registration issued by the NJ Division of Consumer Affairs that is not subject to limitation, and practice within the State of New Jersey.

Outreach & Communication

The MMP developed a Customer Service Unit (CSU) for physicians, patients, caregivers, ATCs and the public. The CSU has responded to 25,091 public inquiries via telephone and e-mail. The CSU has also taken a hands-on approach with patients and caregivers to provide assistance through the registration process.

The MMP communicates with ATCs in the examination process to facilitate the review of submissions. Additionally, the MMP communicates daily with operational ATCs to monitor activity, obtain status reports, and resolve any programmatic issues to ensure compliance with the Act and applicable regulations.

Education

The MMP has partnered with the New Jersey Board of Medical Examiners, the Medical Society of New Jersey, and the Drug Policy Alliance to provide an electronic library of scholarly articles and research materials, which are available on the MMP website.

The MMP has developed a Medicinal Marijuana Strain Library available to registered physicians and patients through the MMP registry. The library contains laboratory testing results of available strains of medicinal marijuana cultivated by the ATCs. As of December 31, 2014, there were 33 distinct strains available and posted on the library site. The library is designed to assist physicians and patients in making informed decisions regarding medicinal marijuana use.

Marijuana Testing

The MMP worked with several State agencies to develop marijuana sampling and testing protocols that ensure compliance with labeling standards and the quality of the product. Furthermore, the Department's Public Health Environmental Laboratory (PHEL) established additional, scientific protocols for product sampling and testing.

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The PHEL worked with the Department of Agriculture to develop protocols related to testing for molds and pesticides. The MMP sampling and testing process was developed after researching marijuana testing protocols in the United States, Canada, and Europe. Product testing is necessary to establish cannabinoid profiles and screen the product for mold and other contaminants that can be dangerous for patients with compromised immune systems. The PHEL has developed a testing protocol for the detection of pesticides. Additionally, ATCs have provided the MMP with certification that no chemical pesticides are used in the cultivation of medicinal marijuana.

As of December 31, 2014, the MMP has conducted laboratory testing on 36 distinct strains of medicinal marijuana cultivated by operating ATCs.

Regulatory Process

The Department and LPS established a permitting process to thoroughly review the financial and personal backgrounds of the principals associated with the ATCs. The permitting process is modeled after protocols and procedures for reviewing the background and finances of casino operators undertaken by the Division of Gaming Enforcement, within LPS. Additionally, the MMP has developed an:

- Online registration process for patients, caregivers and ATC employees. Successful applicants are issued an identification card specific to their role within the program;
- Identification card system with various security features that mitigate counterfeiting and which can be validated by law enforcement through an online search; and
- ATC Monitoring Unit that conducts on-site inspections, monitors the ATCs by video in real time, and remotely accesses the ATC internal inventory management systems.

The DOH has collaborated with several State and private entities to implement the Act, including, but not limited to, LPS, including the Office of the Attorney General, the Boards of Medical Examiners and Pharmacy, and the Division of Gaming Enforcement; the Departments of Agriculture, Environmental Protection, Labor and Workforce Development, and Treasury; the Motor Vehicle Commission; Rutgers University; the University of Mississippi; the Drug Policy Alliance; the Medical Society of New Jersey; and the Coalition for Medical

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Marijuana New Jersey. Each has lent expertise to program implementation and operation.

Budget

The FY15 MMP budget consists of an appropriation of \$1,607,000 and a carry forward from FY14 of \$250,677 for a total overall budget of \$1,857,677. Revenue generated from July 1, 2014 to December 31, 2014 from the issuance of patient and caregiver identification cards and ATC permitting is \$206,176. This revenue is used to help offset the operation cost of the program.

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Program Statistics

Patient Registry Applications

	<u>Current</u>	<u>New in 2014</u>
Patients Active	3,569	1,984
Patients Inactive	73	23
Patients Deceased	85	50
<u>Patients Disapproved</u>	<u>203</u>	<u>201</u>
Total Patient Applications	3,930	2,258

Qualifying Patients Registered* 3,727 2,057

Caregiver Registry Applications

	<u>Current</u>	<u>New in 2014</u>
Caregivers Active	281	160
Caregivers Inactive	220	144
<u>Caregivers Disapproved</u>	<u>0</u>	<u>0</u>
Total Caregiver Applications	501	304

Primary Caregivers Registered* 501 304

Registry Identification Cards Revoked 0

*Approximately 48% of registered patients and caregivers qualified for and received the reduced application fee of \$20.00.

Alternative Treatment Center Examinations

Initiated	6
Completed	4
Ongoing	2

Alternative Treatment Center Permits

Issued	4
Full	3
Limited*	1
Revoked	0

*Breakwater ATC was issued a temporary permit to cultivate pending completion of full permitting of the dispensary facility.

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Physician Registry

	<u>Current</u>	<u>New in 2014</u>
Physicians Active*	325	75
Physicians Inactivated	42	2
Physicians Disapproved	4	0
Total Physician Activity	371	77

*Of the 325 active registered physicians, 228 or 70% are executing certifications for registered patients.

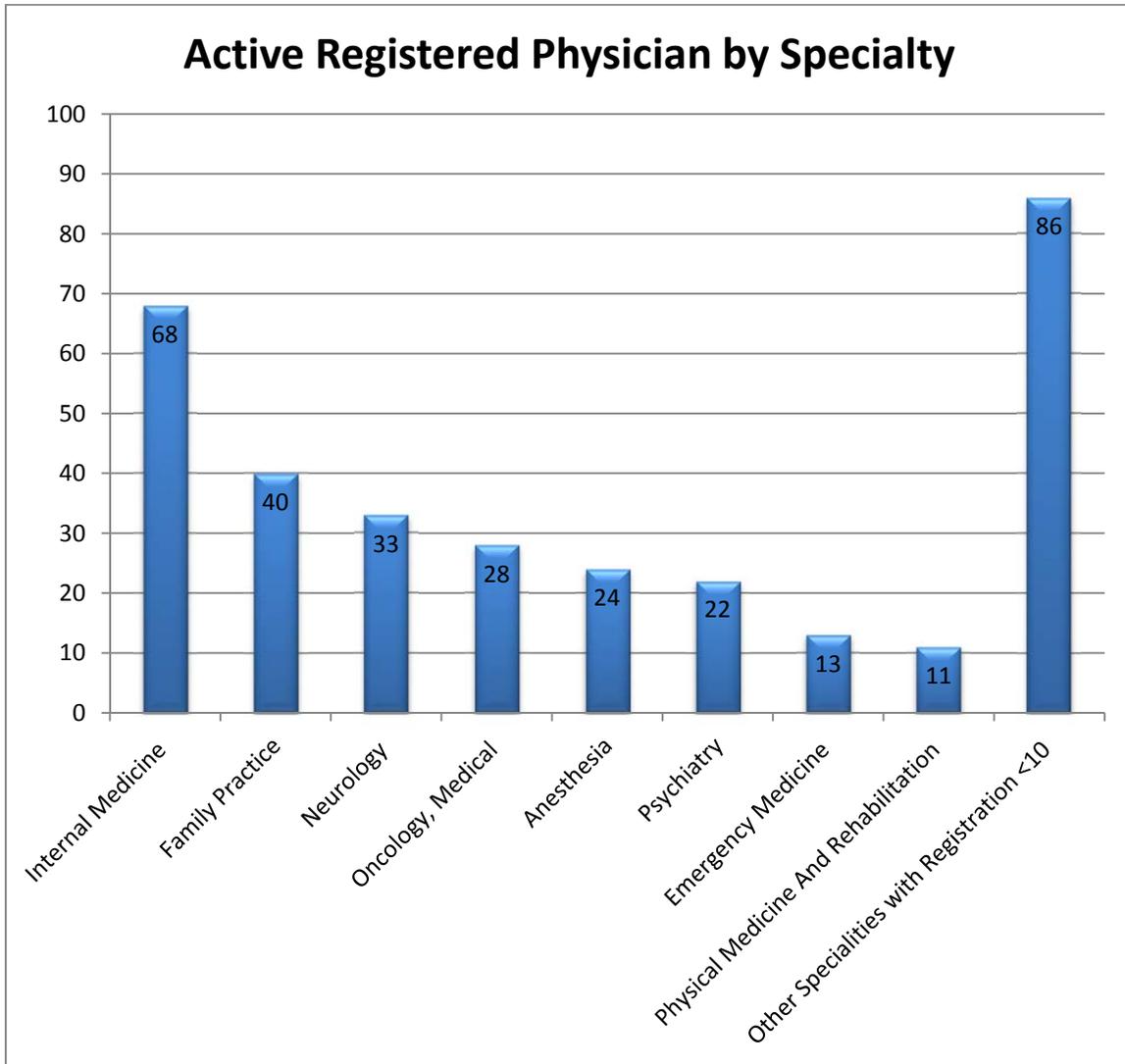
Nature of the Patients' Qualifying Illness Since Program Inception

Debilitating Condition	Count of Patient Conditions	Percentage of Population
Glaucoma	113	3
Inflammatory Bowel Disease	561	15
Intractable Skeletal Spasticity	1,287	34
Lateral Sclerosis	31	<1
Multiple Sclerosis	549	15
Muscular Dystrophy	68	2
Seizure Disorder	258	7
Severe or Chronic Pain	970	26
Terminal Cancer	260	7
Terminal Illness	73	2
Total	*4,170	**112

*Condition count is greater than patient total as some patients suffer from multiple qualifying illnesses.

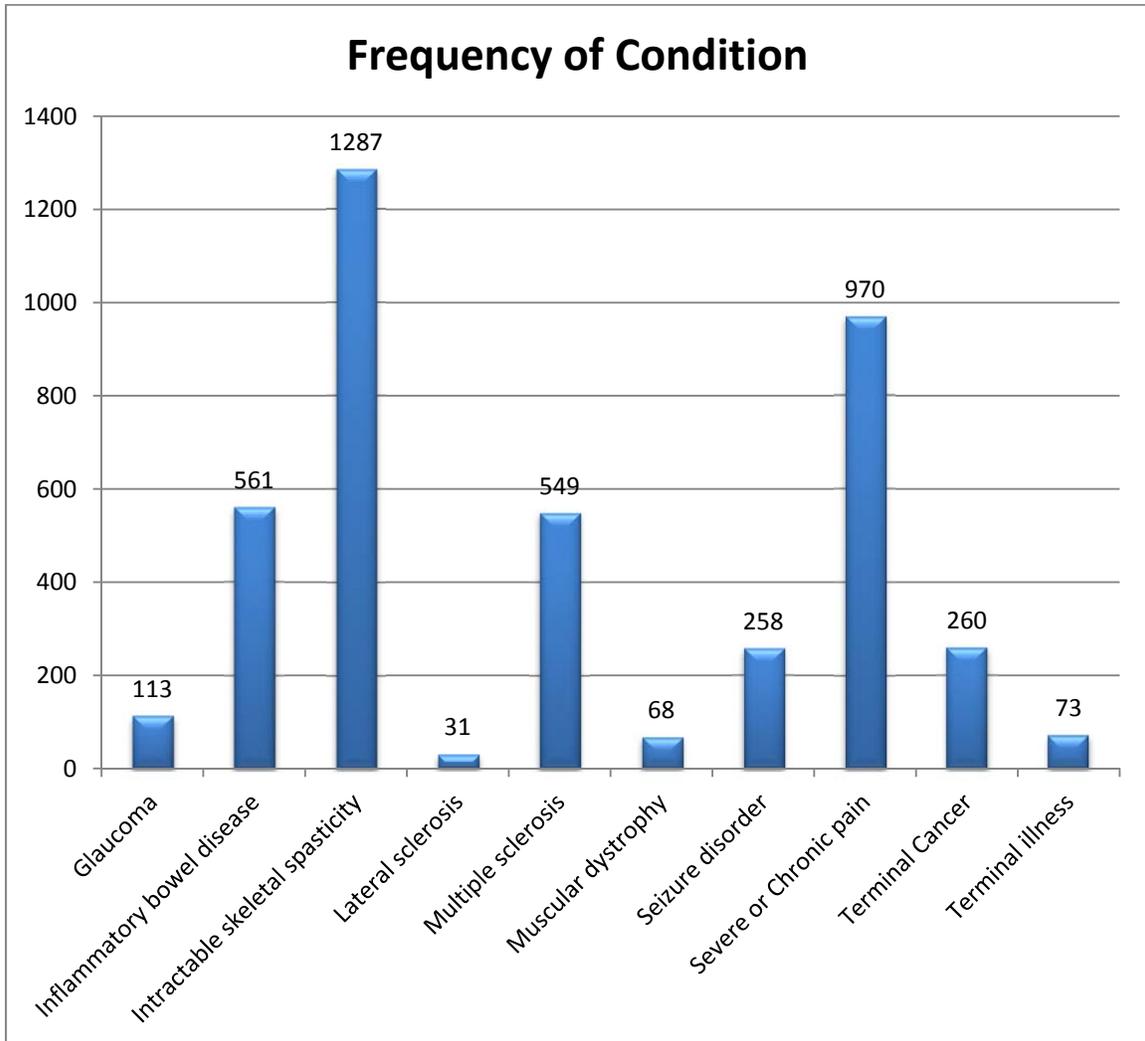
**Percentage of population is greater than 100% as some patients suffer from multiple qualifying illnesses.

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Total active registered physicians - 325

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