JOSH GREEN, M.D.
GOVERNOR | KE KIA'ĀINA

SYLVIA LUKE
LIEUTENANT GOVERNOR | KA HOPE KIA'ĀINA

STATE OF HAWAII | KA MOKUʻĀINA ʻO HAWAIʻI
OFFICE OF THE DIRECTOR
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Testimony of the Department of Commerce and Consumer Affairs

Before the
House Committees on Health and Human Services and
Commerce and Consumer Protection
Thursday, March 23, 2023
10:00 a.m.
Via Videoconference

On the following measure:
H.B. 1082, H.D. 3, RELATING TO MEDICAL CANNABIS

Chairs San Buenaventura and Keohokalole and Members of the Committees:

My name is Iris Ikeda, and I am the Commissioner of Financial Institutions for the Department of Commerce and Consumer Affairs' (Department), Division of Financial Institutions (DFI). The Department offers comments on this bill.

The purpose of this bill is to make various amendments to Chapter 329D and establishes reporting requirements and information sharing systems with the department of taxation and financial institutions and DBEDT.

The DFI defers to the Department of Health (DOH) on this matter as Chapter 329D, Hawaii Revised Statutes (HRS), is under the purview of DOH's oversight. DFI limits its comments to page 6 relating to the financial data banks and other financial institutions may access of individuals and businesses.

The conflict between state and federal law related to cannabis use is causing public safety, business taxable income and anti-money laundering concerns. State-

compliant cannabis companies are largely cash-and-carry operations which heighten the need for safeguards for the state-compliant activities and sales associated with this business. Barriers for financial institutions to provide banking services to cannabis and ancillary businesses creates a commercial risk from the lack of robust and comprehensive regulation and supervision and a diminished ability to identify operators acting to circumvent federal and state licensing and regulatory frameworks. This raises concerns with respect to tracking the flow of funds, issues of public safety because of cash volume, and a loss of economic activity, workforce development and community development opportunities.

To date, there are no banking services available for medical cannabis dispensaries in Hawaii. The availability of financial data of individuals and business entities envisioned in this proposal may be useful to banks and other financial institutions if banking services were available in Hawaii.

The banks and other financial institutions are subject to federal laws that require the gathering of information on account holders who receive banking services to prevent, detect, and prosecute international money laundering and finance of terrorism. In this case, because marijuana is still classified as a controlled substance on the Federal Controlled Substances Act, it is also subject to the Bank Secrecy and Anti-Money Laundering Acts for money laundering. Consequently, Hawaii's banks and financial institutions are less likely to offer banking services knowing they will violate several federal laws.

Thank you for the opportunity to provide comments on this bill.

DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM

KA ʻOIHANA HOʻOMOHALA PĀʻOIHANA, ʻIMI WAIWAI A HOʻOMĀKAʻIKAʻI

JOSH GREEN, M.D.
GOVERNOR

CHRIS J. SADAYASU
DIRECTOR

DANE K. WICKER
DEPUTY DIRECTOR

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Statement of
CHRIS J. SADAYASU
Director
Department of Business, Economic Development, and Tourism
before the
SENATE COMMITTEE ON HEALTH AND HUMAN SERVICES
AND
COMMITTEE ON COMMERCE AND CONSUMER PROTECTION

Thursday, March 23, 2023
10:00 AM
State Capitol, Conference Room 229

In consideration of
HB1082, HD3
RELATING TO MEDICAL CANNABIS.

Chairs San Buenaventura and Keohokalole, Vice Chairs Aquino and Fukunaga, and members of the Committees. The Department of Business, Economic Development, and Tourism (DBEDT) supports the intent and offers comments on Part IV of HB1082, HD3, that establishes annual reporting requirements for the Department of Health (DOH) and requires a report from DBEDT.

While DBEDT is happy to prepare the report, the bill does not grant DBEDT the authority to access the data captured in the Computer Software Tracking System and DBEDT would need access. Furthermore, the analysis requested in the bill and §201-13.9, would require specific economic data such as annual investment by category, employment, and annual payroll would need to be collected from the businesses. These data are not specified in the bill and, thus, would need to be provided by DOH to DBEDT. DBEDT would require the related data in order to submit the report within the specified deadline.

Thank you for the opportunity to testify.

JOSH GREEN, M.D.
GOVERNOR OF HAWAI'I
KE KIA'ĀINA O KA MOKU'ĀINA 'O HAWAI'I

KENNETH S. FINK, M.D., M.G.A., M.P.H.
DIRECTOR OF HEALTH
KA LUNA HO'OKELE

STATE OF HAWAII
DEPARTMENT OF HEALTH
KA 'OIHANA OLAKINO
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Testimony COMMENTING on HB1082 HD3
RELATING TO CANNABIS

SENATOR JOY SAN BUENAVENTURA, CHAIR
SENATOR JARRETT KEOHOKALOLE, CHAIR
SENATE COMMITTEE ON HEALTH AND HUMAN SERVICES
SENATE COMMITTEE ON COMMERCE AND CONSUMER PROTECTION

Hearing Date: Thursday 3/23/2023 Room Number: 229

Fiscal Implications: N/A.

Department Testimony: The Department of Health (DOH) provides comments on the intent of H.B. 1082 H.D. 3 to: (1) Define "waiting room" within a medical cannabis retail dispensing location and specify who may have access to the waiting room; (2) Clarify the department of health's rulemaking authority; (3) Establish system access and integration requirements for the computer software tracking system for medical cannabis dispensaries; (4) Require the department of health to annually report to the legislature on data captured using the computer software tracking system; (5) Amend the medical cannabis dispensary program licensing fee structure; (6) Add or clarify requirements for the dispensary program related to signage, types of permitted manufactured cannabis products, supervision of certain personnel who are on site at a retail dispensing location or medical cannabis production center, and the continuing education and training program conducted by the department of health; (7) Clarify that each day a violation of the medical cannabis dispensary program law occurs constitutes a separate violation; (8) Establish annual reporting requirements for the department of health regarding the medical cannabis patient registry program; (9) Require the department of business, economic development, and tourism to submit a report to the legislature analyzing aggregated de-identified information regarding the medical cannabis patient registry program and medical cannabis dispensary program; and (10) Make various housekeeping amendments..

DOH opposes the amendments in Section 4 revising the fee structure and requiring the fee structure to be set by rules adopted pursuant to chapter 91. The current fee structure was just implemented by the 2022 Legislature and DOH is concerned that the proposed fee structure will be inadequate to maintain existing personnel and operational costs of licensing, inspecting, and regulating the dispensary industry. DOH objects to the rulemaking by chapter 91 process because this will result in loss of the current interim rulemaking authority which is necessary to timely and efficiently respond to this still evolving industry to support patient safety.

Thank you for the opportunity to testify.

Offered Amendments: N/A.

Committee on Health and Human Services
Senator San Buenaventura. Chair
Senator Henry Aquino, Vice Chair

Committee on Commerce and Consumer Affairs
Senator Jarrett Keohokalole, Chair
Senator Carol Fukunaga, Vice Chair

March 23, 2023
10:00 a.m.
Conference Room 229

Thank you for the opportunity to submit testimony in support of HB1082_HD3

HB1082_HD3 was amended in the House to include the language of HB696, a bill that provided for more transparency in the medical marijuana program by reporting on the data collected by the state tracking system and requiring certain integrations and use.

Transparency and accurate data collection is key to a successful and safe cannabis tracking system. To accomplish this in a more robust way, HB1082_HD3 makes changes to the current reporting and access structure in the following ways.

Giving the department of taxation access to the data assists in tax collections and serves the state well when performing routine audits. Data from the system can confirm sales tax, excise tax, and assist in routine business audits.

Allowing banks and other financial institutions certain access helps promote banking for industry members. Banks must follow federal Financial Crimes Enforcement Network (FinCEN) guidelines and must be able to verify that customer transactions are transparent, properly recorded, and conducted exclusively by licensed players in the regulated market. Self-reporting is an option but may not be a viable solution for larger institutions. This access has encouraged more banking options for the cannabis industry in other states.

Requiring the state tracking system to provide integration for other enterprise software systems allows businesses to use other third-party systems of their choice, whether a point-of-sale system or another inventory system. If the system of choice integrates with the centralized state tracking system, the Department of Health, Office of Medical Cannabis Control and Regulation, will have the information they need.

Finally, Metrc believes the reporting required in HB1082_HD3 is important information for policy makers to have and that transparency in the marketplace is always a good thing. The current reporting done by the Department focuses on patient registry data. While it is important to understand the demand for medical cannabis products, it is also important to understand the supply and any trends related to public health. Having this insight into the supply chain could help prioritize policy decisions, especially as the program grows or adult use of cannabis is allowed.

METRC 3111 W. Pipkin Rd. Suite 140 LAKELAND, FL 33811

The state tracking system can be an integral part of providing this information. The information is already being collected, why not report on it and use it for policy making decisions.

About Metrc

Metrc the leading and most experienced track and trace technology solution used in the US. Metrc designed the first track and trace system in close collaboration with regulators in Colorado in 2011 and now provides this critical component of cannabis regulatory systems to 23 jurisdictions (21 states, DC and Guam) throughout the country. Track and trace systems are critical to providing and promoting safe, transparent, and secure marketplaces in the cannabis space.

To: Senator Joy San Buenaventura, Chair of the Senate Committee on Health and Human Services

Senator Jarrett Keohokalole, Chair of the Senate Committee on Consumer Protection

Members of the Senate Health and Human Services and Consumer Protection Committees

Fr: Jaclyn Moore, Pharm.D., CEO Big Island Grown Dispensaries

Re: Testimony **In STRONG Support** of **House Bill (HB) 1082 HD3**
RELATING TO MEDICAL CANNABIS
Defines "waiting room" within a medical cannabis retail dispensing location and clarifies public access to the waiting room. Clarifies DOH's rule-making authority. Establishes system access and system integration requirements for the computer software tracking system for medical cannabis dispensaries. Requires DOH to submit an annual report to the legislature on data captured using the computer software tracking system. Amends the dispensary program licensing fee structure. Adds or clarifies requirements for the dispensary program related to signage, permitted types of manufactured cannabis products, supervision of certain personnel while onsite at retail dispensing locations or medical cannabis production centers, and DOH's education and training program. Clarifies penalties for violations. Establishes annual reporting requirements for DOH. Requires a report from DBEDT. Makes various housekeeping amendments. Effective 6/30/3000. (HD3)

Dear Chairs, Vice-Chairs and Members of the Committees:

Big Island Grown is in Strong Support of HB1082 with suggested amendments.

The following provision is meant to provide for flexibility in wholesale transactions between dispensaries.

Page 11, SECTION 3, amending HRS 329D-6, subsection "(r)"

(2) The selling dispensary may transport no more than eight hundred ounces of cannabis or manufactured cannabis products to the purchasing dispensary within a thirty-day period; or other amounts with prior approval by the department

Thank you for the opportunity to testify.

Jaclyn L. Moore, Pharm.D., CEO Big Island Grown Dispensaries

SanHi
GOVERNMENT STRATEGIES
A LIMITED LIABILITY LAW PARTNERSHIP

DATE: March 21, 2023

TO: Senator Joy San Buenaventura
Chair, Committee on Health and Human Services

Senator Jarrett Keohokalole
Chair, Committee on Commerce and Consumer Protection

FROM: Mihoko Ito

RE: **H.B. 1082, H.D.3, Relating to Medical Cannabis**
Hearing Date: Thursday, March 23, 2023 at 10:00 a.m.
Conference Room: 229

Dear Chair San Buenaventura, Chair Keohokalole, and members of the Joint Committees:

We submit this testimony on behalf of Cure Oahu in **support** of H.B. 1082, H.D. 3, Relating to Medical Cannabis. Cure Oahu is a vertically integrated licensed dispensary that has been operating in the State of Hawaii since 2018, with two retail locations in the Kapahulu and Kapolei areas.

We support key provisions in this bill to update the medical cannabis dispensary program by: 1) amending the licensing fee structure, 2) clarifying signage requirements, 3) addressing manufactured cannabis product packaging, 4) clarifying escort and background check requirements 5) establishing annual reporting requirements to increase public transparency regarding the medical cannabis registry program, and 6) making other housekeeping amendments.

We believe that this bill will assist the medical cannabis dispensaries overall with streamlining operations and resources and simply remaining operational. The medical cannabis market has, like many other industries, been subject to the recent impacts of inflation and labor shortage issues, both within business operations and with its vendors. We would like to highlight for the Committee the benefits of a few of the proposed changes as follows:

- **Dispensary fee structure:** Among other things, this measure makes important changes to the dispensary fee structure, which dispensaries must pay to operate in the state. In November 2022, the medical cannabis dispensary program dramatically changed the fee structure through an emergency rulemaking process, without any opportunity for stakeholder input. This change in turn significantly impacted the fiscal outlook of the dispensaries and resulted in sudden overall fee increases ranging from 200-400%. While we understand the need for increasing regulatory resources and support a way to achieve that with predictable fees that can be budgeted for, we believe it is important for stakeholder to have a voice on fee increases due to the dramatic impact it has on

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operations. Currently the fee amounts are blanked out in the H.D.3 version of this bill. It is important for any fee structure or amounts codified to be reasonable increases to provide stability in the market, consistent with reasonable budgetary needs of the regulator.

- **Pre-rolled cannabis product:** We also support the allowance for the sale of pre-rolled cannabis flower products. The majority of dispensaries sales today are the flower form of the product, which is typically smoked in some form. Pre-rolls eliminate the need for patients to purchase and invest in cannabis accessories such as rolling paper, grinders, bowls, pipes and other paraphernalia. It also helps new patients who purchase and use flower but are unfamiliar with how to roll the product and help them avoid wasting medicine as they learn to roll themselves. Pre-rolls are sold in many other states across the country, and we believe there is merit to adding them to the product mix for medical cannabis patients.

- **Agency Reporting:** We support the provisions in this measure that add reporting requirements for the medical cannabis dispensary program under Chapter 329D and the individual medical use of medical cannabis under HRS Chapter 329. This will help the Legislature and other stakeholders understand the overall focus of the regulatory agencies in their oversight of the medical cannabis program. For the dispensaries, understanding the priorities of the regulatory agencies involved will help them align expectations and allocate resources accordingly.

We also note that we support the original provisions of H.B. 1082, which were proposed by the administration to clarify violations of chapter 329D, amend the rule-making authority for dispensary-to-dispensary sales and define "waiting room" within a medical cannabis retail dispensary to allow primary caregivers, qualifying out-of-state patients, and caregivers of a qualifying out-of-state patients to access dispensary waiting rooms. These provisions will allow the department to expedite the wholesale rules, which is important to not further delay implementation of the law and ensure continued access to cannabis for medical use. They will also make dispensary visits more convenient and comfortable and recognize the significant role caregivers play in assisting patients with managing their well-being.

We respectfully request that the Committee move this measure to allow for discussions to continue on these issues. Thank you for the opportunity to submit testimony in support of this measure.

March 22, 2023

To: Senator Jarrett Keohokalole, Chair
Senator Carol Fukunaga, Vice Chair
Members of the Senate Committee on Commerce and Consumer Protection

From: David C. Cole, GM

Re: TESTIMONY IN SUPPORT OF HB1082 HD3 WITH PROPOSED AMENDMENTS

Maui Grown Therapies (MGT) is licensed by DOH pursuant to HRS 329D to cultivate, manufacture and dispense medical cannabis products and services to registered patients. In 2022, MGT served 5,364 unique patients on Maui.

MGT supports HB1082 HD3 subject to the inclusion of patient-centered amendments previously approved by your committee on February 15, 2023 as senate draft 1 to SB1380. See: https://www.capitol.hawaii.gov/sessions/session2023/CommReports/SB1380_SD1_SSCR586_.htm

Hence, we propose re-incorporating the key provisions SB1380 SD1 as amendments to HB1082 HD3 to address the following unmet patient needs since the inception of the dispensary program in 2017:

1. **Improved access to authorized providers.** Currently, patients may obtain written authorization for medical cannabis use only from a physician or advanced practice registered nurse with whom they enjoy a "bona fide" relationship. Although that term is not defined by statute, many patients, especially kupuna, have relationships with multiple health care providers and specialists as their medical needs change. Moreover, when a provider discontinues issuing certifications due to retirement, relocation, or death, patients may be without ready access to an authorized provider.

While the statute authorizes three-year certifications for chronic debilitating conditions, DOH has thus far limited certifications to two years. As a result, patients with chronic conditions, particularly kupuna, must renew of their certifications more frequently than the statute requires. Requiring an already overburdened DOH to determine whether a 'bona fide' relationship exists, or that a chronic condition merits a two or three year certification, only erects further barriers to patient services that the program was intended to overcome.

We therefore propose that HB1082 HD3 be amended to allow qualifying patients to choose any state licensed physician or APRN that determines that the patient suffers from a debilitating medical condition. We further request that written certifications by for chronic conditions will be valid for three years.

2. **Patient Education.** HRS 329D-26 requires DOH to conduct a continuing education program regarding the medical cannabis program that targets, among others, physicians, and patients. However, in reality, DOH possesses neither the expertise nor the resources needed for this purpose.

   Our proposed amendments relieve DOH of the burden of supervising the provision of educational services by authorizing dispensaries, in conjunction with certifying physicians and APRNs, to provide educational services regarding the medical cannabis program, including guiding patients through the patient registration and renewal process.

Mahalo for your consideration.

Maui Grown Therapies
44 Pa'a St., Kahului, HI 96732
(808) 866 7576

HB-1082-HD-3
Submitted on: 3/20/2023 4:49:41 PM
Testimony for HHS on 3/23/2023 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
TY Cheng	Testifying for Aloha Green Holdings Inc.	Support	Written Testimony Only

Comments:

To: Senator Joy A. San Buenaventura, Chair

Senator Jarrett Keohokalole, Chair

Members of the Joint Health and Human Services, and Commerce and Consumer Protection Committees

Fr: TY Cheng, President of Aloha Green Holdings Inc.

RE: Testimony in STRONG SUPPORT of House Bill (HB) 1082 HD3

RELATING TO MEDICAL CANNABIS.

Defines "waiting room" within a medical cannabis retail dispensing location and clarifies public access to the waiting room. Clarifies DOH's rule-making authority. Establishes system access and system integration requirements for the computer software tracking system for medical cannabis dispensaries. Requires DOH to submit an annual report to the legislature on data captured using the computer software tracking system. Amends the dispensary program licensing fee structure. Adds or clarifies requirements for the dispensary program related to signage, permitted types of manufactured cannabis products, supervision of certain personnel while onsite at retail dispensing locations or medical cannabis production centers, and DOH's education and training program. Clarifies penalties for violations. Establishes annual reporting requirements for DOH. Requires a report from DBEDT. Makes various housekeeping amendments. Effective 6/30/3000. (HD3)

Dear Chairs, Vice-Chairs and Members of the Joint Committee:

Aloha Green Apothecary is a state licensed medical cannabis dispensary licensee operating on Oahu since 2016. Aloha Green Apothecary SUPPORTS this bill which will affect how medical cannabis dispensaries operate.

Aloha Green Apoth's comments are both related to chapter 91 rule making powers.

Aloha Green Apoth supports the removal of the requirement for chapter 91 rule making in connection with allowing cannabis wholesale among medical cannabis dispensaries which was passed into law last year. The Department of Health has interim rule making powers in order to amend operating rules to maximize the program's safety and success.

But Aloha Green Apoth supports the addition of the requirement for chapter 91 rule-making in connection with the Department of Health's power to unilaterally change annual cannabis dispensary licensee renewal fees. In 2022, the Department of Health unilaterally increased the annual renewal fee for Aloha Green Apoth from $50,000 to $310,000 with less than 6 months' notice and no consultation with licensees, patients, or the public.

The difference between the two above scenarios is that cannabis wholesale was debated and passed into law through the legislative process; but the change to renewal fees was done unilaterally by a department without any consultation or justification for their own benefit.

Thank you for the opportunity to testify with comments.

HICIA

Hawai'i Cannabis Industry Association

To: Senator Joy San Buenaventura, Chair of the Senate Committee on Health and Human Services

Senator Jarrett Keohokalole, Chair of the Senate Committee on Consumer Protection

Members of the Senate Health and Human Services and Consumer Protection Committees

Fr: Randy Gonce, Executive Director of the Hawaii Cannabis Industry Association

Re: Testimony **In STRONG Support** of **House Bill (HB) 1082 HD3**

RELATING TO MEDICAL CANNABIS

Defines "waiting room" within a medical cannabis retail dispensing location and clarifies public access to the waiting room. Clarifies DOH's rule-making authority. Establishes system access and system integration requirements for the computer software tracking system for medical cannabis dispensaries. Requires DOH to submit an annual report to the legislature on data captured using the computer software tracking system. Amends the dispensary program licensing fee structure. Adds or clarifies requirements for the dispensary program related to signage, permitted types of manufactured cannabis products, supervision of certain personnel while onsite at retail dispensing locations or medical cannabis production centers, and DOH's education and training program. Clarifies penalties for violations. Establishes annual reporting requirements for DOH. Requires a report from DBEDT. Makes various housekeeping amendments. Effective 6/30/3000. (HD3)

Dear Chairs, Vice-Chairs and Members of the Committees:

The Hawai'i Cannabis Industry Association is the trade association for five of the state's licensed medical cannabis dispensaries. HICIA **supports HB1082 HD3 with suggested amendments** as this is an important bill for the medical cannabis industry.

Amendment #1

Amend Page 11, SECTION 3, amending HRS 329D-6, subsection "(r)" to read:
(2) The selling dispensary may transport no more than eight hundred ounces of cannabis or manufactured cannabis products to the purchasing dispensary within a thirty-day period; or any other amount with prior approval by the Department of Health.

Rationale: HICIA believes that a set number such as 800 ounces has the potential to meet real world operational issues. As such, HICIA requests to add language to allow any other amounts with the prior approval of the Department of Health to ensure there is flexibility, with oversight.

HICIA
Hawai'i Cannabis Industry Association

Amendment #2

Amend Section 9 part (b) to keep the original language that already exists in statute.

"(b) Any person who violates any of the provisions of this chapter or the rules adopted pursuant thereto shall be fined not less than $100 nor more than $1,000 for each violation."

Rationale: HICIA believes that the cannabis industry is already overly regulated and there are often inconsistencies in violations, notice of violations, and other regulatory logistics. In many cases, violations have been unclear, notice given to licensees days or weeks after the violation has occurred, have been incorrectly applied, and more. Providing the Department of Health the ability to fine for each and every day a violation occurs has the potential to cause more burden on licensees, especially when regulation is applied inconsistently.

Thank you for the opportunity to testify.

Hawai'i Cannabis Industry Association (HICIA)
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Akamai Cannabis Consulting
3615 Harding Ave, Suite 304
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TESTIMONY ON HOUSE BILL 1082 HD3
RELATING TO MEDICAL CANNABIS
By
Clifton Otto, MD

Senate Committee on Health and Human Services
Senator Joy A. San Buenaventura, Chair
Senator Henry J.C. Aquino, Vice Chair

Senate Committee on Commerce and Consumer Protection
Senator Jarrett Keohokalole, Chair
Senator Carol Fukunaga, Vice Chair

Thursday, March 23, 2023; 10:00 AM
State Capitol, Room 229 & Videoconference

Thank you for the opportunity to offer COMMENTS and amendment recommendations on this measure:

SMOKING

Patients should not be encouraged to smoke, anything. Marijuana Cigarettes or "Pre-rolls" are intended to be smoked. If the department is concerned about manual dexterity issues, then it should promote the sale of pre-ground cannabis flower and herbal vaporizers by dispensaries and provide public education on herbal vaporization as a safer way to inhale cannabis.

Recommend removing the provisions to add pre-rolls to the list of allowed manufactured cannabis products.

Page 3, Line 16:
""Manufactured cannabis product" means any capsule, lozenge, oil or oil extract, tincture, ointment or skin lotion, pill, transdermal patch, or pre-filled and sealed container used to aerosolize and deliver cannabis orally [~~.~~] or by inhalation, such as an inhaler [~~or~~], nebulizer, or device that provides safe pulmonary administration, that has been manufactured using cannabis, edible cannabis products, [~~pre-rolled cannabis flower products~~], or any other products as specified by the department pursuant to section 329D-10(a)(11)."

Page 23, Line 10:
[~~(9) Pre-rolled cannabis flower products, as specified by the department;~~]

Instead, dispensaries should be allowed to sell herbal vaporizers:

§329D-10 Types of manufactured cannabis products.
(e) Dispensaries shall be allowed to sell third-party commercially available herbal vaporizers that allow for the use of ground cannabis flower; provided that such devices shall have a means of controlling temperature to prevent combustion.

EDUCATION

Page 33, Line 7:
The program shall include, at minimum, education and outreach regarding:
(4) requirements and best practices for certification evaluations and ongoing medical follow-up required of certifying providers under chapter 329.
(5) biannual accredited Continuing Medical Education (CME) on Cannabinoid Medicine for physicians and APRNs.
(6) benefits of cannabis herbal vaporization compared with smoking.

INTERIM RULES

Page 34, Line 5:
§329D-27 Administrative rules.
"(b) No later than January 4, 2016, and except as otherwise provided by this chapter, the department shall adopt interim rules, which shall be exempt from chapter 91 and chapter 201M, to effectuate the purposes of this chapter; provided that the interim rules shall remain in effect until July 1, 2025, or until rules are adopted pursuant to subsection (a), whichever occurs sooner; and provided further that the department shall request public comment before any new dispensary rules are adopted."

DISPENSARY ADVICE

Page 11, Line 17:
§329D-7 Medical cannabis dispensary rules. The department shall establish standards with respect to:
(20) Specific patient safety requirements that prohibit dispensary staff from discussing product selection or dosing recommendations for medical conditions or symptoms with medical cannabis patients or their caregiver.

WHOLESALING

Page 10, Line 11:
"(r) The department may authorize a dispensary to purchase cannabis and manufactured cannabis products from another dispensary in a manner prescribed by the department by rules adopted pursuant to [~~this chapter and chapter 91;~~] section 329D-27; provided that …

Dispensaries should not be transporting cannabis or manufactured cannabis products to other counties because doing so requires going outside the jurisdictional limits of the State, which is considered "interstate" and subject only to federal jurisdiction.

§329D-6 Dispensary operations.
(m) Except as authorized by subsection (r), a dispensary shall not transport cannabis or manufactured cannabis products to another county [~~or another island~~]; provided that this subsection shall not apply to the transportation of cannabis or any manufactured cannabis product solely for the purposes of laboratory testing pursuant to section 329D-8, and subject to subsection (j), if no certified laboratory is located in the county or on the island where the dispensary is located; provided further that a dispensary shall only transport samples of cannabis and manufactured cannabis products for laboratory testing for purposes of this subsection in an amount and manner prescribed by the department, in rules adopted pursuant to this chapter, and with the understanding that state law and its protections do not apply outside of the jurisdictional limits of the State.

Interisland transport should also apply to medical cannabis patients:

§329-122 Medical use of cannabis; conditions of use.
For purposes of interisland transportation, "transport" of cannabis, usable cannabis, or any manufactured cannabis product, by any means is allowable only by a qualifying patient or qualifying out-of-state patient for the patient's personal medical use, between dispensaries to the extent authorized by section 329D-6(r) [~~and~~] ,or between a production center or retail dispensing location and a certified laboratory for the sole purpose of laboratory testing pursuant to section 329D-8, as permitted under section 329D-6(m) and subject to section 329D-6(j), and with the understanding that state law and its protections do not apply outside of the jurisdictional limits of the State, provided that the department of transportation shall adopt rules pursuant to chapter 91 for the purposes of this chapter and chapter 329D.

The last piece is providing an intrastate source of cannabis that is legal at the state and federal level. This requires state Executive action. The Legislature unanimously adopted HCR132 in 2021, which still sits with the department of health.

The enabling federal statute is 21 USC 822(d), which provides a way for licensed dispensaries in Hawaii to become federally registered without having to satisfy the requirements of registration if their operations are consistent with the public health and safety.

HB-1082-HD-3
Submitted on: 3/22/2023 10:46:07 AM
Testimony for HHS on 3/23/2023 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Ann Chung	Individual	Support	Written Testimony Only

Comments:

On behalf of PONO LIFE MAUI, one of eight medical cannabis dispensaries licensed by the Department of Health to provide safe, legal access to medical cannabis for Hawai‘i-registered patients, we testify in SUPPORT of HB1082 HD3.

We believe that this bill will assist the medical cannabis dispensaries with streamlining operations/resources and simply remaining operational. The medical cannabis market has, like many other industries, been subject to the recent impacts of inflation and labor shortage issues, both within business operations and with its vendors. As you know, less than half of registered patients utilize a dispensary each month.

In particular, we support changes made in this bill to the dispensary fee structure, allowing the sale of pre-rolled cannabis product, and adding reporting requirements for the medical cannabis dispensary program under Chapter 329D and the individual medical use of medical cannabis under HRS Chapter 329.

For the fee amounts that are blanked in this version, we ask that any fee structure or amounts be reasonable increases to provide stability in the market and consistent with reasonable budgetary needs of the regulator.

And finally, we support original provisions in HB1082, to clarify violations of Chapter 329D, amend rule-making authority for dispensary-to-dispensary sales, and define “waiting room” to allow qualifying out-of-state patients access waiting rooms.

Mahalo for your consideration.