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## FISCAL UPDATE Article

Fiscal Services Division

September 25, 2017



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### MEDICAL CANNABIDIOL ADVISORY BOARD — SEPTEMBER 2017

**Establishment.** The Medical Cannabidiol Advisory Board was established by [House File 524](#). The Board is made up of eight practitioners, representing different areas of medical expertise, and one representative from a law enforcement background. The Governor announced the following appointments on August 30, 2017:

- Pediatrician: Dr. Ken Cheyne, Clive.
- Psychiatrist: Dr. Jill Liesveld, Coralville.
- Law Enforcement: Mike McKelvey, Mason City (chairperson).
- Family Medicine: Dr. Lonny Miller, Creston.
- Pharmacist: Dr. Stephen Richards, Spirit Lake.
- Oncologist: Dr. Robert Shreck, Des Moines.
- Pain Management: Dr. Jacqueline Stoken, Waukee.
- Neurologist: Dr. Wendy Zadeh, Ankeny.

**Meeting.** The Advisory Board held an organizational teleconference on September 6, 2017. The Advisory Board then met September 22, 2017, in Ankeny. The Board first held a public comment period and then reviewed a [draft](#) of administrative rules regarding the operations of medical cannabidiol manufacturers and dispensaries. The Department of Public Health (DPH) drafted these rules and sent them out for stakeholder comment earlier in the month. The DPH presented the rules and comments to the Board. The Board weighed in on changes and approved the rules to be revised and presented to the State Board of Health. The Board also discussed what would go into evaluation of the location of manufacturing facilities.

In the afternoon, the Board had a teleconference phone call with staff from the Minnesota Department of Health [Office of Medical Cannabis](#) about a number of topics regarding regulation of its medical cannabidiol program. Some of the discussion included:

- **Manufacture and Dispensary Regulation:** Minnesota law requires one dispensary per congressional district. Discussion included one example of a manufacturer having trouble locating a dispensary due to a city not wanting a dispensary. The longest travel distance between a manufacturer and a dispensary is three hours. In Minnesota, dispensaries are owned by the manufacturer, but Iowa law does not require this. There is an inspection matrix that determines announced and unannounced inspections. Annual licensing fees are based on the cost of regulation and are currently \$147,000 per manufacturer. To date, there has been no product loss or diversion by the manufacturers. Each Minnesota manufacturer owns and operates the seed-to-sale system utilized in production and sales, but Iowa law requires the DPH to establish and implement one of these systems.
- **Cannabidiol (CBD) Blends and Prices:** Minnesota has no cap on tetrahydrocannabinol (THC), and cannabidiol products range from the low end of mostly CBD and almost no THC all the way up to predominantly THC blends. The prices depend on the blend. Minnesota staff members stated that the manufacturers report that CBD is the more expensive component to make and producing THC is cheaper. The state is not involved in the regulation of pricing, but does have the ability to implement a price examination audit, which the state has not utilized to date. Anecdotally, staff members

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reported that the manufacturers try to balance the cost of the pricier CBD products by increasing the cost of the higher-THC products.

- **Insurance Coverage:** No health insurers currently pay for the cost of obtaining medical cannabidiol, but some workers' compensation insurers do.
- **Health Care and Hospital Systems:** Some health care and hospital systems were hesitant about allowing medical practitioners to certify patients for the program at first. There were concerns about malpractice liability and other issues during the initial years of the program. This situation has improved as time has gone by. The names of health care practitioners certifying patients are confidential. The health care practitioners do not make recommendations regarding products or dosage. Minnesota law requires pharmacists to be present at each dispensary, and they work with patients to determine patient needs, usually starting with a lower dosage of THC and treating up as necessary, depending on the condition. Hospitals are allowed to set their own policy on inpatients having medical cannabidiol, determining their own legal risk. Some hospitals keep a patient's cannabidiol supply in the hospital pharmacy, some allow it to be kept in the patient's room, and some prohibit it on the premises.
- **Research Component:** In Minnesota, each time a patient wants to purchase cannabidiol, the patient must fill out a self-evaluation. Additionally, there are three and six-month surveys sent out to patients and health care practitioners. The office's [Report on Patient Experiences from the First Year](#) was recently published.

**Next Meeting.** The next meeting is scheduled for October 27, 2017, in Ankeny. Additional information can be found on the Medical Cannabidiol Advisory Board's [webpage](#).

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