



To: House Human Services Committee
From: Shayne Lynn, Executive Director, Champlain Valley Dispensary, Inc.
Re: S.14 – Proposed Amendments
Date: April 21, 2016

Thank you for inviting me to testify. My name is Shayne Lynn. I was born, raised and schooled in Vermont. I am a graduate of UVM, and have employed roughly 15 UVM alumni over the past year. I am the Executive Director of Champlain Valley Dispensary, Inc., which operates two of the four non-profit, medical marijuana licenses in Vermont. We serve the Burlington (CVD) and Brattleboro (SVW) areas. We provide both education and cannabis products to 60% of the registered medical marijuana dispensary patients in Vermont. We support S.14 as passed by the Senate, and we request amendments in the following 7 issue areas:

1. Expand the list of qualifying conditions

When the limited list of qualifying conditions list was developed in 2011, it allowed for a controlled and gradual start for the dispensaries. We now believe that, with the success of the program, more Vermonters would benefit from access of this alternative medication for symptom relief. As of now, Vermont has relatively low registered patient numbers (2,477) compared to states like Maine (20,005) and Rhode Island (12,815).

Current law is very restrictive and precludes many individuals who have significant medical conditions from obtaining medical marijuana. We suggest Vermont expand the qualifying conditions list to include chronic debilitating pain (cannabis can provide an important and effective alternative to the current opioid-based options for pain management), inflammatory bowel syndrome (including Crohns, ulcerative colitis), migraine headaches, Parkinson's, and opioid addiction.

Expanding the conditions, not only is compassionate, but it will strength the role of the health care professional-patient relationship. Instead of those with the above serious illnesses seeking illegal marijuana and self-medicating, they can be open and candid with their health care professionals about their usage, ensuring proper treatment and guidance. The dispensaries can then provide safe, high quality medicated products to patients. With medical marijuana only being in its third year here in Vermont, educating on proper dosages, consumption methods and side effects of cannabis use is extremely important.

Proposed Amendment: 18 V.S.A. §4472. Definitions

(4) "Debilitating medical condition," provided that, in the context of the specific disease or condition described in subdivision (A) or (B) of this subdivision (4), ~~reasonable medical efforts have been made over a reasonable amount of time without success to relieve the symptoms,~~
means:

(A) cancer, multiple sclerosis, positive status for human immunodeficiency virus, acquired immune deficiency syndrome, glaucoma, ALS, Crohn's Disease, Parkinson's Disease, inflammatory bowel syndrome, opioid addiction and chronic debilitating pain, or the treatment of these conditions...

2. Eliminate the required six-month period for a doctor-patient relationship. The medical marijuana law defines a “bona fide health care professional-patient relationship” as “a treating or consulting relationship of not less than six months’ duration...” This long duration is a hurdle to seeking an alternative to traditional pharmaceuticals. While this requirement has been successful in reducing “doctor shopping”, it drives people to the illegal black market.

When doctors retire, patients must find a new doctor to renew their registry card. The wait to see a new family doctor can be 6 to 8 weeks or longer, which means that a patient may be without the needed medication for 8 months. If a patient seeks a specialist for treatment, they must wait 6 months before they can be verified to use cannabis. This imposes unreasonable delays and significant costs for patients, resulting on the need to stay on pain medication. Removing the six-month period requirement will allow new patients, as well as new Vermont residents from other medical marijuana states, access to their medicine in a more timely manner.

Proposed Amendment (1): 18 V.S.A. § 4472. Definitions

As used in this subchapter:

(1) "Bona fide health care professional-patient relationship" means a treating or consulting relationship ~~of not less than six months' duration~~, in the course of which a health care professional has completed a full assessment of the registered patient's medical history and current medical condition, including a personal physical examination. ~~The six-month requirement shall not apply if a patient has been diagnosed with:~~

- ~~(A) a terminal illness;~~
- ~~(B) cancer with distant metastases; or~~
- ~~(C) acquired immune deficiency syndrome.~~

Proposed Amendment (2): 18 V.S.A. § 4473. Registered patients; qualification standards and procedures

(b) The Department of Public Safety shall review applications to become a registered patient using the following procedures:

(3)(A) The Department of Public Safety shall transmit the completed medical verification form to the health care professional and contact him or her for purposes of confirming the accuracy of the information contained in the form. ~~The Department may approve an application, notwithstanding the six-month requirement in section 4472 of this title, if the Department is satisfied that the medical verification form confirms that the debilitating medical condition is of recent or sudden onset, and that the patient has not had a previous health care professional who is able to verify the nature of the disease and its symptoms.~~

3. Increase the allowable purchase quantity to three ounces every 30 days.

Many very ill patients seek dosages that are higher than the two ounces per month that is allowed under current law. We recommend increasing the allowable purchase quantity to three ounces every 30 days. Many very ill patients seek dosages that are higher than the two ounces per month that is allowed under current law due to severity of illness and/or because they experience adaptation by the brain to the continued presence of cannabis; higher doses of cannabis is the

required to obtain the effect of the initial dose. This tolerance effect has been widely studied and is something patients share with us as a side effect of using cannabis for symptom relief.

Proposed Amendment (1) : 18 V.S.A. § 4472. Definitions

As used in this subchapter:

(10) "Possession limit" means the amount of marijuana collectively possessed between the registered patient and the patient's registered caregiver which is no more than two mature marijuana plants, seven immature plants, and ~~two~~ three ounces of usable marijuana.

Proposed Amendment (2) : 18 V.S.A. § 4474e. Dispensaries; conditions of operation

(k)(1) No dispensary, principal officer, board member, or employee of a dispensary shall:

(C) dispense more than ~~two~~ three ounces of usable marijuana to a registered patient directly or through the qualifying patient's registered caregiver during a 30-day period;

4. Allow dispensaries to convert from a nonprofit to any other type of business entity authorized by the laws of this State.

Last week Pennsylvania approved medical cannabis, bringing the total number of states with medical marijuana programs to 24. Only 32% of the dispensaries operating within these 24 states are required to operate on a nonprofit basis. As adult-use legalization passes in more states, experts are saying the nonprofit model and its original goals of ensuring affordable medicine is outdated for this fast developing industry.

I believed in and supported the nonprofit status in the 2011 Vermont dispensary bill. I still support our mission of providing high quality, laboratory-tested, affordable medical cannabis to our patients. However, I have learned over the preceding years that we receive zero benefits of being a nonprofit, because cannabis is still classified as a schedule 1 drug. Though we operate under nonprofit by-laws, we are not recognized by the IRS as a 501(c)(3) and cannot accept charitable donations. In addition, tax law 280(e) does not allow for write-offs in places the IRS considers "drug trafficking", leaving us with an additional tax burden of 30% to 50% each year. Lastly, no lending institutions will provide loans to help us expand our dispensary or our indoor cultivation facility. We are needlessly restricted from expanding and keeping pace with the growing demands of Vermonters seeking symptom relief.

No other businesses in Vermont face these hurdles, yet we have succeeded because of the generous support of family and friends to loan money, employees willing to work for less, and the patients who are committed to using a plant medicine as an alternative. Moving forward, we would like to be able to take in investors and offer equity to employees. Our employees and patients are our future. We want to be able to offer staff ownership and a long term career which can support them and their families. And most importantly, we want to be able to offer a variety of medical cannabis products at an affordable price to Vermonters. Just like other businesses, economies of scales will provide the opportunity to lower per unit costs, while ensuring a diversity of products like transdermal patches, infused edibles and extracted oils. The ability to offer medical cannabis in varying strengths and forms of consumption is one of cannabis' main strengths as a medicine. To date, there has been no surplus revenue for CVD and all our funds

have been directed immediately into operating expenses to support product development and lab testing.

Proposed Amendment: 18 V.S.A. § 4474e. Dispensaries; conditions of operation

(b)(1) A dispensary shall may be operated on a for profit basis or a nonprofit basis for the mutual benefit of its patients but need not be recognized as a tax-exempt organization by the Internal Revenue Service.

5. Allow advertising by dispensaries similar to what is proposed in S.241 for marijuana retail entities.

Vermont has a very low participation rate (0.3% of population) for its medical marijuana program. Advertising is an important means for informing patients that this alternative exists. A complete ban on medical marijuana advertising almost certainly violates the First Amendment.

Proposed Amendment: We recommend allowing advertising by dispensaries similar to what had been proposed in *S.241 as passed by the Senate* for marijuana retail entities.

6. Eliminate the \$25 fee that is charged to patients who choose to change dispensaries.

Eliminate the \$25 fee that is charged to patients who choose to change dispensaries. This fee creates an unnecessary financial burden for some patients.

Proposed Amendment: 18 V.S.A §4474h. Patient designation of dispensary

(a)..... A registered patient who wishes to change his or her dispensary shall notify the department of public safety in writing on a form issued by the department and shall submit with the form a fee of \$25.00.....

7. With approval from the Department of Public Safety (DPS), transport and transfer marijuana to a Vermont academic institution for the purpose of research.

The dispensaries would like to work with academic institutions to do research and development on cannabis and opiate addiction. The DEA recently announced that this summer they may remove the schedule 1 classification for cannabis. This could provide Vermont academic institutions an advantage to become national leaders in research and development of cannabis.

Proposed Amendment: 18 V.S.A. § 4474e. Dispensaries; conditions of operation

(a) A dispensary registered under this section may:

(4) Transport and transfer marijuana to a Vermont academic institution for the purpose of research.

Thank you for this time and opportunity to speak with you today.

