

# HOUSE BILL 870

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By: **Delegates Pena–Melnik, Feldmark, Lehman, Proctor, and Valderrama**

Introduced and read first time: February 3, 2020

Assigned to: Health and Government Operations

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## A BILL ENTITLED

1 AN ACT concerning

2 **Natalie M. LaPrade Medical Cannabis Commission – Repeal of Compassionate**  
3 **Use Fund, Standard Price List, and Sales at Reduced Cost**

4 FOR the purpose of repealing the Natalie M. LaPrade Medical Cannabis Compassionate  
5 Use Fund; repealing a provision of law requiring the Natalie M. LaPrade Medical  
6 Cannabis Commission to provide a certain report to the General Assembly on or  
7 before a certain date; repealing the authority of the Commission to hire a certain  
8 actuary for a certain purpose; repealing a provision of law requiring the Maryland  
9 Department of Health, in consultation with the Commission, to establish a certain  
10 program; requiring growers, processors, and dispensaries to maintain and make  
11 available a certain standard price list; prohibiting a grower, processor, and  
12 dispensary from selling medical cannabis or medical cannabis products at a price  
13 that exceeds the price indicated on the licensee's standard price list; requiring a  
14 licensed dispensary to offer for sale medical cannabis and medical cannabis products  
15 to a certain qualifying patient at a certain reduced cost; requiring a qualifying  
16 patient to present certain identification in order to purchase medical cannabis or  
17 medical cannabis products at a reduced cost; requiring dispensaries to submit a  
18 certain report to the Commission on or before a certain date each year; requiring the  
19 Commission to adopt regulations to implement this Act; making conforming changes;  
20 and generally relating to the Natalie M. LaPrade Medical Cannabis Commission.

21 BY repealing  
22 Article – Health – General  
23 Section 13–3303.1  
24 Annotated Code of Maryland  
25 (2019 Replacement Volume)

26 BY adding to  
27 Article – Health – General  
28 Section 13–3303.1  
29 Annotated Code of Maryland

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



(2019 Replacement Volume)

BY repealing

Article – State Finance and Procurement

Section 6–226(a)(2)(ii)109.

Annotated Code of Maryland

(2015 Replacement Volume and 2019 Supplement)

BY renumbering

Article – State Finance and Procurement

Section 6–226(a)(2)(ii)110. through 122., respectively

to be Section 6–226(a)(2)(ii)109. through 121., respectively

Annotated Code of Maryland

(2015 Replacement Volume and 2019 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,

That the Laws of Maryland read as follows:

### **Article – Health – General**

[13–3303.1.

(a) In this section, “Compassionate Use Fund” means the Natalie M. LaPrade Medical Cannabis Compassionate Use Fund.

(b) There is a Natalie M. LaPrade Medical Cannabis Compassionate Use Fund.

(c) (1) The Department shall:

(i) Administer the Compassionate Use Fund; and

(ii) Subject to paragraph (2) of this subsection, set fees in an amount necessary to provide revenues for the purposes of the Compassionate Use Fund.

(2) The Commission may not impose the fees established under paragraph (1)(ii) of this subsection on a licensed medical cannabis grower, processor, or dispensary during the 2 years immediately following the preapproval of the licensee for a license under this subtitle.

(d) The purpose of the Compassionate Use Fund is to provide access to medical cannabis for individuals enrolled in the Maryland Medical Assistance Program or in the Veterans Administration Maryland Health Care System.

(e) (1) The Compassionate Use Fund is a special, nonlapsing fund that is not subject to § 7–302 of the State Finance and Procurement Article.

(2) The State Treasurer shall hold the Compassionate Use Fund

1 separately, and the Comptroller shall account for the Compassionate Use Fund.

2 (3) The Compassionate Use Fund shall be invested and reinvested in the  
3 same manner as other State funds, and any investment earnings shall be retained to the  
4 credit of the Compassionate Use Fund.

5 (4) The Compassionate Use Fund shall be subject to an audit by the Office  
6 of Legislative Audits as provided for in § 2–1220 of the State Government Article.

7 (5) The Comptroller shall pay out money from the Compassionate Use  
8 Fund as directed by the Department.

9 (f) (1) On or before December 1, 2018, the Commission, in consultation with  
10 the Department, shall report to the General Assembly, in accordance with § 2–1257 of the  
11 State Government Article, on:

12 (i) The revenues the Commission anticipates are necessary to  
13 implement the program described in subsection (i) of this section;

14 (ii) The amount of fees and the licensees on which those fees shall be  
15 assessed in order to generate the necessary revenues;

16 (iii) The use of any other funding mechanism to implement the  
17 program; and

18 (iv) Any anticipated savings in prescription drug costs for the  
19 Maryland Medical Assistance Program that would result from the provision of medical  
20 cannabis under this subtitle.

21 (2) The Commission may hire an independent actuary to assist the  
22 Commission in the preparation of the report required under paragraph (1) of this  
23 subsection.

24 (g) No part of the Compassionate Use Fund may revert or be credited to:

25 (1) The General Fund of the State; or

26 (2) Any other special fund of the State.

27 (h) Expenditures from the Compassionate Use Fund may be made only in  
28 accordance with the State budget.

29 (i) (1) The Department, in consultation with the Commission, shall establish  
30 a program to allow eligible individuals enrolled in the Maryland Medical Assistance  
31 Program or in the Veterans Administration Maryland Health Care System to:

32 (i) Obtain medical cannabis from a licensed dispensary at no cost or

a reduced cost; and

(ii) Reimburse a licensed dispensary for the cost of the medical cannabis dispensed to an eligible individual under the program from the Compassionate Use Fund.

(2) The Department shall adopt regulations to implement this subsection.]

**13-3303.1.**

**(A) EACH GROWER, PROCESSOR, AND DISPENSARY SHALL MAINTAIN AND MAKE AVAILABLE A STANDARD PRICE LIST THAT INCLUDES ANY MEDICAL CANNABIS AND MEDICAL CANNABIS PRODUCT OFFERED FOR SALE BY THE LICENSEE.**

**(B) A GROWER, PROCESSOR, OR DISPENSARY MAY NOT SELL MEDICAL CANNABIS OR A MEDICAL CANNABIS PRODUCT AT A PRICE THAT EXCEEDS THE PRICE INDICATED ON THE LICENSEE'S STANDARD PRICE LIST.**

**(C) A DISPENSARY SHALL OFFER FOR SALE MEDICAL CANNABIS AND MEDICAL CANNABIS PRODUCTS TO A QUALIFYING PATIENT ENROLLED IN THE MARYLAND MEDICAL ASSISTANCE PROGRAM OR IN THE VETERANS ADMINISTRATION MARYLAND HEALTH CARE SYSTEM AT A REDUCED COST OF NOT LESS THAN 20% OF THE PRICE INDICATED ON THE DISPENSARY'S STANDARD PRICE LIST.**

**(D) A QUALIFYING PATIENT MUST PRESENT THE FOLLOWING TO A DISPENSARY AT THE TIME OF PURCHASE IN ORDER TO PURCHASE MEDICAL CANNABIS OR A MEDICAL CANNABIS PRODUCT AT A REDUCED COST:**

**(1) A VALID:**

**(I) MARYLAND MEDICAL ASSISTANCE CARD; OR**

**(II) VETERAN HEALTH IDENTIFICATION CARD (VHIC); AND**

**(2) A COMMISSION-ISSUED QUALIFYING PATIENT IDENTIFICATION CARD.**

**(E) ON OR BEFORE JULY 30 EACH YEAR, EACH DISPENSARY SHALL SUBMIT A REPORT TO THE COMMISSION, IN A FORM PRESCRIBED BY THE COMMISSION, THAT INCLUDES:**

**(1) THE AMOUNT OF REDUCED-COST SALES MADE BY THE DISPENSARY; AND**

1           **(2) A LIST OF ELIGIBLE QUALIFYING PATIENTS WHO RECEIVED**  
2 **REDUCED-COST MEDICAL CANNABIS OR MEDICAL CANNABIS PRODUCTS.**

3           **(F) THE DEPARTMENT SHALL ADOPT REGULATIONS TO IMPLEMENT THIS**  
4 **SECTION.**

5                           **Article – State Finance and Procurement**

6 6–226.

7           (a)   (2)   (ii)   The provisions of subparagraph (i) of this paragraph do not apply  
8 to the following funds:

9   [109. the Natalie M. LaPrade Medical Cannabis Compassionate  
10 Use Fund;]

11           SECTION 2. AND BE IT FURTHER ENACTED, That Section(s) 6–226(a)(2)(ii)110.  
12 through 122., respectively, of Article – State Finance and Procurement of the Annotated  
13 Code of Maryland be renumbered to be Section(s) 6–226(a)(2)(ii)109. through 121.,  
14 respectively.

15           SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect  
16 October 1, 2020.