

Michigan Medical Marihuana Act Program Information and Financial Data

(Pursuant to Section 726 (1) and (2) of PA 59 of 2013)

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Prepared by

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Executive Summary:

Public Act 59 of 2013 requires the following:

Section 726 (1): *The department shall submit a report by January 1 to the standing committees on appropriations of the senate and house of representatives, the fiscal agencies, and the state budget director that includes all of the following information for the prior fiscal year regarding the medical marihuana program under the Michigan medical marihuana act, 2008 IL 1, MCL 333.26421 to 333.26430:*

- (a) The number of initial applications received.*
- (b) The number of initial applications approved and the number of initial applications denied.*
- (c) The average amount of time, from receipt to approval or denial, to process an initial application.*
- (d) The number of renewal applications received.*
- (e) The number of renewal applications approved and the number of renewal applications denied.*
- (f) The average amount of time, from receipt to approval or denial, to process a renewal application.*
- (g) The percentage of initial applications not approved or denied within the time requirements established in section 6 of the Michigan medical marihuana act, 2008 IL 1, MCL 333.26426.*
- (h) The percentage of renewal applications not approved or denied within the time requirements established in section 6 of the Michigan medical marihuana act, 2008 IL 1, MCL 333.26426.*
- (i) The percentage of registry cards for approved initial applications not issued within the time requirements established in section 6 of the Michigan medical marihuana act, 2008 IL 1, MCL 333.26426.*
- (j) The percentage of registry cards for approved renewal applications not issued within the time requirements established in section 6 of the Michigan medical marihuana act, 2008 IL 1, MCL 333.26426.*
- (k) The amount collected from the medical marihuana program application and renewal fees authorized in section 5 of the Michigan medical marihuana act, 2008 IL 1, MCL 333.26425.*
- (l) The costs of administering the medical marihuana program under the Michigan medical marihuana act, 2008 IL 1, MCL 333.26421 to 333.26430.*

Section 726 (2): *If the required fees are shown to be insufficient to offset all expenses of implementing and administering the medical marihuana program, the department shall review and revise the application and renewal fees accordingly to ensure that all expenses of implementing and administering the medical marihuana program are offset as is permitted under section 5 of the Michigan medical marihuana act, 2008 IL 1, MCL 333.26425.*

Pursuant to this requirement, this report has been prepared and issued electronically to the House and Senate appropriations subcommittees, House and Senate Fiscal Agencies, and the state budget director to meet the January 1 reporting requirement. In addition, this report is also online under the following locations:

- The Medical Marihuana Program section of the Bureau of Health Care Services website at: www.michigan.gov/bhcs.
- The All About LARA section - Legislative Reports of the Department of Licensing and Regulatory Affairs website at: www.michigan.gov/lara.

Background:

The Michigan Medical Marihuana Program (MMMP) is a state registry program within the Health Professions Licensing Division in the Bureau of Health Care Services at the Michigan Department of Licensing and Regulatory Affairs. The program administers the Michigan Medical Marihuana Act as approved by Michigan voters on November 4, 2008. The program implements the statutory tenets of this act in such a manner that protects the public and assures the confidentiality of its participants.

Specifically, the information provided is based on data from October 1, 2012 through September 30, 2013.

Required Information for Section 726 (1):

(a) The number of initial applications received.

70,262*

(b) The number of initial applications approved and the number of initial applications denied.

Initial Applications Approved: 82,193*

Initial Applications Denied: 11,612*

*As noted above, the total number of initial applications approved (82,193) and initial applications denied (11,612) exceed the total number of initial applications received (70,262). This is due to the following three factors:

1. A renewal application that is received often becomes a reinstatement application because the patient's registry card has expired by the time the renewal application is processed. Once this occurs, it becomes a reinstatement application, which is counted as an initial application.
2. Any initial applications that are received from the month immediately preceding the beginning of the fiscal year are included in the count of initial applications approved because under the Michigan Medical Marihuana Act, the department has 15 business days (MCL 333.26426) to approve or deny an application.
3. At the start of Fiscal Year 2013, the department had a backlog of processing approved applications. During the fiscal year, the backlog was eliminated and staff is ahead in processing approved applications, which is why the department has processed more applications than what was actually received during Fiscal Year 2013.

(c) The average amount of time, from receipt to approval or denial, to process an initial application:

12.54 Business Days

(d) The number of renewal applications received:

63,628*

(e) The number of renewal applications approved and the number of renewal applications denied:

Renewal Applications Approved:	36,175*
Renewal Applications Denied:	8,672*

*As noted above, the total number of renewal applications approved (36,175) and renewal applications denied (8,672) do not equal the total number of renewal applications received (63,628). A renewal application that is received often becomes a reinstatement application because the patient's registry card has expired by the time the renewal application is processed. Once this occurs, it is classified as a reinstatement application, which is counted as an initial application.

(f) The average amount of time, from receipt to approval or denial, to process a renewal application:

12.38 Business Days

(g) The percentage of initial applications not approved or denied within the time requirements established in section 6 of the Michigan medical marihuana act, 2008 IL 1, MCL 333.26426:

21.5%

(h) The percentage of renewal applications not approved or denied within the time requirements established in section 6 of the Michigan medical marihuana act, 2008 IL 1, MCL 333.26426:

19.9%

(i) The percentage of registry cards for approved initial applications not issued within the time requirements established in section 6 of the Michigan medical marihuana act, 2008 IL 1, MCL 333.26426:

5.67%

(j) The percentage of registry cards for approved renewal applications not issued within the time requirements established in section 6 of the Michigan medical marihuana act, 2008 IL 1, MCL 333.26426:

8%

(k) The amount collected from the medical marihuana program application and renewal fees authorized in section 5 of the Michigan medical marihuana act, 2008 IL 1, MCL 333.26425.

\$10,612,250.00

(l) The costs of administering the medical marihuana program under the Michigan medical marihuana act, 2008 IL 1, MCL 333.26421 to 333.26430.

\$3,767,451.89

Required Information for Section 726 (2): The fees are sufficient to cover expenses.

Summary:

The Bureau of Health Care Services (BHCS) executive and legislative charge is to fulfill health care licensing and regulatory responsibilities to the people of Michigan. This includes the administration and oversight of the Michigan Medical Marihuana Program. The information contained in this report is required pursuant to Sections 726 (1) and (2) of PA 59 of 2013 and provides specific information regarding initial and renewal medical marihuana applications as well as program expenditure and revenue information for the time period beginning October 1, 2012 through September 30, 2013.