

**COLORADO**Department of Public  
Health & Environment

To: Members of the State Board of Health

From: Natalie Riggins, Medical Marijuana Registry Program Manager, Center for Health and Environmental Data *NAR*

Through: Chris Wells, Division Director, Center for Health and Environmental Data *CSW*

Date: October 21, 2021

Subject: Request for a Rulemaking Hearing concerning 5 CCR 1006-2, Medical Use of Marijuana

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The Department is proposing changes to Regulation 7 and requesting a \$4.50 fee increase to the Medical Marijuana Registry application processing fee. Based on current budget projections, MMR does not have sufficient funds to implement House Bill 21-1317 while sustaining the program. This proposed change would bring the total fee to from \$25 to \$29.50 starting in February, 2022.

MMR originally proposed a \$10 fee increase to stakeholders, considered the stakeholder feedback, and has determined that a \$4.50 increase will allow MMR to implement the bill while minimizing the financial burden to customers and stakeholders as Colorado recovers from the COVID-19 pandemic.

As this fee request alone will not sustain operations long term, the Department is committed to continuing to explore all options. Therefore, an additional increase in fees may be necessary in the near future. The Department will continue to work with all stakeholders as it moves forward.

MMR continues to explore all possible strategies to implement the bill and sustain the program.

STATEMENT OF BASIS AND PURPOSE  
AND SPECIFIC STATUTORY AUTHORITY  
for Amendments to 5 CCR 1006-2, Medical Use of Marijuana

**Basis and Purpose.**

Colorado Constitution, Article XVIII, Section 14, paragraph 9 directs the Board of Health (BOH) to enact rules for the administration of the program. Colorado Revised Statute §25-1.5-106 (16) authorizes the Board to set fees sufficient to meet the direct and indirect costs of administering the Medical Marijuana Registry (MMR). The Medical Use of Marijuana Regulations, 5 CCR 1006-2, Regulation 7.A requires MMR to annually evaluate the amount of the fees to be charged to applicants and to propose fee modifications to the Board as appropriate.

**Proposed fee**

The Department is proposing a registration fee increase of \$4.50. This will bring the application processing fee from \$25 to \$29.50. The Department regularly analyzes the fee, revenue, and expenses to determine if the fee meets the actual expenses of MMR and ensure that the program remains solvent. The Department proposes fee changes to the Board based on these regular projections.

Current projections indicate that at a minimum, a \$4.50 fee increase is necessary to cover the costs of implementing House Bill 21-1317 and the direct and indirect costs of administering MMR. This will bring the total fee to \$29.50 effective Feb. 14, 2022. However, current projections show that a \$29.50 application processing fee is not sufficient to sustain the program. An additional fee adjustment will likely be expected in the near future to maintain operation of the registry at its current capacity. If the fee increase is approved, MMR will continue to monitor the fee, revenue, and expenditures and will propose another fee increase if needed.

Additionally, MMR does not have adequate revenue to implement House Bill 21-1317, and is pursuing an extension for the appropriations outlined in the bill. An extension will delay implementation of the bill, allowing more time to develop the funding to implement bill requirements and update the Medical Marijuana Registry System (MMRS). Updating MMRS is a lengthy process, and full implementation of House Bill 21-1317 will not happen until these modifications are successfully completed. This fee increase coupled with the extension will allow the program to implement the bill while minimizing the financial burden to customers and stakeholders.

**Fee history**

A \$35 application processing fee was in place from Dec. 30, 2011 until Feb. 1, 2014. In 2014, The Board of Health reduced the Medical Marijuana Registry application fee from \$35 to \$15 to reduce a significant cash fund surplus in the Medical Marijuana Program Cash Fund.

The \$15 fee structure was in place until the cash fund surplus was reduced. In 2018, the fee was increased to \$25 as a result of the implementation MMRS in 2017. MMRS allows medical marijuana patients, caregivers and health care providers to complete all of their applications and certifications online instead of by mail. This resulted in faster application processing and

cost savings. After MMRS was implemented, there was a critical need for customer and technical support for the nearly 300,000 users. The fee increase in 2018 allowed MMR to sustain the direct and indirect costs of the program and support essential functions including customer and technical support services.

The most recent Department analysis demonstrates that the \$25 application processing fee will not provide sufficient revenue to cover the costs of implementing the requirements of House Bill 21-1317 and sustain the direct and indirect costs of administering MMR.

The proposed fee increase of \$4.50 would be consistent with previous fee rates over the past decade. The fee rate has been as high as \$140.

### **Cost to implement House Bill 21-1317 and use of funds under the fee increase**

Funds generated by the increased application processing fee will be used for the implementation of House Bill 21-1317, which includes making changes to MMRS and securing additional staffing resources to support implementation. Additionally, fees will continue to be used to cover direct and indirect costs of administering MMR.

### **Updating the Medical Marijuana Registry System (MMRS)**

MMRS must be updated in order to comply with requirements of House Bill 21-1317. Necessary updates include:

- Adding functionality to indicate whether or not a patient was on the registry before age 18. Individuals that obtained a medical marijuana registry identification card before age 18 do not have to provide the same amount of documentation as an individual that applies to the registry for the first time between ages 18 and 20.
- Adding functionality to collect newly required information and certifications for first-time applicants aged 18 to 20.
- Adding additional fields to the provider certification form. House Bill 21-1317 requires recommending providers list additional information on the certification form which includes but may not be limited to:
  - The date of issue and effective date.
  - The patient's address.
  - The physician's DEA number.
  - The maximum THC potency level being recommended.
  - The recommended product, if any.
  - The patient's daily authorized quantity, if any quantity exceeds the maximum statutorily allowed amount for the patient's age.
  - Directions for use.
- Any additional updates that may be required to comply with House Bill 21-1317.

### **Staffing resources**

House Bill 21-1317 creates major changes for MMR stakeholders including patients and health care providers. MMR will need staffing resources to meet the additional needs of customers. Staffing resources will be provided to the customer support team and the systems integration team to address the increased workloads.

MMR is experiencing an increase in requests for information and guidance regarding House Bill 21-1317. Requests for information and technical support will continue to increase once the law is effective in Jan. 2022. MMR currently has a team of 5 staff dedicated to responding to in-system requests, emails, and taking and placing customer support phone calls. This small team currently handles approximately 2,000 calls, 3,000 emails, and 1,500 in-system requests per month. Despite being able to process 6,500 requests each month, feedback from the customer satisfaction survey indicates that customers would like more access to support services. Staffing resources will go to the customer support team to provide essential customer and technical support as the bill becomes effective.

MMR will also use staffing resources to support system changes in MMRS. Making changes to the functionality of MMRS requires new and updated business requirements, amending vendor contracts, conducting joint application design sessions with the developers, testing newly developed features and functionality prior to deployment, training staff to use the system and explain system changes to stakeholders, providing resources to end-users to assist them in adapting to the new changes, and maintaining the system.

#### Specific Statutory Authority.

Statutes that require or authorize rulemaking: These rules are promulgated pursuant to the following statutes: Section 25-1.5-106, C.R.S.

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Is this rulemaking due to a change in state statute?

Yes, the bill number is House Bill 21-1317. Rules are \_\_\_ authorized  
\_\_\_X\_\_\_ required.  
\_\_\_ No

Does this rulemaking include proposed rule language that incorporate materials by reference?

\_\_\_ Yes \_\_\_ URL  
\_\_\_X\_\_\_ No

Does this rulemaking include proposed rule language to create or modify fines or fees?

\_\_\_X\_\_\_ Yes  
\_\_\_ No

Does the proposed rule language create (or increase) a state mandate on local government?

\_\_\_X\_\_\_ No.

- The proposed rule does not require a local government to perform or increase a specific activity for which the local government will not be reimbursed;
- The proposed rule requires a local government to perform or increase a specific activity because the local government has opted to perform an activity, or;
- The proposed rule reduces or eliminates a state mandate on local government.

**REGULATORY ANALYSIS**  
For Amendments to 5 CCR 1006-2, Medical Use of Marijuana

1. A description of the classes of persons affected by the proposed rule, including the classes that will bear the costs and the classes that will benefit from the proposed rule.

Group of persons/entities Affected by the Proposed Rule	Size of the Group	Relationship to the Proposed Rule Select category: C/CLG/S/B
Medical marijuana registry patients, prospective patients, and their parents or legal representatives	100,000 approximately	C, B,

While all are stakeholders, groups of persons/entities connect to the rule and the problem being solved by the rule in different ways. To better understand those different relationships, please use this relationship categorization key:

- C = individuals/entities that implement or apply the rule.
- S = individuals/entities that do not implement or apply the rule but are interested in others applying the rule.
- B = the individuals that are ultimately served, including the customers of our customers. These individuals may benefit, be harmed by or be at-risk because of the standard communicated in the rule or the manner in which the rule is implemented.

More than one category may be appropriate for some stakeholders.

2. To the extent practicable, a description of the probable quantitative and qualitative impact of the proposed rule, economic or otherwise, upon affected classes of persons.

Economic outcomes

Summarize the financial costs and benefits, include a description of costs that must be incurred, costs that may be incurred, any Department measures taken to reduce or eliminate these costs, any financial benefits.

**Medical marijuana registry patients, prospective patients, and their parents or legal representatives (C, B)**

This group will experience a greater financial cost to apply for their medical marijuana registry identification card. The proposed changes will place an additional \$4.50 burden on individuals in this group. There is an option to apply for a fee waiver and tax exempt status if an applicant's household income is 185% or less than the Federal Poverty Guidelines.

### Non-economic outcomes

Summarize the anticipated favorable and non-favorable non-economic outcomes (short-term and long-term), and, if known, the likelihood of the outcomes for each affected class of persons by the relationship category.

### **Medical marijuana registry patients and prospective patients.**

This group will be able to continue to access the medical marijuana program. The updates to MMRS will provide clarity on what information they need to include with their application depending on their age and history applying to the program. They will also benefit from customer support resources that the revenue from the fee will fund.

3. The probable costs to the agency and to any other agency of the implementation and enforcement of the proposed rule and any anticipated effect on state revenues.

There will be a cost to implement House Bill 21-1317, which includes updating MMRS and securing adequate staffing. There is also a continued cost to cover the direct and indirect costs of administering MMR. Tables associated with the fee increase are available at the end of the Regulatory Analysis.

#### A. Anticipated CDPHE personal services, operating costs or other expenditures:

The passage of House Bill 21-1317 requires MMR to revise Board of Health rules and make changes to the functionality of MMRS which includes new and updated business requirements, amending vendor contracts, conducting joint application design sessions with the developers, testing newly developed features and functionality prior to deployment, training staff to use the system and explain system changes to stakeholders, providing resources to end-users to assist them in adapting to the new changes, and maintaining the system.

A breakout of the costs outlined in the Fiscal Note of HB 21-1317 is provided in the table below.

Type of Expenditure	Year 1	Year 2
<u>Personal Services</u> for the 2.1 additional staff needed for updates to Certification form, Stakeholder engagement, provider training, Board of Health Rule-making	\$110,935	\$34,306
<u>Operating Expenses</u> for contracting with current system vendor to update MMRS, capital outlay for 2.1 additional staff	\$165,235	\$1,080
<b>Total</b>	<b>\$276,170</b>	<b>\$35,386</b>

## Anticipated CDPHE Revenues:

This rulemaking modifies the Medical Marijuana Registry application processing fee from the current fee level of \$25 per application, to \$29.50 per application. This represents a 18% increase.

Current Fee	Proposed Fee	% increase or decrease
\$25	\$4.50	18% increase

The table below illustrates a brief history of the recent MMR fee levels and adjustments

Fee Change Date	Original fee	New fee	\$ Increase or Decrease	% Increase or Decrease	Reason for Adjustment
December 2011	\$90	\$35	(\$55)	▼ 61%	Reduce revenues to spend down fund balance
February 2014	\$35	\$15	(\$20)	▼ 57%	Reduce revenues to spend down fund balance
May 2018	\$15	\$25	\$10	▲ 67%	Set fee to sustain program
Feb 2022 (proposed)	\$25	\$29.50	\$4.50	▲ 18%	Generate revenues to implement HB 21-1317

Anticipated CDPHE Revenues			
Projected Revenue	FY 2021-22	FY 2022-23	Future Year
Average Registry Patient Count (July 2020 - June 2021)	86,500	86,500	86,500
New Revenue generated by fee increase (effective date 2/15/2021)	\$145,969	\$389,250	\$389,250
<b>Total Revenue projected from fee adjustment</b>	\$145,969	\$389,250	\$389,250

- B. Anticipated personal services, operating costs or other expenditures by another state agency:  
N/A

Anticipated Revenues for another state agency:

N/A

4. A comparison of the probable costs and benefits of the proposed rule to the probable costs and benefits of inaction.

A failure to increase the fees at this time will result in the fund going into a deficit. The proposed increase will allow the program to generate revenue to implement House Bill 21-1317 while minimizing the financial burden to customers. Currently, MMR does not have adequate revenue to implement the bill, and is pursuing an extension for the appropriations outlined in House Bill 21-1317. An extension will allow more time to gain the funding to implement the changes necessary to update MMRS to fully implement House Bill 21-1317. Another fee increase will likely be needed in the near future to ensure that the program has enough funds to sustain operations.

Along with the costs and benefits discussed above, the proposed revisions:

- Comply with a statutory mandate to promulgate rules.  
 Comply with federal or state statutory mandates, federal or state regulations, and department funding obligations.  
 Maintain alignment with other states or national standards.  
 Implement a Regulatory Efficiency Review (rule review) result  
 Improve public and environmental health practice.  
 Implement stakeholder feedback.

Advance the following CDPHE Strategic Plan priorities (select all that apply):

- |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>1. Reduce Greenhouse Gas (GHG) emissions economy-wide from 125.716 million metric tons of CO<sub>2</sub>e (carbon dioxide equivalent) per year to 119.430 million metric tons of CO<sub>2</sub>e per year by June 30, 2020 and to 113.144 million metric tons of CO<sub>2</sub>e by June 30, 2023.</p> <p><input type="checkbox"/> Contributes to the blueprint for pollution reduction<br/> <input type="checkbox"/> Reduces carbon dioxide from transportation<br/> <input type="checkbox"/> Reduces methane emissions from oil and gas industry<br/> <input type="checkbox"/> Reduces carbon dioxide emissions from electricity sector</p> |
| <p>2. Reduce ozone from 83 parts per billion (ppb) to 80 ppb by June 30, 2020 and 75 ppb by June 30, 2023.</p> <p><input type="checkbox"/> Reduces volatile organic compounds (VOC) and oxides of nitrogen (NO<sub>x</sub>) from the oil and gas industry.<br/> <input type="checkbox"/> Supports local agencies and COGCC in oil and gas regulations.</p>                                                                                                                                                                                                                                                                                       |



<p>___ Reduces VOC and NOx emissions from non-oil and gas contributors</p>
<p>3. Decrease the number of Colorado adults who have obesity by 2,838 by June 30, 2020 and by 12,207 by June 30, 2023.</p> <p>___ Increases the consumption of healthy food and beverages through education, policy, practice and environmental changes.</p> <p>___ Increases physical activity by promoting local and state policies to improve active transportation and access to recreation.</p> <p>___ Increases the reach of the National Diabetes Prevention Program and Diabetes Self-Management Education and Support by collaborating with the Department of Health Care Policy and Financing.</p>
<p>4. Decrease the number of Colorado children (age 2-4 years) who participate in the WIC Program and have obesity from 2120 to 2115 by June 30, 2020 and to 2100 by June 30, 2023.</p> <p>___ Ensures access to breastfeeding-friendly environments.</p>
<p>5. Reverse the downward trend and increase the percent of kindergartners protected against measles, mumps and rubella (MMR) from 87.4% to 90% (1,669 more kids) by June 30, 2020 and increase to 95% by June 30, 2023.</p> <p>___ Reverses the downward trend and increase the percent of kindergartners protected against measles, mumps and rubella (MMR) from 87.4% to 90% (1,669 more kids) by June 30, 2020 and increase to 95% by June 30, 2023.</p> <p>___ Performs targeted programming to increase immunization rates.</p> <p>___ Supports legislation and policies that promote complete immunization and exemption data in the Colorado Immunization Information System (CIIS).</p>
<p>6. Colorado will reduce the suicide death rate by 5% by June 30, 2020 and 15% by June 30, 2023.</p> <p>___ Creates a roadmap to address suicide in Colorado.</p> <p>___ Improves youth connections to school, positive peers and caring adults, and promotes healthy behaviors and positive school climate.</p> <p>___ Decreases stigma associated with mental health and suicide, and increases help-seeking behaviors among working-age males, particularly within high-risk industries.</p> <p>___ Saves health care costs by reducing reliance on emergency departments and connects to responsive community-based resources.</p>
<p>7. The Office of Emergency Preparedness and Response (OEPR) will identify 100% of jurisdictional gaps to inform the required work of the Operational Readiness Review by June 30, 2020.</p> <p>___ Conducts a gap assessment.</p> <p>___ Updates existing plans to address identified gaps.</p> <p>___ Develops and conducts various exercises to close gaps.</p>
<p>8. For each identified threat, increase the competency rating from 0% to 54% for</p>

<p>outbreak/incident investigation steps by June 30, 2020 and increase to 92% competency rating by June 30, 2023.</p> <p><input type="checkbox"/> Uses an assessment tool to measure competency for CDPHE's response to an outbreak or environmental incident.</p> <p><input type="checkbox"/> Works cross-departmentally to update and draft plans to address identified gaps noted in the assessment.</p> <p><input type="checkbox"/> Conducts exercises to measure and increase performance related to identified gaps in the outbreak or incident response plan.</p>
<p>9. 100% of new technology applications will be virtually available to customers, anytime and anywhere, by June 20, 2020 and 90 of the existing applications by June 30, 2023.</p> <p><input checked="" type="checkbox"/> Implements the CDPHE Digital Transformation Plan.</p> <p><input checked="" type="checkbox"/> Optimizes processes prior to digitizing them.</p> <p><input checked="" type="checkbox"/> Improves data dissemination and interoperability methods and timeliness.</p>
<p>10. Reduce CDPHE's Scope 1 &amp; 2 Greenhouse Gas emissions (GHG) from 6,561 metric tons (in FY2015) to 5,249 metric tons (20% reduction) by June 30, 2020 and 4,593 tons (30% reduction) by June 30, 2023.</p> <p><input type="checkbox"/> Reduces emissions from employee commuting</p> <p><input type="checkbox"/> Reduces emissions from CDPHE operations</p>
<p>11. Fully implement the roadmap to create and pilot using a budget equity assessment by June 30, 2020 and increase the percent of selected budgets using the equity assessment from 0% to 50% by June 30, 2023.</p> <p><input type="checkbox"/> Used a budget equity assessment</p>

- Advance CDPHE Division-level strategic priorities.
- Optimize customer experience.

The costs and benefits of the proposed rule will not be incurred if inaction was chosen. Costs and benefits of inaction not previously discussed include:

If the program maintains the \$25 application processing fee, the expenditure requirements under House Bill 21-1317 will exhaust the current fund balance and the Department would have to pursue significantly higher fee increases in the future. The fee increase is necessary to ensure the program has the funds to remain operational and the ability to implement House Bill 21-1317.

5. A determination of whether there are less costly methods or less intrusive methods for achieving the purpose of the proposed rule.

There is no less costly or intrusive method. The Medical Marijuana Registry is a fee-based program. Therefore, increasing the fee is the only viable method to generate the revenue necessary to sustain the program.

6. Alternative Rules or Alternatives to Rulemaking Considered and Why Rejected.

No other alternatives to rulemaking were considered as Colorado Revised Statute §25-1.5-106 (16) authorizes the Board to set fees sufficient to meet the direct and indirect costs of administering the Medical Marijuana Registry. The Medical Use of Marijuana Regulations, 5 CCR 1006-2, Regulation 7.A requires MMR to annually evaluate the amount of the fees to be charged to applicants and to propose fee modifications to the Board as appropriate. Further, the Medical Marijuana Registry cash fund is not eligible for a Cash Fund Solvency loan as outlined in Senate Bill 21-283 as MMR fund revenues are not generated on multi-year licensing and service periods.

7. To the extent practicable, a quantification of the data used in the analysis; the analysis must take into account both short-term and long-term consequences.

The Department has determined that a fee increase will be required no later than March of 2022 to sustain the program at its current level of functionality and implement the requirements of House Bill 21-1317. MMR is pursuing an extension for the appropriations listed in House Bill 21-1317 into FY 2022-23. This will result in a delay of the full implementation of the bill while modifications of MMRS are completed. However, this strategy allows MMR to implement the bill while minimizing the financial impact to customers and stakeholders.

The Department utilized the FY 2022-23 Schedule 9 Cash Fund Report analysis in conjunction with a projection of current, average patient count of 86,500. Based on this analysis, a \$29.50 application processing fee alone is insufficient to sustain the program. The Department will continue to evaluate all options while working with stakeholders and may be requesting an additional fee increase in the near future.

### Projection Calculations

<b>Including Fee Increase</b>			
<b>Program Expenses</b>	<b>FY 2021-22</b>	<b>FY 2022-23</b>	<b>Future Year</b>
Personal Services (18.6 FTE)	\$1,496,447	\$1,496,447	\$1,496,447
Division Administrative Expenses	\$61,108	\$61,108	\$61,108
Direct Operating Expenses	\$481,469	\$481,469	\$481,469
Implementation of HB 21-1317	\$0	\$276,170	\$35,386
CDPHE Indirect Costs (CDPHE Overhead)	\$369,063	\$419,050	\$375,468
<b>Total Expenses</b>	<b>\$2,408,088</b>	<b>\$2,734,245</b>	<b>\$2,449,879</b>
<b>Program Revenue</b>	<b>FY 2021-22</b>	<b>FY 2022-23</b>	<b>Future Year</b>
Fee Income - Current Fee, \$25	\$2,162,500	\$2,162,500	\$2,162,500
New Revenue generated by \$4.50 increase (effective date 2/15/2021)	\$145,969	\$389,250	\$389,250
Interest Income	\$7,000	\$7,000	\$7,000
<b>Total Revenue</b>	<b>\$2,315,469</b>	<b>\$2,558,750</b>	<b>\$2,558,750</b>
<b>Net Cash Flow:</b>	<b>(\$92,619)*</b>	<b>(\$175,495)*</b>	<b>\$108,871</b>
<b>Year End Fund Balance</b>	<b>\$244,098</b>	<b>(\$29,397)*</b>	<b>(\$18,526)*</b>

<b>If Fee Increase is not approved</b>			
<b>Program Expenses</b>	<b>FY 2021-22</b>	<b>FY 2022-23</b>	<b>Future Year</b>
Personal Services (18.6 FTE)	\$1,496,447	\$1,496,447	\$1,496,447
Division Administrative Expenses	\$61,108	\$61,108	\$61,108
Direct Operating Expenses	\$481,469	\$481,469	\$481,469
Implementation of HB 21-1317	\$0	\$276,170	\$35,386
CDPHE Indirect Costs (CDPHE Overhead)	\$369,063	\$419,050	\$410,004
<b>Total Expenses</b>	<b>\$2,408,088</b>	<b>\$2,734,245</b>	<b>\$2,484,415</b>
<b>Program Revenue</b>	<b>FY 2021-22</b>	<b>FY 2022-23</b>	<b>Future Year</b>
Fee Income - Current Fee, \$25	\$2,162,500	\$2,162,500	\$2,162,500
Interest Income	\$7,000	\$7,000	\$7,000
<b>Total Revenue</b>	<b>\$2,169,500</b>	<b>\$2,169,500</b>	<b>\$2,169,500</b>
<b>Net Cash Flow:</b>	<b>(\$238,588)*</b>	<b>(\$564,745)*</b>	<b>(\$314,915)*</b>
<b>Year End Fund Balance</b>	<b>\$98,129</b>	<b>(\$564,615)*</b>	<b>(\$942,994)*</b>

*\*The program has the responsibility to cover costs with appropriate fee revenue. The program will be out of compliance with statute if this fee is not approved and will not have the revenue necessary to sustain the Medical Marijuana Registry.*

The Department also reviewed the fee rates that other states currently charge to process medical marijuana registry applications. The fees range between zero dollars and \$350 dollars, with many states charging around \$50 to process an application for a medical marijuana registry card.

## STAKEHOLDER ENGAGEMENT for Amendments to 5 CCR 1006-2, Medical Use of Marijuana

State law requires agencies to establish a representative group of participants when considering to adopt or modify new and existing rules. This is commonly referred to as a stakeholder group.

### Early Stakeholder Engagement:

The following individuals and/or entities were invited to provide input and included in the development of these proposed rules:

The Department distributed information about the proposed fee increase to the voluntary Medical Marijuana Registry Stakeholders lists on Sept. 7, 2021. MMR originally proposed a \$10 fee increase to stakeholders. The feedback the MMR received was in regards to a \$10 fee increase

Information about the proposed changes was also publicized on MMR's public website. Stakeholder feedback was collected through an online form. Stakeholders were also invited to share feedback through the mail.

### **Medical Marijuana Stakeholder groups:**

- Medical Marijuana Registry Stakeholders (voluntary list serve open to anyone)
- Medical Marijuana Registry Physicians
- Medical Marijuana Registry Caregivers

### **Summary of the feedback**

Approximately 2,500 individuals were notified of the opportunity to provide feedback through the stakeholder groups, but the Department received fewer than 10 responses.

Some feedback showed support for the increase so there will be funds to pay for the program. The majority of responses expressed opposition to the fee and respondents gave different reasons for why they do not support the change. One reason was that the fee is annual, so it should remain low. Another was that the Department is not efficient enough. A third reason was that it would harm patients and a fourth was that increasing a fee would negatively affect medical marijuana centers. It is important to note that MMR does not have any involvement or oversight over medical marijuana sales and centers.

After considering budget projections, stakeholder feedback, and the residual impacts of the COVID-19 pandemic on Medical Marijuana Registry customers, MMR has determined that a \$4.50 increase will allow MMR to implement the bill while minimizing the financial burden to customers and stakeholders as Colorado recovers from the COVID-19 pandemic. Individuals whose household incomes are 185% or less than the federal poverty guidelines are eligible to apply for an application fee waiver and tax exempt status.

Several individuals also expressed that they are not in favor of House Bill 21-1317 being implemented and shared concerns about the bill not supporting patients, making it more difficult for some patients to receive a registry identification card, and potential harm to medical marijuana businesses. This is outside the scope of the rulemaking. Further, the Department must comply with statute and implement House Bill 21-1317 as required by law.

Stakeholder Group Notification

The stakeholder group was provided notice of the rulemaking hearing and provided a copy of the proposed rules or the internet location where the rules may be viewed. Notice was provided prior to the date the notice of rulemaking was published in the Colorado Register (typically, the 10<sup>th</sup> of the month following the Request for Rulemaking).

- Not applicable. This is a Request for Rulemaking Packet. Notification will occur if the Board of Health sets this matter for rulemaking. This is selected for the request for rulemaking.
- Yes. This is selected for the rulemaking to document that timely division notification occurred.

Summarize Major Factual and Policy Issues Encountered and the Stakeholder Feedback Received. If there is a lack of consensus regarding the proposed rule, please also identify the Department’s efforts to address stakeholder feedback or why the Department was unable to accommodate the request.

Please identify the determinants of health or other health equity and environmental justice considerations, values or outcomes related to this rulemaking.

Overall, after considering the benefits, risks and costs, the proposed rule:

Select all that apply.

	Improves behavioral health and mental health; or, reduces substance abuse or suicide risk.	Reduces or eliminates health care costs, improves access to health care or the system of care; stabilizes individual participation; or, improves the quality of care for unserved or underserved populations.
	Improves housing, land use, neighborhoods, local infrastructure, community services, built environment, safe physical spaces or transportation.	Reduces occupational hazards; improves an individual’s ability to secure or maintain employment; or, increases stability in an employer’s workforce.
	Improves access to food and healthy food options.	Reduces exposure to toxins, pollutants, contaminants or hazardous substances; or ensures the safe application of radioactive material or chemicals.
X	Improves access to public and environmental health information; improves the readability of the rule; or, increases the shared understanding of roles and responsibilities, or what occurs under a rule.	Supports community partnerships; community planning efforts; community needs for data to inform decisions; community needs to evaluate the effectiveness of its efforts and outcomes.

	Increases a child's ability to participate in early education and educational opportunities through prevention efforts that increase protective factors and decrease risk factors, or stabilizes individual participation in the opportunity.	Considers the value of different lived experiences and the increased opportunity to be effective when services are culturally responsive.
	Monitors, diagnoses and investigates health problems, and health or environmental hazards in the community.	Ensures a competent public and environmental health workforce or health care workforce.
	Other: _____ _____	Other: _____ _____

1 DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT

2 Center for Health and Environmental Data

3 MEDICAL USE OF MARIJUANA

4 5 CCR 1006-2

5 *[Editor's Notes follow the text of the rules at the end of this CCR Document.]*

6 \_\_\_\_\_

7 **Adopted by the Board of Health on \_\_\_\_\_, effective\_\_\_\_\_.**

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9 **Regulation 7: Determination of fees to pay for administrative costs of the medical use of**  
10 **marijuana program**

11 A. Application fee. Effective ~~May-February 15, 2014~~, 2018~~2022~~, the Department shall collect  
12 twenty-~~five~~ nine dollars and fifty cents from each applicant at the time of application to  
13 pay for the direct and indirect costs to administer the medical use of marijuana program,  
14 unless the applicant meets the criteria set forth in section (b) of this Regulation (7)  
15 establishing indigence. Such fee shall not be refundable to the applicant if the  
16 application is denied or revoked or if the patient no longer has a debilitating or disabling  
17 medical condition. The amount of the fee shall be evaluated annually by the department  
18 to ensure compliance with the applicable statutes and the fee meets the actual Medical  
19 Marijuana Registry expenses. The department shall propose modifications to the board,  
20 as appropriate. If the patient provides updated information at any time during the  
21 effective period of the registry identification card, the department shall not charge a fee  
22 to modify the registry information concerning the patient.

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