

Delaware Medical Marijuana Program Annual Report

FISCAL YEAR

2021

Published October 2021



DELAWARE HEALTH AND SOCIAL SERVICES
Division of Public Health
Medical Marijuana Program

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Fiscal Year 2021

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<https://dhss.delaware.gov/dhss/dph/hsp/medmarhome.html>

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Program Year 9

July 1, 2020 - June 30, 2021 (State Fiscal Year 2021)

I. Executive Summary

According to published research, there is supporting evidence that the use of medical marijuana alleviates chronic neuropathic or cancer pain; reduces the use of opioids and analgesic enhancement for long-term pain management; lessens spasticity; and reduces nausea, vomiting, and weight loss associated with chronic debilitating conditions. Marijuana is a psychoactive drug derived from the *Cannabis sativa* plant. Three primary compounds in cannabis are associated with health benefits. Some studies indicate that Tetrahydrocannabinol (THC) activates pathways in the central nervous system, which blocks pain signals to the brain. THC is known to reduce nausea and stimulate appetites in both healthy and sick individuals. The medical effects of Cannabidiol (CBD) are anti-inflammatory, anti-pain, anti-anxiety, anti-psychotic, and anti-spasm effects without disconcerting lethargy or dysphoria. Scientific and clinical studies of CBD tie it to treatment for a wide range of conditions, including Multiple Sclerosis, rheumatoid arthritis, diabetes, alcoholism, chronic pain, schizophrenia, Post Traumatic Stress Disorder, antibiotic-resistant infections, epilepsy, and other neurological disorders. THC acid (THC-A) provides many of the same neurogenic and neuro-protectant benefits as Cannabidiol when used in a capsule or oil.

To regulate the medical use of marijuana, the Delaware General Assembly passed Senate Bill 17, the Delaware Medical Marijuana Act, in May 2011. Governor Jack Markell signed the Delaware Medical Marijuana Act on May 13, 2011, and it became effective on July 1, 2011. It is now enabled in Title 16¹, Chapter 49a of the Delaware Code.

The Delaware Department of Health and Social Services (DHSS), Division of Public Health (DPH) is charged with implementing the Delaware Medical Marijuana Act that regulates the medical use of marijuana in Delaware. DPH's Office of Medical Marijuana (OMM) operates the Delaware Medical Marijuana Program (MMP). This report documents the MMP's growth, challenges, accomplishments, and activities during its ninth year, State Fiscal Year 2021 (FY21). This report is submitted as required by paragraph §4922A (b)² of the Delaware Medical Marijuana Act.

This report provides the progression of the MMP with details including:

1. The number of applications and renewals filed for registry identification cards.
2. The number of qualifying patients and designated caregivers approved in each county.
3. The nature of the debilitating medical conditions of the qualifying patients.

¹ <http://delcode.delaware.gov/title16/c049a/index.shtml>

² <http://delcode.delaware.gov/title16/c049a/index.shtml>

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4. The number of registry identification cards revoked for misconduct.
5. The number of physicians providing written certifications for qualifying patients.
6. The number of registered compassion centers.
7. An accounting of fees and costs.

Through OMM's series of annual reports, constituents and other state MMPs can follow the development of the medical marijuana industry in Delaware to understand its milestones and benchmarks. This report and the preceding annual reports are posted to the MMP website, under the Medical Marijuana Oversight Committee tab, at <https://dhss.delaware.gov/dhss/dph/hsp/medmaroc.html>.

The Delaware Medical Marijuana Act only permits the sale of medical marijuana from dispensaries called Compassion Centers. There are six Compassion Centers in Delaware. DPH contracts with the companies to both grow and sell medical marijuana in the state.

In June 2015, Delaware opened its first medical marijuana dispensary, the First State Compassion Center (FSCC) in Wilmington. The grow facility is also located in Wilmington. In December 2015, DHSS published a request for proposals (RFP) to establish, open, and operate two new compassion centers, one each in Kent and Sussex counties. DHSS awarded contracts in September 2016 to Columbia Care for Kent County and in October 2016 to the FSCC for Sussex County. FSCC in Sussex opened their Lewes location in May 2017, using product grown in their Wilmington cultivation facility. Columbia Care opened their cultivation site in Milford and their dispensary in Smyrna at the end of June 2018. Acting on the advice of the Oversight Committee, the MMP offered Compassionate Care Research Institute (CCRI) a contract to make more product available to the patients in New Castle County due to a greater level of demand based on the size of the patient population. CCRI opened their retail operation there in March 2019. In January 2020, Columbia Care was permitted to open retail locations in New Castle County and Sussex County to ease congestion at the other locations. Further information and locations of Delaware's Compassion Centers can be found at <https://dhss.delaware.gov/dph/hsp/medmarcc.html>.

Across the United States, the landscape of marijuana or cannabis laws has continually changed. As of May 2021, 36 states and four territories recognize marijuana or cannabis as a medical treatment option. As of June 2021, 18 states, two territories, and the District of Columbia allow marijuana sales for recreational uses. Due to the rapidly changing status nationwide, for the most current information refer to the National Conference of State Legislatures (NCSL) website on marijuana laws: <https://www.ncsl.org/research/health/state-medical-marijuana-laws.aspx>.

II. Overview

Only individuals who are issued a medical marijuana card by the MMP may purchase medical marijuana at a Compassion Center. During FY21, OMM issued 20,630 registration cards, 25 percent more than the 16,487 issued in State Fiscal Year 2020 (FY20). As depicted in Figures 1 and 2, FY21's cards are categorized as follows:

- 12,918 new patient cards (2020: 10,459)
- 6,675 patient renewal cards (2020: 5,011)
- 358 new caregiver cards (2020: 362)
- 204 caregiver renewal cards (2020: 284)
- 13 new pediatric cards (2020: 16)
- 10 pediatric renewal cards (2020: 09)

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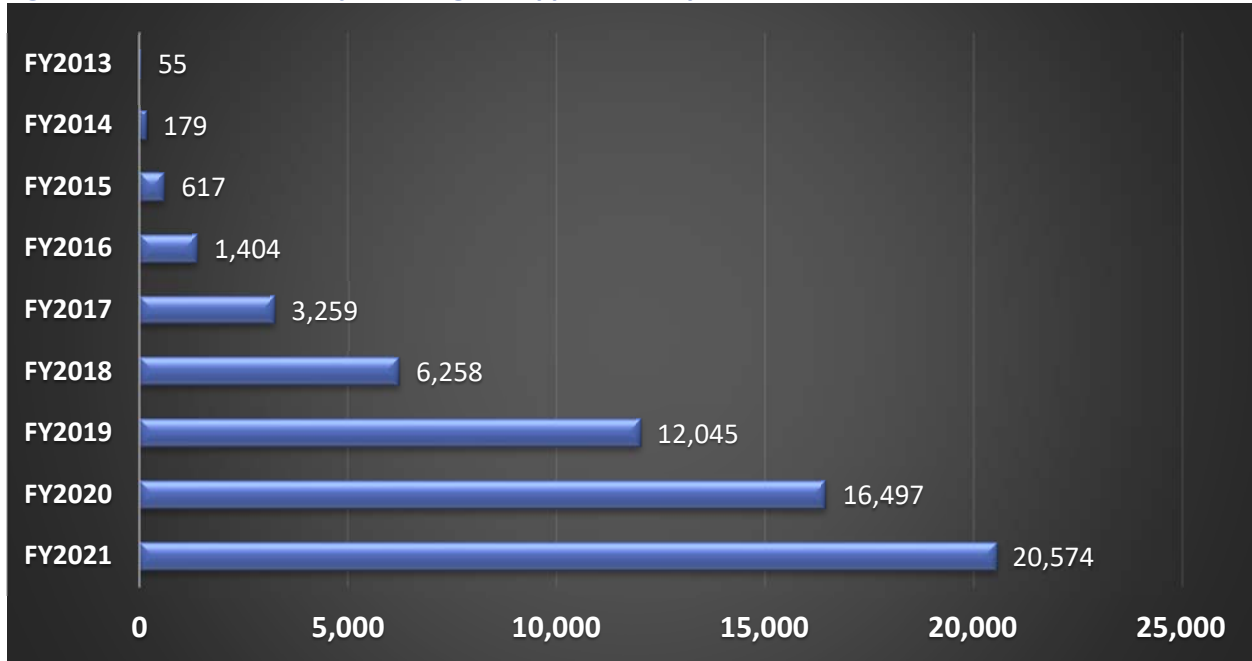
- 23 new Minor Guardian cards (2020: 28)
- 20 renewal Minor Guardian cards (2020: 13)
- 272 new agent cards (2020: 205)
- 137 renewal agent cards (2020: 86)
- 0 Compassionate Use Patient and Caregiver Cards
- 56 CBD Rich Patient (2020: 0)

Figure 1: Medical Marijuana Program Cards Issued by Type, Delaware, Fiscal Year 2021



Source: Delaware Department of Health and Social Services, Division of Public Health, Medical Marijuana Program Database, July 2021

Figure 2: Total Medical Marijuana Program Applications by Fiscal Year, Delaware, Fiscal Years 2013-2021



Source: Delaware Department of Health and Social Services, Division of Public Health, Medical Marijuana Program Database, July 2021.

The Delaware Medical Marijuana Act requires revenue from the MMP to cover program expenses. In FY21, MMP spending authority in the amount of \$480,100 was allocated for personnel and the costs of necessary equipment and supplies (Figure 3).

Figure 3: Office of Medical Marijuana Program Revenue, Delaware, Fiscal Years 2020 and 2021

■

State Fiscal Year	Revenue	Expenses	Program Net
2020	\$610,255	\$484,456	\$125,799
2021	\$1,099,878	\$564,800	\$535,078

Source: Delaware's First State Financials (FSF) System

Application Revenue

OMM uses the reduced-fee policy outlined in DHSS Policy Memorandum 37, updated with revised figures from the federal poverty guidelines. The reduced fee is 50 percent of the full fee, equaling \$25 a year for qualifying low-income participants. In 2021, 92 percent of the applicants (11,980) paid the full fee. Over 8 percent (1,036) were approved for reduced fee waivers (Figure 4).

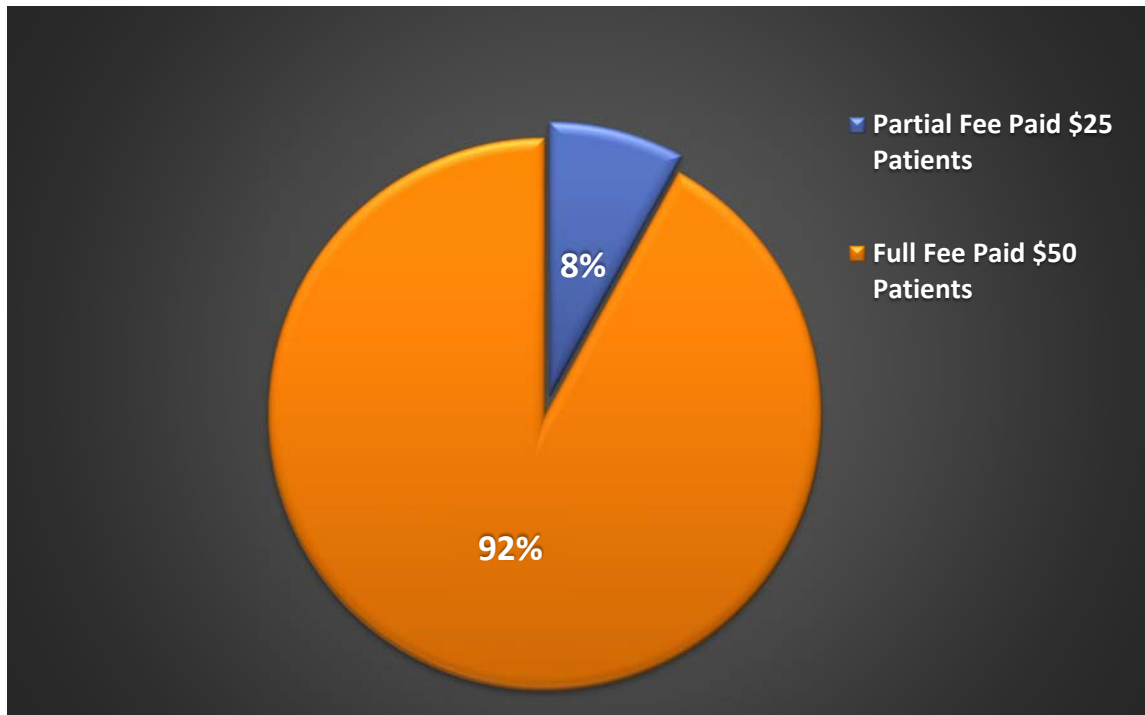
Figure 4: Number and Percentages of Medical Marijuana Fees Collected, Delaware, Fiscal Years 2020 and 2021

State Fiscal Year	Full Fee \$50		Reduced Fee \$25	
	2020	8,380	77%	1,960
2021	11,920	92%	1,036	8%

Source: Delaware's First State Financials (FSF) System

In Fiscal Year 2021, 92 percent of the applications received included the full \$50 application fee (Figure 5). Eight percent included a low-income charge request for the \$25 application fee.

Figure 5: Number of Medical Marijuana Applications Approved by Amount of Fees Paid, Delaware, Fiscal Year 2021



Source: Delaware Department of Health and Social Services, Division of Public Health, Medical Marijuana Program Database

III. Education and Outreach

While providing medicinal marijuana to patients is the most visible aspect of the MMP, an equally important aspect is to educate and inform stakeholders in a variety of settings and on a wide range of topics. Stakeholders include patients, law enforcement, advocates, and the medical community. The program receives many inquiries and requests for clarification on issues or procedures. OMM normally handles these issues over the phone or through the MMP website:

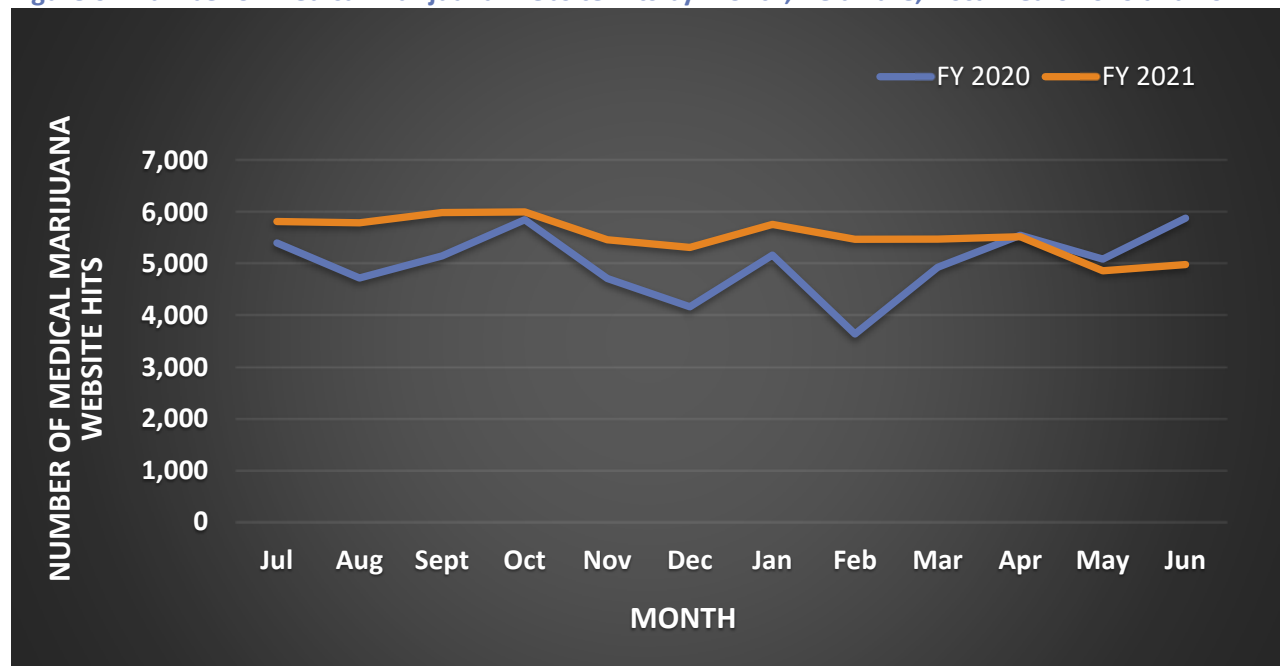
<http://dhss.delaware.gov/dhss/dph/hsp/medmarhome.html>. To address deeper issues or larger groups, the program holds community outreach briefings.

Inquiry Response

There are multiple ways stakeholders and constituents can ask questions about the MMP. There is a dedicated program phone number, 302-744-4749, and an e-mail address:

MedicalMarijuanaDPH@Delaware.gov. In conjunction with DPH's Office of Communications, OMM developed Frequently Asked Questions (FAQ) for patients, physicians, and law enforcement. The FAQs inform the stakeholders about application requirements for the program, qualifying debilitating medical conditions, details about the compassion center where patients can purchase medical marijuana, possession limits, caregiver responsibilities, and other protections, restrictions, and limitations. In the past two fiscal years, the OMM website averaged over 5,000 hits per month (Figure 6).

Figure 6: Number of Medical Marijuana Website Hits by Month, Delaware, Fiscal Years 2020 and 2021



Source: Delaware Department of Health and Social Services Internet site Internal Resource Management statistics, Fiscal Years 2020 and 2021.

Community Outreach

The topic of medical marijuana is still controversial in many professional circles; some medical professionals and law enforcement officials have concerns about the safety or efficacy of medical marijuana. To address common misconceptions, DPH Director Dr. Karyl Rattay and MMP Administrator Paul Hyland conduct briefings and presentations to groups and medical practices.

- As the COVID-19 response limited group settings, the program used virtual platforms such as Zoom and prerecorded briefings: <https://www.youtube.com/watch?v=YG67emBtIPk>
- Since April 2020, some members of OMM were assigned to the State Health Operations Center (SHOC) to respond to the Coronavirus 2019 (COVID-19) pandemic.

IV. Legislative

Senate Bill 170 (An Act to amend Title 16 of the Delaware Code relating to the Medical Marijuana Act) was passed in June 2020. The Act created a CBD-Rich medical marijuana card to treat anxiety in adults.

For Medical Marijuana Act regulations, proposed changes, previous changes, and contact information, visit the OMM website: <http://dhss.delaware.gov/dph/hsp/medmarocreg.html>.

Quality Control and Testing

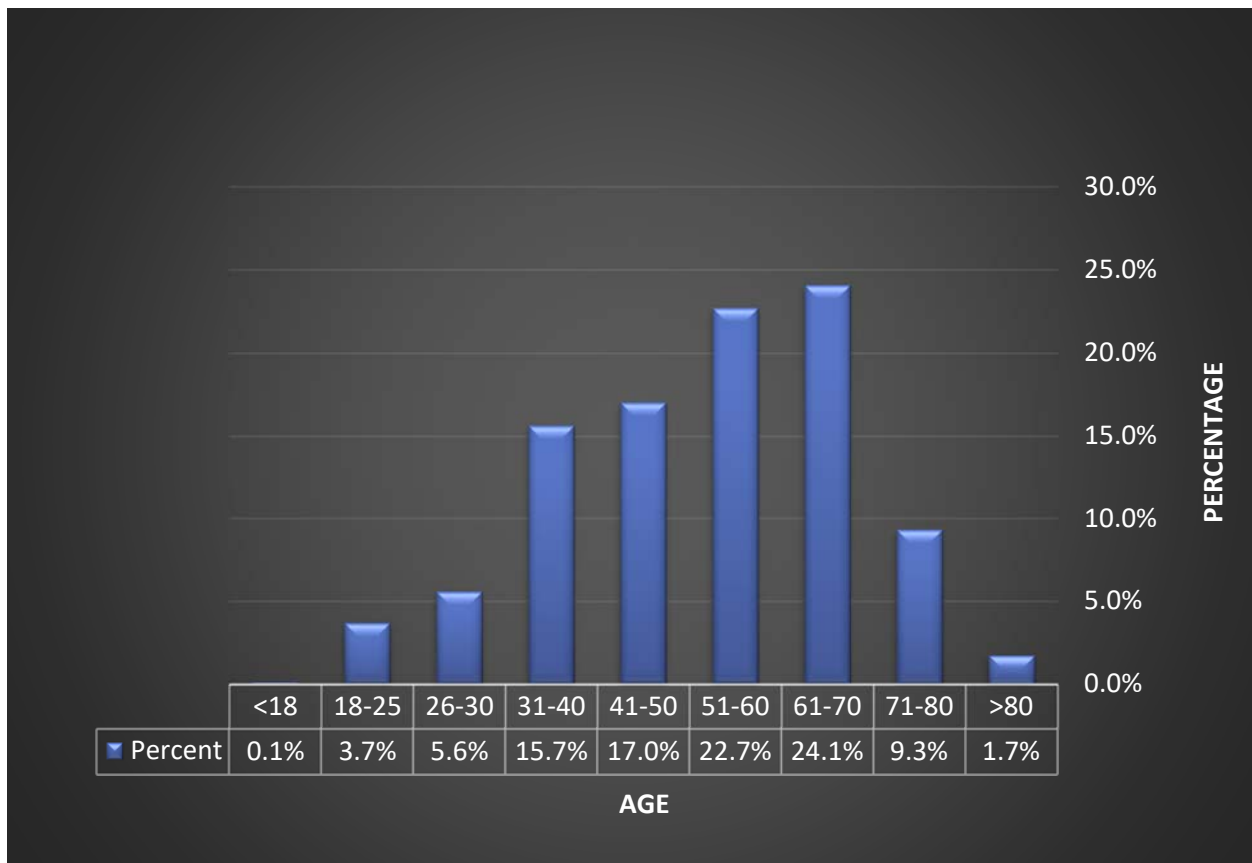
By way of background, regarding testing, the law refers to potency and “contaminants,” which state law does not define. DPH determined, as part of the regulatory process, that in addition to the obvious need to prevent mold, fungi, and insect infestations during the medical marijuana growing process, pesticides should also be prohibited. The use of pesticides in the growing process is prohibited. All companies that wish to open a Compassion Center in Delaware must articulate in their applications how they will grow the product without using pesticides and how they will prevent mold, fungi, and insect infestations. All product is tested prior to being sold.

To ensure that Delaware patients receive safe and consistent products that are free of pesticides and other contaminants, OMM contracts with the High Tide Lab Company of Camden, Delaware. High Tide Lab Company tests marijuana products sold in Delaware. The company, which holds an ISO 17025 accreditation, began testing marijuana products sold in Delaware in mid-January 2017. High Tide Lab Company utilizes gas and liquid chromatography to obtain cannabinoid profiles. Gas chromatography mass spectrometer is used to test for residual solvents and pesticides, including terpene analysis. The Centers are tested weekly and the program receives the reports upon completion.

Compliance Activities

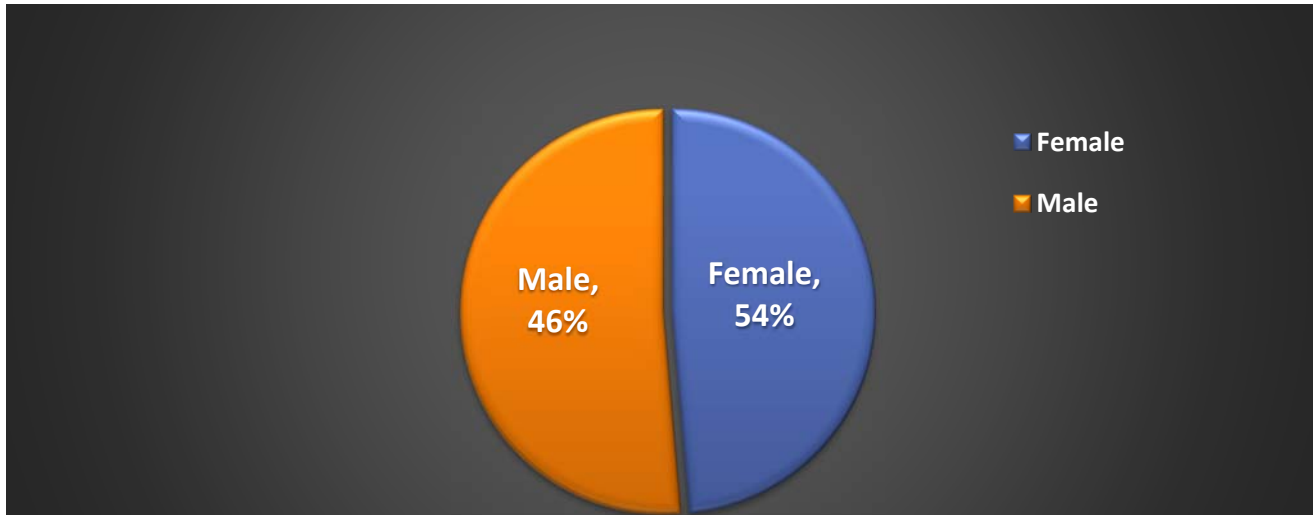
The MMP did not revoke any patient cards for diversion of medical marijuana products in FY21. However, 842 applications were denied for various administrative reasons. Most of the applications were incomplete, lacked adequate documentation, or had unqualified signatures on the physician certification. The Delaware Medical Marijuana Act requires that the certifying physician be Delaware-licensed as either a medical doctor (MD) or a doctor of osteopathy (DO). MMP does not accept signatures of physicians licensed in other states, resident doctors, and physician assistants.

Figure 7: Percentage of Medical Marijuana Program Patient Population by Age, Delaware, Fiscal Year 2021



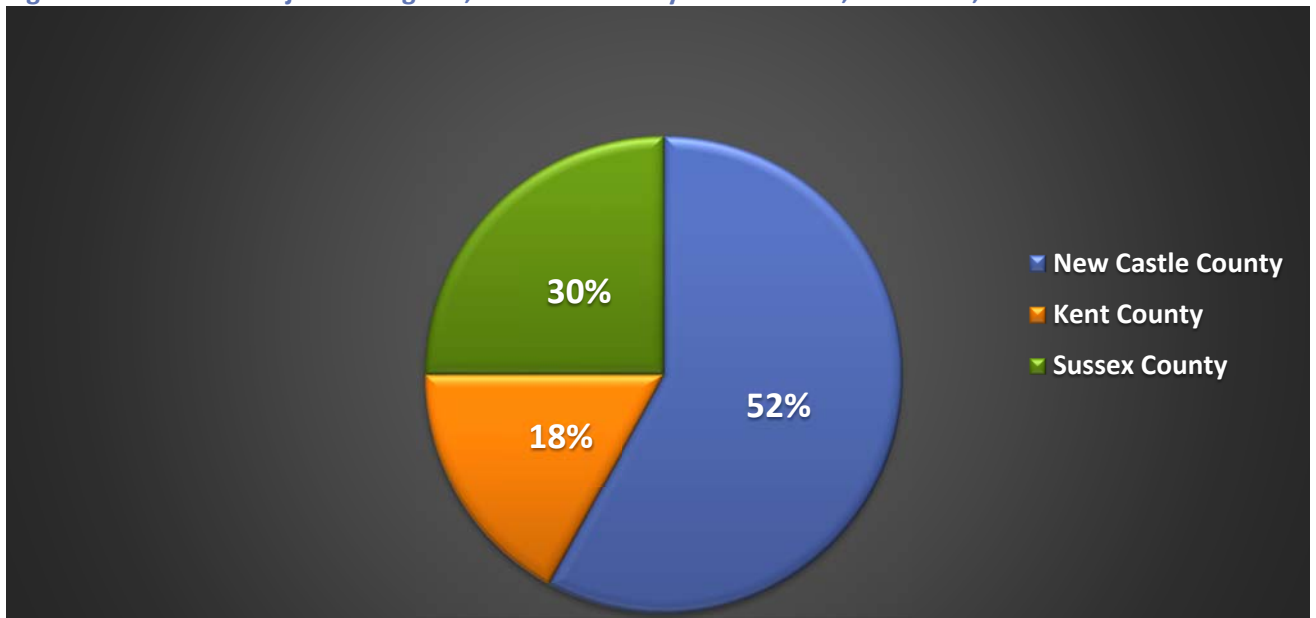
Source: Delaware Department of Health and Social Services, Division of Public Health, Medical Marijuana Program Database

Figure 8: Medical Marijuana Program Patient Population by Gender, Fiscal Year 2021



Source: Delaware Department of Health and Social Services, Division of Public Health, Medical Marijuana Program Database

Figure 9: Medical Marijuana Program, Patient's County of Residence, Delaware, Fiscal Year 2021

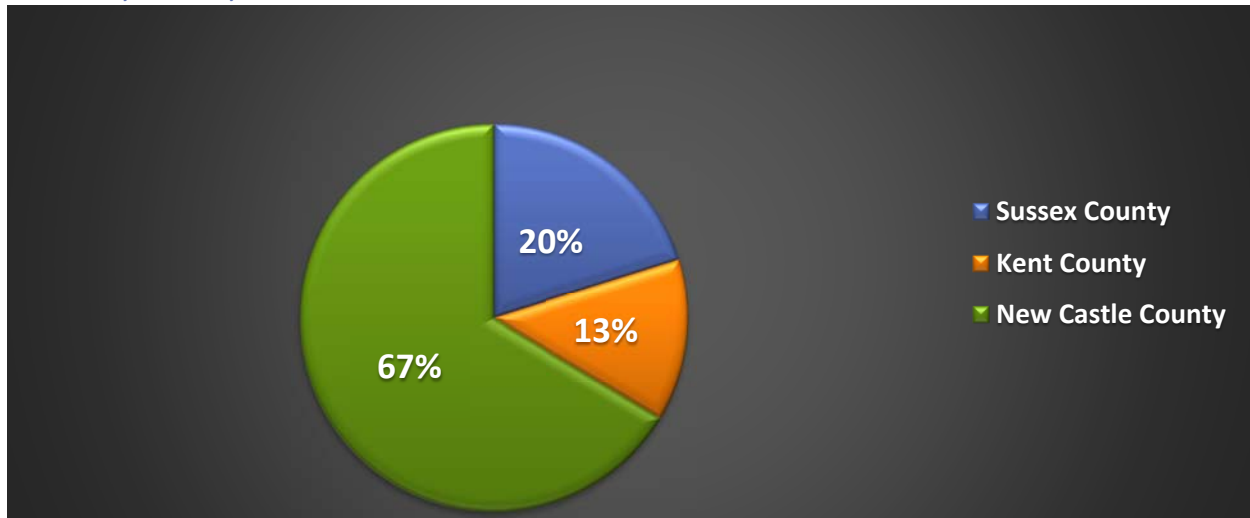


Source: Delaware Department of Health and Social Services, Division of Public Health, Medical Marijuana Program Database.

Participating Physicians

Numerous Delaware physicians are participating in the program by completing and signing the physician's certification form for their patients. Of the participating physicians, 310 have offices in New Castle County, 94 have offices in Sussex County, and 63 have offices in Kent County (Figure 10).

Figure 10: Medical Marijuana Program Participating Physicians, by County, Count, and Percentage, Delaware, June 30, 2021



Source: Delaware Department of Health and Social Services, Division of Public Health, Medical Marijuana Program Database

Active Patient Debilitating Conditions

In 2017, The National Academies of Sciences, Engineering and Medicine issued the report, *The Health Effects of Cannabis and Cannabinoids*. The report can be found here: <https://www.ncbi.nlm.nih.gov/books/NBK425767/>. This report continues to show the therapeutic value of marijuana in treating a wide array of debilitating medical conditions. These include relief of chronic neuropathic or cancer pain; reduced use of opioids and analgesic enhancement for long-term pain management; less spasticity; and reduced nausea, vomiting, and weight loss associated with chronic debilitating conditions. Medical marijuana products may include cannabis compounds such as:

- THC, which activates pathways in the central nervous system that block pain signals to the brain, reduces nausea, and stimulates appetites in healthy and sick individuals.
- CBD, which reduces inflammation, pain, and anxiety without spasms, and treats some psychiatric conditions without lethargy, dysphoria, or feeling “high.”
- THC-A is another cannabis product that comes in an oil or capsule. THC-A provides many of the same neurogenic and neuro-protectant benefits as CBD.

Patients interested in using medical marijuana to address conditions should discuss the issue with their medical professional.

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Section 2.0 of the State of Delaware Medical Marijuana Code lists the 17 MMP qualifying debilitating medical conditions, under “Definitions of the regulations³.” That list currently includes:

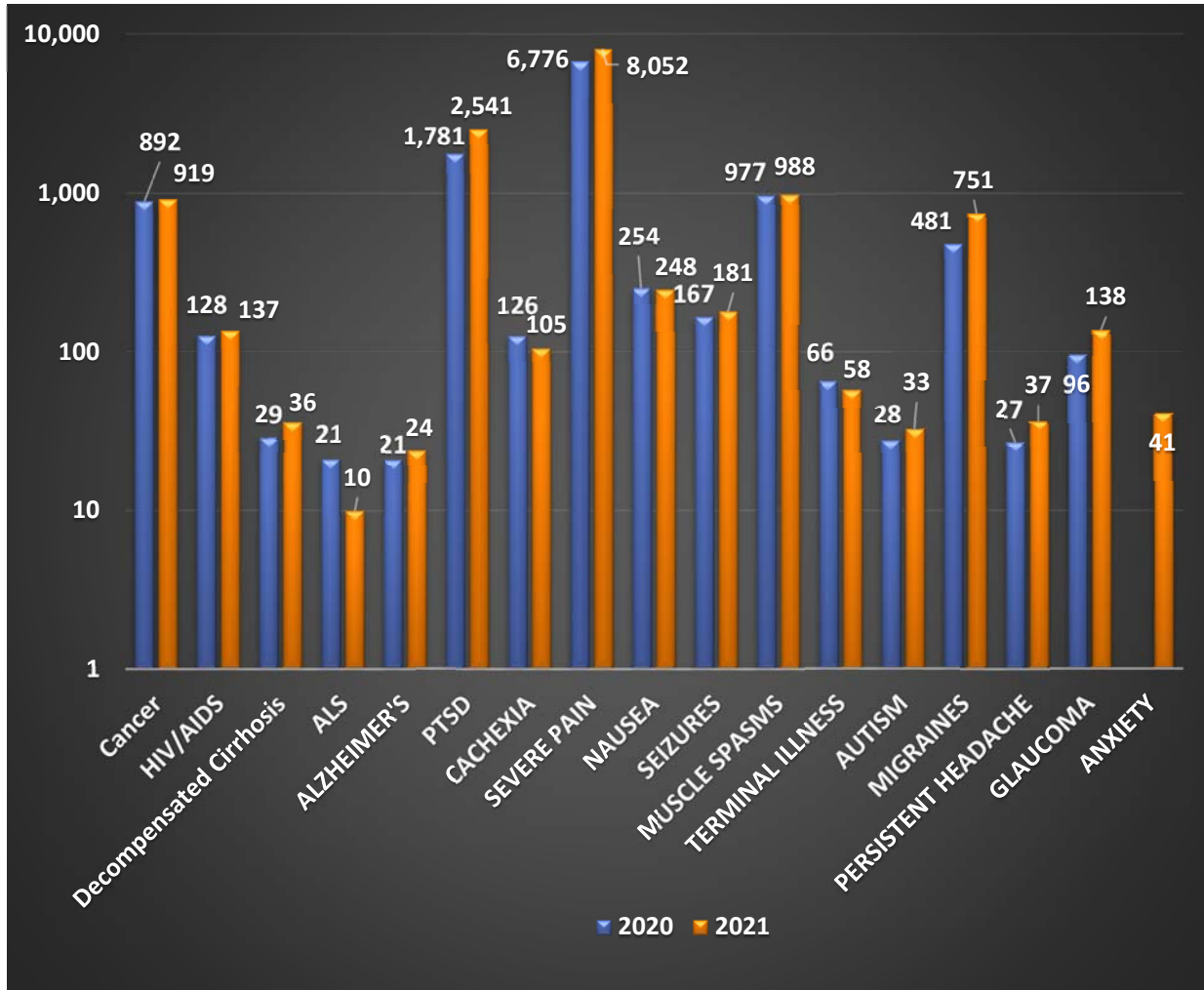
- The following medical conditions or treatment of these conditions:
 - Cancer
 - Terminal illness
 - Positive status for human immunodeficiency virus (HIV)
 - Acquired immune deficiency syndrome (AIDS)
 - Decompensated cirrhosis
 - Amyotrophic lateral sclerosis (ALS or Lou Gehrig’s Disease)
 - Post-Traumatic Stress Disorder (PTSD)
 - Agitation of Alzheimer’s disease
 - Autism with aggressive behavior
 - Chronic Debilitating Migraines
 - New daily persistent headache
 - Glaucoma
- A chronic or debilitating disease or medical condition, or its treatment, that produces one or more of the following:
 - Cachexia or wasting syndrome
 - Severe, debilitating pain that has not responded to previously prescribed medication or surgical measures for more than three months or for which other treatment options produced serious side effects
 - Intractable nausea
 - Seizures/Intractable Epilepsy
 - Severe and persistent muscle spasms, including but not limited to those characteristic of Multiple Sclerosis.

³[http://regulations.delaware.gov/AdminCode/title16/Department%20of%20Health%20and%20Social%20Services/Division%20of%20Public%20Health/Health%20Systems%20Protection%20\(HSP\)/4470.shtml#1057590](http://regulations.delaware.gov/AdminCode/title16/Department%20of%20Health%20and%20Social%20Services/Division%20of%20Public%20Health/Health%20Systems%20Protection%20(HSP)/4470.shtml#1057590)

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In FY20 and FY21, the three most common debilitating medical conditions among qualifying patients were: 1) severe, debilitating pain; 2) PTSD; and 3) muscle spasms. Figure 11 shows the number of active patients for each of the 17 qualifying debilitating medical conditions.

Figure 11: Number of Patients by Debilitating Conditions, Medical Marijuana Program, Delaware, Fiscal Years 2020 and 2021.



Source: Delaware Department of Health and Social Services, Division of Public Health, Medical Marijuana Program Database, July 2021.

Anxiety not added until 2021 therefore no data depicted for 2020.

Financial Analysis

The Delaware Medical Marijuana Act requires revenue from the MMP to cover program expenses. MMP spending authority in the amount of \$480,100 was allocated for personnel and the costs of necessary equipment and supplies (Figure 12 and 13).

Figure 12: Medical Marijuana Program Revenue and Expenses, Delaware, Fiscal Year 2020

Fiscal Year 2020	Revenue	Expense
Registration Card Application and Replacement Fees Paid	\$530,225	
Compassion Center Fees	\$80,000	
Total Revenue	\$610,225	
Employee Expenses		\$331,283
Communications (postage, telecom, etc.)		\$16,325
Contract and Professional Services (legal notices, etc.)		\$28,855
Maintenance and Supplies (software maintenance, card supplies)		\$13,312
IT Equipment and Software		\$80,945
State Charges		\$13,736
Total Program Expenses		\$484,456

Source: Delaware First State Financials System

Figure 13: Medical Marijuana Program Revenue and Expenses, Delaware, Fiscal Year 2021

Fiscal Year 2021	Revenue	Expense
Registration Card Application and Replacement Fees Paid	\$684,878	
Compassion Center Fees	\$415,000	
Total Revenue	\$1,099,878	
Employee Expenses		\$381,222
Communications (postage, telecom, etc.)		\$19,828
Contract and Professional Services (legal notices, etc.)		\$62,046
Maintenance and Supplies (software maintenance, card supplies)		\$30,191
IT Equipment and Software		\$69,945
State Charges		\$1,570
Total Program Expenses		\$564,800

Source: Delaware First State Financials System

Program Summary and Future

In FY21, OMM updated the regulations to reflect the addition of a new type of card that allows patients to purchase Cannabidiol (CBD) rich products for the treatment of anxiety, which was not listed as a debilitating condition under Title 16, Chapter 49a of the Delaware Code (4902A)(3).

During the fall of 2020, OMM issued a Request for Applications (RFA) to permit additional cultivation, production, and retail capacity. In the RFA, the OMM awarded additional points for minority, women, and veteran-owned businesses. The RFA yielded three new vendors including EZ Cure (The Farm), Valor Cannabis, and CannTech. Over the next 12 to 24 months, the new vendors will build cultivation facilities, bringing the total number of production facilities to six. The new vendors will each open retail locations distributed through all three counties to increase the availability of products. The retail locations will be available when local municipal approvals and permits are finalized.

The MMP is committed to ongoing monitoring of patient needs and industry best practices in order to provide ongoing quality services in the state of Delaware.