



STATE OF HAWAII
DEPARTMENT OF HEALTH
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WRITTEN TESTIMONY ONLY

**Testimony COMMENTING on H.B. 2742, HD 1, SD1
RELATING TO MEDICAL CANNABIS.**

SENATOR DONOVAN M. DELA CRUZ , CHAIR
SENATE COMMITTEE ON WAYS AND MEANS

Hearing Date: Wednesday, April 4, 2018 Room Number: 211

1 **Fiscal Implications:** Estimated total cost \$2,777,836 for fiscal year 2019. Current combined
2 budgeted expenditures are \$1,552,270 for FY2018 and are projected to increase to \$1,616,359
3 for FY2019. Administrative infrastructure expenditures of approximately \$280,000 for 4 new
4 positions (Program Manager, secretary, IT Specialist, and data analyst). Also, operations and
5 regulatory staff salary expenditures of approximately \$246,000 for 4 new positions (2 Registry
6 Program Specialists, and 2 Dispensary Licensing Surveyors). IT systems improvements and
7 other one-time expenditures of approximately \$635,477 to upgrade patient registry system and
8 patient cards and system development for use in enabling reciprocity. In addition, the
9 Department requests forgiveness of the \$1,500,000 advance general funds provided to the
10 Department as start-up costs of the dispensary licensing program.

11 **Department Testimony:** Thank you for the opportunity to SUPPORT this measure with
12 additional resources.

13 The Department SUPPORTS the goal of H.B. 2742, HD 1, SD1. The Department
14 SUPPORTS that this new Office of Medical Cannabis Control and Regulation will report
15 directly to the Deputy Director of Health Resources Administration (DDHRA) due to its more
16 direct operational oversight of functions. Health Resources Administration (HRA) is the

1 appropriate placement since HRA and this program are operational in scope and this program
2 will remain highly regulatory in order to maintain a robust regulatory system aimed at ensuring
3 patient safety, product safety, and public safety. In addition, reporting to the DDHRA provides
4 better access to subject matter experts at the operational and regulatory level.

5 The new Office will be composed of the Patient Registry Program currently under the
6 Communicable Disease and Public Health Nursing Division and the Medical Cannabis
7 Dispensary Licensing Program currently under the Office of Health Care Assurance. There are
8 currently seven (7) FTEs in the Patient Registry Program and five (5) FTEs in the Dispensary
9 Licensing Program for a total of twelve (12) staff.

10 This consolidation will accelerate the resource needs of the cannabis programs. Both
11 programs depend on other direct and indirect infrastructure resources from their current
12 respective host agencies such as managerial, IT, and administrative and human resources support
13 normally associated with larger operational offices. The staff resources identified in this bill
14 would need to be provided on a permanent full-time basis as part of the new Office of Medical
15 Cannabis Control. The Department respectfully requests inserting the word “permanent” to
16 describe the full-time status of the positions.

17 The Department SUPPORTS extending interim rulemaking to July 1, 2025 and extending
18 the exempt status of staff to June 30, 2025, and for making permanent the exempt status for
19 persons in exempt positions prior to the Act and who transfer into the consolidated Office as a
20 consequence of the Act. This is crucial for recruitment and longer-term retention because of the
21 specialized nature of those positions.

1 Thank you for the opportunity to testify in SUPPORT of this bill with additional
2 resources.

HB-2742-SD-1

Submitted on: 4/2/2018 8:45:59 PM

Testimony for WAM on 4/4/2018 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Melodie Aduja	Testifying for Oahu County Committee on Legislative Priorities of the Democratic Party of Hawai'i	Support	No

Comments:

To the Honorable Donovan M. Dela Cruz, Chair; the Honorable Gilbert S.C. Keith-Agaran, Vice-Chair, and Members of the Senate Committee on Ways and Means:

Good morning. My name is Melodie Aduja. I serve as Chair of the Oahu County Committee ("OCC") on Legislative Priorities of the Democratic Party of Hawaii. Thank you for the opportunity to provide written testimony on **HB2742 HD1 SD1** regarding the DOH; Office of Medical Cannabis Control and Regulation; Established; and an appropriation.

The OCC on Legislative Priorities is in favor of **HB2742 HD1 SD1** and supports its passage.

HB2742 HD1 SD1 is in accord with the Platform of the Democratic Party of Hawai'i ("DPH"), 2016, as it establishes the Office of Medical Cannabis Control and Regulation in the Department of Health to regulate and administer the registration of qualifying patients and primary caregivers and medical cannabis dispensaries; extends civil service exemptions for persons in civil service exempt positions prior to enactment of this measure who will transfer into the office due to this measure; extends interim rulemaking authority; and a ppropriates moneys for operations and staff of the office, effective 7/1/3000.

Specifically, the DPH Platform provides that we "support fair and equitable access to medical marijuana to be administered by the State of Hawaii's Department of Health." (Platform of the DPH, P. 7, Lines 386-387 (2016)).

Given that **HB2742 HD1 SD1** establishes the Office of Medical Cannabis Control and Regulation in the Department of Health to regulate and administer the registration of qualifying patients and primary caregivers and medical cannabis dispensaries; extends civil service exemptions for persons in civil service exempt positions prior to enactment of this measure who will transfer into the office due to this measure; extends interim rulemaking authority; and a ppropriates moneys for operations and staff of the

office, effective 7/1/3000, it is the position of the OCC on Legislative Priorities to support this measure.

Thank you very much for your kind consideration.

Sincerely yours,

/s/ Melodie Aduja

Melodie Aduja, Chair, OCC on Legislative Priorities

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