

STATE OF HAWAII  
DEPARTMENT OF HEALTH  
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**Testimony in SUPPORT of SB962\_SD1  
RELATING TO MEDICAL CANNABIS.**

REPRESENTATIVE DELLA AU BELATTI, CHAIR  
HOUSE COMMITTEE ON HEALTH AND HOMELESSNESS

Hearing Date: Wed, March 15, 2023      Room Number: 329

1    **Fiscal Implications:** N/A.

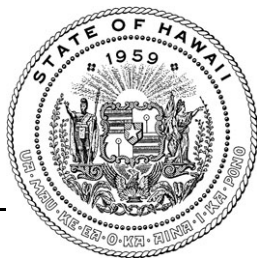
2    **Department Testimony:** The Department of Health (DOH) SUPPORTS the intent of SB 962  
3    SD1 to: (1) Add or clarify signage, manufactured cannabis product, and escort requirements for  
4    the medical cannabis dispensary program; (2) Establish annual reporting requirements to  
5    increase public transparency regarding the medical cannabis registry program; and (3) Make  
6    various housekeeping amendments.

7    DOH is very appreciative of the SD1 amendments reinstating the existing dispensary program  
8    licensing fee structure, advertising and packaging requirements, and rulemaking standards,  
9    which acknowledge concerns raised by DOH and the Office of the Attorney General.

10    DOH appreciates the SD1 retention of the language in Section 4 to increase the number of signs  
11    that may be posted at a retail dispensary and removal of the chapter 91 rulemaking requirement  
12    for dispensary-to-dispensary sales. The additional sign will assist patients in locating retail  
13    dispensaries and interim rulemaking authority protects patient safety by supporting timely rule  
14    changes to address emergent public health concerns. DOH also appreciates retention of the  
15    language in Section 5 authorizing DOH to specify requirements for cannabis flower pre-rolls as  
16    this will allow DOH to ensure that these are manufactured in the safest manner possible.

17    Thank you for the opportunity to testify.

18    **Offered Amendments:** N/A



**DEPARTMENT OF BUSINESS,  
ECONOMIC DEVELOPMENT & TOURISM**  
KA 'OIHANA HO'OMOHALA PĀ'OIHANA, 'IMI WAIWAI  
A HO'OMĀKA'IKĀ'I

**JOSH GREEN, M.D.**  
GOVERNOR

**CHRIS J. SADAYASU**  
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Statement of  
**CHRIS J. SADAYASU**  
Director  
Department of Business, Economic Development, and Tourism  
before the  
**HOUSE COMMITTEE ON HEALTH & HOMELESSNESS**

Wednesday, March 15, 2023  
10:30 AM  
State Capitol, Conference Room 329

In consideration of  
**SB962, SD1**  
**RELATING TO MEDICAL CANNABIS.**

Chair Belatti, Vice Chair Takenouchi and members of the Committee.

The Department of Business, Economic Development and Tourism (DBEDT) supports the intent and offers comments regarding SB962, SD1, that establishes annual reporting requirements for Department of Health (DOH) and requires a report from DBEDT.

The bill requires DBEDT to prepare a report for the legislature. In order to provide the analysis requested in the bill and §201-13.9, specific economic data such as annual investment by category, employment, annual payroll would need to be collected from the businesses. These data are not specified in the bill and, thus, would need to be provided by DOH to DBEDT. DBEDT would require the related data in order to submit the report within the specified deadline.

Thank you for the opportunity to testify.



March 14, 2023

To: Representative Della Au Belatti, Chair  
Representative Jenna Takenouchi, Vice Chair  
Members of the House Committee on Health & Homelessness

From: David C. Cole, General Manager

Re: TESTIMONY in Support Senate Bill 962 SD1 & Proposed Amendments

*Maui Grown Therapies (MGT) is licensed by the Department of Health pursuant to HRS 329D to cultivate, manufacture and dispense medical cannabis products to registered patients. In 2022, MGT served 5,364 unique patients on Maui.*

SB 962 SD1 proposes to amend various administrative provisions pertaining to the operation of dispensaries; improve transparency of the department's conduct; and make various housekeeping amendments. MGT supports these amendments because they will help the medical cannabis dispensary and patient registry programs continue to evolve, based on experience to date, to fulfill the purposes for which they were created.

After 5 years serving Maui's medical cannabis patients it has become clear that additional measures are needed to address unmet patient needs by lowering administrative barriers that patients have endured since the program's inception. Specifically, we propose amendments to the bill to enhance services to patients, remove barriers to patient education, and clarify the role of DOH's patient registry when certifying patient controlled cultivation of cannabis plants.

1. **Improved patient access to authorized providers.** Currently, patients may obtain written authorization for medical cannabis use only from a physician or advanced practice registered nurse (APRN) with whom they enjoy a "bona fide" relationship. Although that term is not defined by statute, many patients, especially kupuna, have long-standing relationships with health care providers that have not registered as 329 certifiers. Moreover, when a health care provider discontinues issuing certifications due to retirement, relocation, or change in practice, patients may be without ready access to an authorized provider.

In addition, while the statute authorizes three-year certifications for chronic debilitating conditions, the department has restricted chronic certifications to two years. As a result, patients with chronic conditions find themselves having to renew their certifications sooner than the statute otherwise requires while incurring additional expense and inconvenience.

Hawai'i's health care providers are subject to stringent regulatory requirements that ensure their medical judgments are made within the scope of practice. Requiring an already overburdened department to further determine that a "bona fide" relationship exists between patient and provider, or requiring the department, rather than the provider, to determine

Maui Grown Therapies  
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whether a chronic condition merits a two or three year certification, only erects further barriers to patient treatment that the medical cannabis program was intended to overcome.

Our proposed amendments would permit qualifying patients to obtain written certifications from any state licensed physician or APRN who determines that the patient suffers from a debilitating medical condition, and establish that written certifications for chronic conditions shall be valid for three years.

2. **Patient Education.** Currently, HRS 329D-26 requires the department to conduct a continuing education program targeting, among others, physicians, APRNs, patients, and caregivers. In reality, the department possesses neither the expertise nor the resources needed for this purpose. Moreover, while HRS 329D-11 authorizes the department to allow dispensaries to provide, disseminate, and publish educational and scientific materials relating to medical cannabis, the department has not done so.

Our proposed amendments relieve the department of the burden of supervising the provision of educational services, by directly authorizing dispensaries, in conjunction with DOH authorized physicians and APRNs, to provide educational services regarding the medical cannabis program, including guiding patients through the registration and renewal process. MGT has found that our kupuna patients frequently request assistance with the patient registration & renewal process.

3. **Proxy Cultivation of Cannabis.** The Legislature has determined that with the advent of a dispensary system, cannabis shall be obtained only by cultivation by a qualifying patient or from a licensed dispensary. Effective December 31, 2024, no primary caregiver shall be authorized to cultivate cannabis for a qualifying patient. However, over the past several years, qualifying patients numbering in the thousands have effectively delegated their “grow rights” to third parties who cultivate cannabis in unlicensed off-site grow operations, generating cannabis and cannabis products both for the qualifying patient and others that exceed product and potency limitations that govern dispensary operations. Moreover, none of the products generated and sold by these “de facto” dispensaries are tested, labeled, or tracked in accordance with statutes and rules designed to protect and promote patient health, wellbeing, and safety. In effect, the patient registry program is cannibalizing the dispensary program while providing none of its patient-centered guardrails.

Our amendments would, once the authorization for primary caregiver cultivation sunsets on December 31, 2024, permit cultivation at a single site for no more than five qualifying patients, and would prohibit cultivation by third party proxies, whether by lease, assignment, or otherwise. In this way, the balance between qualifying patients’ “rights to grow” and safe cultivation and production by licensed dispensaries can be re-established and maintained.

Mahalo for your consideration.

Maui Grown Therapies  
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(808) 866 7576



## PROPOSED AMENDMENTS TO SB962 SD1

**1. Amend SECTION 1 by adding two new paragraphs to reflect amendments made to the bill, as follows, and renumber existing paragraph (4) as paragraph (6):**

- (4) Promote public health and positive outcomes by expanding patient access to medical cannabis, educational products, and services;
- (5) Improve operation of the medical cannabis program by reducing administrative burdens on the department of health; and

**2. Insert the following language as a new SECTION:**

SECTION \_\_. Section 329-121, Hawaii Revised Statutes, is amended by amending the definition of "written certification" to read as follows:

"Written certification" means the qualifying patient's medical records or a statement signed by a ~~[qualifying patient's]~~ physician or advanced practice registered nurse~~[-]~~ chosen by the qualifying patient stating that in the physician's or advanced practice registered nurse's professional opinion, the qualifying patient has a debilitating medical condition and the potential benefits of the medical use of cannabis would likely outweigh the health risks for the qualifying patient. The department of health may require, through its rulemaking authority, that all written certifications comply with a designated form. ~~["Written certifications" are]~~ A written certification shall be valid for one year from the time of signing; provided that [the department of health may allow for the validity of any written certification for up to three years] if the qualifying patient's physician or advanced practice registered nurse states that the patient's debilitating medical condition is chronic in nature~~[-]~~, the written certification shall be valid for three years."

**3. Insert the following language as a new SECTION:**

SECTION \_\_. Section 329-123, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

"(a) Physicians or advanced practice registered nurses who issue written certifications shall provide, in each written certification, the name, address, patient identification number, and other identifying information of the qualifying patient. The department of health shall require, in rules adopted pursuant to chapter 91, that all written certifications comply with a designated form completed by or on behalf of a qualifying patient. The form shall require information from the applicant, primary caregiver, and physician or advanced practice registered nurse as specifically required or permitted by this chapter. The form shall require the address and tax map key number of the location where the cannabis ~~[is]~~ will be grown [and], which shall appear on the registry card issued by the department of health. The ~~[certifying]~~ qualifying patient may choose the physician or advanced practice registered nurse ~~[shall be~~



~~required to have a bona fide physician-patient relationship or bona fide advanced practice registered nurse-patient relationship, as applicable, with the qualifying patient. All current active medical cannabis permits shall be honored through their expiration date.]~~ who issues the written certification."

**4. Insert the following language as a new SECTION:**

SECTION \_\_. Section 329-130, Hawaii revised Statutes, is amended by amending subsection (a) to read as follows:

"(a) After December 31, 2024, a qualifying patient shall obtain medical cannabis or manufactured cannabis products only:

- (1) From a dispensary licensed pursuant to chapter 329D; provided that the cannabis shall be purchased and paid for at the time of purchase; or
- (2) By cultivating cannabis in an amount that does not exceed an adequate supply for the qualifying patient, pursuant to section 329-122; provided that: ~~each~~
  - (A) Each location used to cultivate cannabis shall be used by no more than five qualifying patients[-]; and
  - (B) No person other than the qualifying patient or the qualifying patient's caregiver shall cultivate cannabis for or on behalf of the qualifying patient, whether by lease, assignment, or otherwise.

After December 31, 2024, no primary caregiver shall be authorized to cultivate cannabis for any qualifying patient."

**5. Insert a newly designated SECTION, new prefatory language, and an amendment to Section 329D-11(d), HRS, as follows:**

SECTION \_\_. Section 329D-11, Hawaii Revised Statutes, is amended as follows:

1. By amending subsection (a) to read: \* \* \*
2. By amending subsection (d) to read:

"(d) ~~[The department shall be authorized to allow dispensaries to]~~ In collaboration with physicians and advanced practice registered nurses, as defined in section 329-121, dispensaries may provide, disseminate, and publish educational and scientific materials relating to medical cannabis and its approved products, and may also sponsor events about medical cannabis[-], including the certification process under part IX, chapter 329."

**6. Insert in the newly designated SECTION, new prefatory language, and a new subsection 329D-26(d), as follows:**

SECTION \_\_. Section 329D-26, Hawaii Revised Statutes, is amended to read as follows:

(c) Physicians and advanced practice registered nurses, as defined in section 329-121, in collaboration with the department and dispensaries licensed under this part, may provide educational



services and programs regarding the medical use of cannabis, including therapeutic options for qualifying patients.”

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DATE: March 13, 2023

TO: Representative Della Au Belatti  
Chair, Committee on Health and Homelessness

FROM: Mihoko Ito

RE: **S.B. 962, S.D. 1 – Relating to Medical Cannabis**  
**Hearing Date: Wednesday, March 15, 2023 at 10:30 a.m.**  
**Conference Room: 329 & Videoconference**

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Chair Belatti, Vice Chair Takenouchi, and members of the Committee on Health and Homelessness:

We submit this testimony on behalf of Cure Oahu in **support** of S.B. 962, S.D.1, but we also request amendments as outlined below. Cure Oahu is a vertically integrated licensed dispensary that has been operating in the State of Hawaii since 2018, with two retail locations in the Kapahulu and Kapolei areas.

S.B. 962, S.D. 1, Relating to Medical Cannabis updates the medical cannabis dispensary program by: (1) clarifying signage, manufactured cannabis product, and escort requirements for the medical cannabis dispensary program; (2) establishing annual reporting requirements to increase public transparency regarding the medical cannabis registry program; and (3) making various housekeeping amendments.

We believe that this bill will assist the medical cannabis dispensaries overall with streamlining operations and resources and simply remaining operational. In addition to structural issues already impacting the cannabis industry nationwide, the medical cannabis market has, like many other industries, been subject to the recent impacts of inflation and labor shortage issues, both within business operations and with its vendors.

**While we support this bill, we would ask for the Committee to consider reinserting amendments: to 1) address the dispensary fee structure and 2) allow for the use of colors on labels. Here are the reasons for incorporating these provisions:**

- **Fee structure:** We would ask for the fee structure provisions from HB 1082, HD2 be reinserted into this bill. In November 2022, the medical cannabis dispensary program issued interim rules that dramatically changed the fee structure without opportunity for stakeholders to anticipate or provide input on potential impacts. This change in turn significantly impacted the budgeting process of the dispensaries due to sudden overall fee increases ranging from 200-400%. While we understand the need for increasing regulatory



resources and support a way to achieve that, fees need to be predictable and budgeted for. More importantly, we believe it is important for stakeholders to have a voice when there are dramatic financial impacts to operations. The original bill codified reasonable fees that are higher than the dispensary fees set in the original 2015 law, and also allows for reasonable increases which will provide stability in the market. We would note that H.B 1082, HD2 continues to retain this provision, with amendments added to address concerns by the attorney general.

- **Use of color lettering:** We would also ask for the committee to consider inserting the following new language into section 329D-11(a)(2) to allow for the use of colored lettering on labels. We are proposing this language in response to the concerns raised by the deputy attorney general regarding the vagueness of the original proposal to allow for color on labels:

“Uses only [~~black~~] lettering in colors approved by the department, on a white background with no pictures or graphics”

We also note our support for the following provisions that remain in the bill, including the allowance of pre-rolled cannabis product, which eliminate the need for patients to purchase and invest in cannabis accessories such as rolling paper, grinders, bowls, pipes and other paraphernalia. It also helps new patients who purchase and use flower but are unfamiliar with how to roll the product avoid wasting medicine if they were to learn to roll themselves. Pre-rolls are sold in many other states across the country, and we believe there is merit to adding them as allowable product for patients.

Finally, we note our support for the provisions in this measure that add reporting requirements for the medical cannabis dispensary program under Chapter 329D and the individual medical use of medical cannabis under HRS Chapter 329. This will help the Legislature and other stakeholders understand the overall focus of the regulatory agencies in their oversight of the medical cannabis program. For dispensaries, understanding the priorities of the regulatory agencies involved will help them align expectations and allocate their resources accordingly.

We would respectfully request that the Committee pass this measure with the requested amendments to allow for discussions to continue on these issues. Thank you for the opportunity to submit testimony in support of this bill.



**Akamai Cannabis Consulting**

3615 Harding Ave, Suite 304

Honolulu, HI 96816

**TESTIMONY ON SENATE BILL 962 SD1  
RELATING TO MEDICAL CANNABIS**

By

Clifton Otto, MD

House Committee on Health & Homelessness  
Representative Della Au Belatti, Chair  
Representative Jenna Takenouchi, Vice Chair

Wednesday, March 15, 2023; 10:30 AM  
State Capitol, Room 329 & Videoconference

Thank you for the opportunity to offer COMMENTS on this measure:

**PREROLLS (MARIJUANA CIGARETTES)**



1 gram of material = 1000 mg  
20% THC = 200 mg of THC per cigarette



Wasted material and offensive smell  
Remaining material degraded by heat from combustion



Smoke contains [harmful](#) byproducts

## **SOLUTION: PRE-GROUND (For Herbal Vaporizing) INSTEAD OF PRE-ROLLED**

Dispensaries are already allowed to sell dried cannabis flower. There is no prohibition against grinding material before it is sold to patients. In fact, in-store grinding would allow patients to create custom blends for their own individual medical needs.

### **COMPARISON OF INHALATION METHODS**



VAPORIZING FLOWER



VAPORIZING OIL



SMOKING

### **PUBLIC EDUCATION**

#### **§329D-26 Public education.**

“(a) The department shall conduct a continuing education and training program to explain and clarify the purposes and requirements of this chapter or to provide substance abuse prevention and education. The program shall target community partner agencies, physicians and other health care providers, patients and caregivers, law enforcement agencies, law and policy makers, and the general public. The program shall include, at minimum, education and outreach regarding:

(4) guidelines for the doctor-patient relationship and ongoing medical follow-up required of certifying providers under chapter 329.

(5) biannual accredited Continuing Medical Education (CME) on Cannabinoid Medicine for physicians and APRNs.

(6) safest methods for inhaling cannabis.

### **ALLOW DISPENSARIES TO SELL HERBAL VAPORIZERS**

#### **§329D-10 Types of manufactured cannabis products.**

(e) Dispensaries shall be allowed to sell third-party commercially available herbal vaporizers that allow for the use of ground cannabis flower; provided that such devices shall have a means of controlling temperature to prevent combustion.

Aloha.

**SB-962-SD-1**

Submitted on: 3/14/2023 5:55:58 AM

Testimony for HLT on 3/15/2023 10:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Caroline Azelski	Individual	Support	Written Testimony Only

Comments:

In support of SD1. Thank you.

**SB-962-SD-1**

Submitted on: 3/14/2023 11:15:33 AM

Testimony for HLT on 3/15/2023 10:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Ann Chung	Individual	Support	Written Testimony Only

Comments:

On behalf of PONO LIFE MAUI, one of eight medical cannabis dispensaries licensed by the Department of Health to provide safe, legal access to medical cannabis for Hawaii-registered patients, we testify in SUPPORT of SB962 SD1 with request for 2 amendments.

While we believe this bill will assist medical cannabis dispensaries streamline operations and resources and remain operational, we respectfully request the Committee consider **reinserting amendments to address the dispensary fee structure and allow the use of colors on labels**. We do support the provisions in the bill regarding pre-rolled cannabis product and adding agency reporting requirements.

**Please reinsert the fee structure provisions from HB 1082, HD2 into this bill.** In Act 309, the legislative intent of amending the licensing fee structure was to provide the DOH with the ability to establish fees for subsequent licenses that 329D (2015) contemplated, and provide latitude in the renewal fee with regard to expanded licensee rights. In November 2022, DOH issued interim rules that dramatically changed the fee structure without any opportunity for stakeholders to provide input on potential impacts. DOH did not recommend, or discuss, any license fee structure or amount in the Dual Use Cannabis Task Force, yet used emergency rule making process to fundamentally change the renewal fee established in original law. This change significantly impacted the budgeting process of the dispensaries due to sudden overall fee increases ranging from 200-400%.

**Please insert the following new language into the bill to allow for colored lettering on labels** which would address concerns raised by the Dep.AG in section 329D-11(a)(2) of the bill. “Uses only [black] lettering in colors approved by the department, on a white background with no pictures or graphics.”

Mahalo for your consideration.



To: Representative Della Au Belatti, Chair of the House Committee on Health and Homelessness,  
  
Representative Jenna Takenouchi, Vice Chair of the House Committee on Health and Homelessness,  
  
Members of the House Committee on Health and Homelessness,

Fr: Randy Gonce, Executive Director of the Hawai'i Cannabis Industry Association

Re: **Testimony In Support of Senate Bill (SB) 962 SD1**  
RELATING TO MEDICAL CANNABIS CANNABIS.  
Adds or clarifies signage, manufactured cannabis product, and escort requirements for the medical cannabis dispensary program. Establishes annual reporting requirements to increase public transparency regarding the medical cannabis registry program. Makes various housekeeping amendments. Effective 12/31/2050. (SD1)

Dear Chairs, Vice-Chairs, and Members of the Joint Committee:

The Hawai'i Cannabis Industry Association is the trade association for the state's licensed medical cannabis dispensaries. HICIA **supports SB 962 SD1 with comments** as an important bill for cannabis reform in the State of Hawai'i.

**Comments:**

HICIA would offer an amendment to include flexibility in wholesaling between licensees. The suggested amendments are underlined below

On page 4, section (2):

The selling dispensary may transport no more than eight hundred ounces of cannabis or manufactured cannabis products to the purchasing dispensary within a thirty—day period; or any other amount with prior approval by the Department of Health

Thank you for considering this important measure and the opportunity to testify.

**SB-962-SD-1**

Submitted on: 3/15/2023 9:39:02 PM

Testimony for HLT on 3/15/2023 10:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
adam	Individual	Oppose	Written Testimony Only

Comments:

Limiting 5 cards per property makes it more of a challenge for patients to find a location to grow there own medicine .

By taking away the patients rights to control and grow there medicine on someone's farm or property forces the patient to have to over pay at a dispensary with no opportunity to grow there own for free . Not having access to grow there own ,they would have to search the black market for a better price .

Please allow patients to control there grow sites outside of there homes and please allow small farms to stack more than 5 cards .

thank you for your consideration