

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 6099-04
Bill No.: HCS for SCS for SB 953
Subject: Drugs and Controlled Substances; Health and Senior Services Department; Law Enforcement Officers and Agencies; Health Care; Pharmacy
Type: Original
Date: April 27, 2018

Bill Summary: This proposal modifies provisions relating to the schedules of controlled substances.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
General Revenue	(\$672,719)	\$3,189,255	\$5,336,290
Total Estimated Net Effect on General Revenue	(\$672,719)	\$3,189,255	\$5,336,290

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
Agriculture Protection (#970)	\$67,484	\$144,792	\$143,681
Conservation Commission	\$0	\$139,425	\$197,383
School District Trust	\$0	\$1,115,400	\$1,579,061
Parks, Water & Soil	\$0	\$92,950	\$131,588
Total Estimated Net Effect on <u>Other</u> State Funds	\$67,484	\$1,492,567	\$2,051,713

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 16 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
General Revenue	3	69	69
Agriculture Protection	1	1	1
Total Estimated Net Effect on FTE	4	70	70

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
Local Government	\$0	Less than \$4,000,000	Less than \$5,700,000

FISCAL ANALYSIS

ASSUMPTION

§192.945 - Hemp extract registration cards

Officials from the **Department of Health and Senior Services (DHSS), Division of Community and Public Health (DCPH)** state that under section 192.945, RSMo, DHSS is currently issuing hemp extract registration cards for persons suffering from intractable epilepsy. This proposal would expand the current program by allowing the issuance of registration cards for persons with a serious condition or seizure disorder to utilize hemp extract.

Applications

The State of Oregon has a similar program in place that allows for the issuance of a registration card for conditions similar to those being proposed for the issuance of a hemp extract registration card under this proposed legislation. For purposes of this fiscal note, the State of Oregon's program will be benchmarked.

A study updated in March 2016 by the nonprofit entity ProCon organization published the rates of patient registration cards issued for each state with a medical marijuana program (<http://medicalmarijuana.procon.org/view.resource.php?resourceID=005889>). This study found that Oregon was issuing qualified patient cards at a ratio of 19.2 per 1,000 patient populations. While the Oregon program was initiated in May 1999 and, therefore, has an established program, the state of Missouri's chronic disease rates are generally higher and the qualifying medical conditions accepted under Missouri's proposal are broader than those of Oregon. Missouri does allow for parents or legal guardians (could be more than one) of minors to be registered. For this fiscal note, DHSS has termed additional parents or guardians as secondary registrants or caregivers.

Calculation of applications:

- Patients: According to the 2016 U.S. Census Bureau information, Missouri's population is at 6,093,000. Applying the rate of 19.2 applications per 1,000 residents, Missouri would estimate issuing 116,986 patient registration cards annually ($6,093,000/1,000 = 6,093.00 \times 19.2$).
- Caregivers: According to the October 1, 2017 data on Oregon's Medical Marijuana Program Website, the ratio of patient registration cards to caregiver cards is calculated at 2.53. Calculating this same ratio, Missouri would estimate issuing 46,240 caregiver cards (secondary registrants) annually ($116,986/2.53$).

ASSUMPTION (continued)

Section 192.945 requires the establishment of the hemp extract registration program through promulgation of rules, including the development of program forms, registration card, and a system to record the name of each registrant and each minor receiving care from a registrant. As a result, DCPH anticipates the need to hire the following staff beginning on August 28, 2018 (FY19) to begin development of the system:

- One Program Manager Broad Band 2 (\$65,000 annually) - will serve as Chief of the Hemp Extract Registration Bureau. Duties will include overall program management, including involvement in rule promulgation, development of forms, program policies and procedures, information system development, and initial program set-up.
- One Health Program Representative III (\$39,708 annually) - duties will include assistance in rule promulgation, program policies and procedures, forms development, information system development/troubleshooting and maintenance, and initial program set-up.
- One Administrative Office Support Assistant (\$28,668 annually) - duties will include providing administrative assistance to the Bureau Chief and HPR III positions. As allowed, this position will also assist in initial processing of applications for registration cards.

For fiscal note purposes DCPH calculated 45 minutes of processing time per patient and caregiver application (116,986 patients + 46,240 caregivers = 163,226 applications) . Based on this assumption, it was determined 61 FTE will be needed (163,226 applications X 0.75 hour per application/ 2,080 hours per year = 58.8 FTE, rounded to 59 FTE). The following staff will be hired effective July 1, 2019 upon completion of the system development and implementation of the program:

40 Senior Office Support Assistant (SOSA) positions (\$26,340 each, annually) – duties will include

- processing of paper applications for the hemp extract registration program, to include opening and date stamping of mail,
- initial entry of application information into the electronic registry for patients and caregivers,
- initial verification of applicant and physician identification,
- preparation of patient and caregiver registration cards,
- answering and assisting telephone callers, and
- mailing of applicant correspondence, renewal notices, and registration cards.

ASSUMPTION (continued)

19 Health Program Representative II (HPR II) positions (\$35,640 each, annually) – duties will include

- supervision of the SOSA positions,
- quality assurance checks of the application including valid, Missouri licensed practitioners and required documentation of allowed condition(s),
- verification and approval of applications including final approval of application rejects and card issuances,
- drafting of correspondence for incomplete, inaccurate or unapproved applicants, and
- dealing with applicant and medical complaints and concerns.

Printing

DCPH assumes that 90% of registrants will renew each year and renewal cards will also need to be printed for each registrant annually. DCPH also estimates new applicants to grow by 10 percent annually. DCPH will purchase a card delivery system with the ability to print the card with the magnetic stripe, attach the card to a personalized letter, and secure in an envelope ready for mailing. The initial cost of the card delivery system is estimated at \$318,400. In addition, there will be an annual equipment preventative maintenance fee of \$45,992. The average supply cost to print each card is \$0.40/card.

DCPH will print 100,000 brochures each year the program is operational at a cost of \$.06 per brochure. This brochure will provide the public with information about the hemp extract registration program and assistance in completing a valid registration.

	FY 2019	FY 2020	FY 2021
Cards for New Applicants	0	163,226	16,323
Cards for Renewals	0	0	146,903
Total Cards Issued	0	163,226	163,226

FY20

163,226 cards X \$0.40 per card/print supplies = \$65,291
 100,000 brochures (\$0.06 per brochure) = \$6,000

FY21

163,226 cards X \$0.40 per card/print supplies = \$65,291
 100,000 brochures (\$0.06 per brochure) = \$6,000

ASSUMPTION (continued)

Mailing costs

Each registrant will receive his/her card in the mail. Renewal cards will also be mailed to each registrant annually. It is also assumed five percent (5%) of applications (new and renewal) will be incomplete, requiring written notification of an incomplete application. It is also projected that 25 percent of the printed brochures (25,000) along with paper applications will be mailed to the public upon request. The other printed brochures will be available for distribution at conferences and other public venues.

Projected mailings are as follows:

	FY 2019	FY 2020	FY 2021
Cards mailed to new applicants	0	163,226	16,323
Renewal cards mailed	0	0	146,903
Brochures/app mailed	0	25,000	25,000
Incomplete Application	0	8,161	8,161
Total mailings	0	196,387	196,387

FY20

196,387 envelopes (\$41 per 1,000) = 197 X \$41 = \$8,077
 Postage (196,387 x \$0.39/postage rate) = \$76,591

FY21

196,387 envelopes (\$41 per 1,000) = 197 X \$41 = \$8,077
 Postage (196,387 x \$0.39/postage rate) = \$76,591

Application Storage Costs

In order to manage the final storage of paper applications submitted, Content Manager for electronic scanning and storage will be utilized. The costs for Content Manager are estimated at \$132 per month for the state data server costs, \$234 for an annual license for each user who needs to view files, and \$828 for an annual license for each position with ability to scan/import documents.

Application Registration Fees

The proposal allows the DHSS to establish a fee for the issuance of a hemp extract registration card. For purposes of this fiscal note, it is estimated that DHSS would charge a \$32 registration fee.

ASSUMPTION (continued)

It is anticipated that Missouri will receive 163,226 new applications in its first year of operation (FY 2020). In subsequent years, new applications are estimated to grow by 10 percent annually; however, renewals are estimated to decline by 10 percent annually.

Projected fees received for the three years (FY 2019 – FY 2021) are as follows:

	FY 2019	FY 2020	FY 2021
Application & Renewals	0	163,226	163,226
Application Fees	\$0	\$5,223,232	\$5,223,232

DHSS, Division of Administration (DA)

For fiscal note purposes DA estimates one Accounting Clerk can process 30,000 receipt transactions received per year. An Accounting Generalist I/II will be needed for every five Accounting Clerks.

Accounting Clerk (\$26,340 annually) – duties will include

- Opens and sorts mail;
- Process and enter receipts into the departmental computer system;
- Prepares bank deposits and cash receipts documents;
- Reconciles daily receipts;
- Distributes supporting documentation to program.

Accounting Generalist I/II position (\$41,184 annually) – duties will include

- Supervise and review the work of Account Clerks who are processing the application fees.

Each application and license would have a fee transaction.

Transaction	FY 2019	FY 2020	FY 2021
Cards for New Applicants	0	163,226	16,323
Cards for Renewals	0	0	146,903
Total Cards Issued	0	163,226	163,226
Accounting Clerk	0	5.50	5.50
Accounting Generalist I/II	0	1.00	1.00

DHSS, Office of General Council

Legal Counsel (\$50,000)

One full-time attorney would be needed to assist in drafting emergency and proposed regulations and forms; perform legal research and provide day-to-day legal counsel to the program; and represent the department in legal actions.

ASSUMPTION (continued)

DHSS estimates the net impact to the General Revenue Fund to be a cost of \$526,732 for FY19; a cost of \$234,218 for FY 20 and a positive impact of \$546,976 for FY21.

Oversight will adjust DHSS rental expenses to correspond to the estimated rate per square foot used by the Office of Administration, Division of Facilities Management, Design and Construction. In addition, Oversight assumes DHSS will not hire part-time staff and will have those duties absorbed by existing staff.

In response to legislation from the current session in which additional rental space would be required, officials from the **Office of Administration (OA), Division of Facilities Management, Design and Construction (FMDC)** stated additional space in leased facilities for new staff for agencies in the Cole County area is estimated at 230 sq. ft. per FTE times \$17.50 per sq. ft., or \$4,025 annually per FTE. This cost includes building lease costs, fuel and utilities, and janitorial services. If a larger space were needed, the space was needed in other regions of the state, or newly constructed space if required, the estimated costs would be higher cost per sq. ft. (estimated at \$24.50 per sq. ft.).

DHSS provided the following assumptions from the **Office of Administration (OA), Information Technology Services Division (ITSD)/DHSS**. ITSD states it is assumed that every new IT project/system will be bid out because all ITSD resources are at full capacity

A 12-month project effort with three contractors has been assumed. It is assumed the application will be hosted in the State Data Center (SDC) on existing web application servers. Disk space has been assumed at 50 GB per environment (DEVO, TEST, and PROD). Funding for ongoing maintenance will come from registration fees established by DHSS.

FY19 costs to the General Revenue Fund are estimated to be \$308,749. On-going support costs for FY20 and FY21 are estimated to be \$63,769 and \$65,363 respectively.

§192.947 - No Adverse Action for Medical Use/Administration of Hemp Extract

Officials from the **Department of Revenue (DOR)** state in accordance with Chapter 144, any sale or purchase of hemp oil would be subject to state sales tax. As a result, this proposed legislation could potentially increase state revenues by an estimated \$6,579,421 annually when sales reach maximum growth due to allowing the use of hemp oil for the treatment of certain impairments. The DOR estimates that approximately \$110,000,000 worth of hemp oil sales will occur if the proposed legislation were to be approved in the first year available and \$155,725,938 worth of hemp oil sales after maximum growth. These sales would be subject to sales tax at 4.225%.

ASSUMPTION (continued)

	FY19	FY20	FY21	FY22
General Revenue	\$2,749,770	\$3,299,725	\$4,671,389	\$4,671,389
Conservation	\$116,187	\$139,425	\$197,383	\$197,383
Education	\$929,500	\$1,115,400	\$1,579,061	\$1,579,061
Parks and Soils	\$77,458	\$92,950	\$131,588	\$131,588
Total Impact	\$3,872,916	\$4,647,500	\$6,579,421	\$6,579,421

Oversight assumes, based on DHSS' response, that sales of medical marijuana would not begin until FY20. In addition, Oversight assumes the Department of Agriculture will begin issuing medical marijuana/hemp cultivation and production facility licenses in FY19. As these facilities will have time to produce a supply of medical marijuana/hemp before DHSS identification cards are issued, Oversight assumes a full year of medical marijuana/hemp sales during FY20.

DOR officials state there will be **OA, Information Technology Services Division (ITSD)/DOR** costs. OA, ITSD assumes that every new IT project/system will be bid out because all ITSD resources are at full capacity. The current contract rate for IT consultants is \$75 per hour.

OA, ITSD/DOR estimates this proposal will require 2000.16 hours of IT consultant work in FY19 as well as on-going costs. FY19 costs to the General Revenue Fund are estimated to be \$150,012 (2000.16 * \$75); on-going costs for FY20 and FY21 are estimated to be \$30,752 and \$31,521 respectively.

In responses to similar provisions from the current session (HB 1440), officials from the **OA, Division of Budget & Planning (B&P)** stated this proposal will increase Total State Revenue (TSR) by less than \$6.7M once fully implemented. This proposal will impact the calculation under Article X, Section 18(e).

This proposal would expand the clinical trials of hemp oil to other "serious conditions" as defined in Section 192.945. B&P notes that all application and license fees charged by departments are limited to actual costs incurred.

B&P notes that in addition to application and license fees, the hemp extract is also subject to sales tax. B&P further notes that based on definition changes in the 2014 federal farm bill and subsequent court cases, at least a portion of the sales tax is already being collected. Based on historical sales data from Arizona (which has a similar list of qualified conditions) from 2014 through 2016, B&P estimates that this proposal will increase TSR by less than \$3.9M and GR by less than \$2.8M in FY19. Once the medical market has matured, B&P estimates that this proposal will increase TSR by less than \$6.7M and GR by less than \$4.7M. In addition, once fully implemented B&P estimates that this will increase local funds by less than \$5.7M.

ASSUMPTION (continued)

§261.265 - Cultivation and production facility licenses

Officials from the **Department of Agriculture (AGR)** state the following estimates assume the allowed maximum number of Cultivation and Production Facility licenses are issued, that each facility is inspected monthly, and each inspection will require 20 hours of inspection related duties.

FY19 Inspection FTE calculations:

2 existing facilities x 12 monthly inspections x 20 hours per inspection = 480 hours

8 new facilities x 6 inspections x 20 hours per inspection = 960 hours

Total inspection hours = 1,440 / 1,800 inspection hours per year per FTE = .8 FTE.

FY19 Inspection FTE total = .8 FTE

FY20 Inspection FTE calculations:

10 existing facilities x 12 monthly inspections x 20 hours per inspection = 2,400 hours

Total inspection hours = 2,400 / 1,800 inspection hours per year per FTE = 1.33 FTE

FY20 Inspection FTE total = 1.33 FTE

Section 261.265.11 provides for fees.

Fees estimated for **FY19** include:

Application Fee = 20 x \$1,000 = \$20,000.

License Fees = 10 facilities x \$1,000 = \$10,000.

Testing Fees = 2 facilities x 2 test x \$700 = \$2,800.

Testing Fees = 8 facilities x 1 test x \$700 = \$5,600.

Inspection Fees = 2 facilities x 12 inspections x 20 hours/inspection x \$85/hour = \$40,800.

Inspection Fees = 8 facilities x 6 inspections x 20 hours/inspection x \$85/hour = \$81,6000.

Total Fees estimated for FY19 = \$160,800

Estimated annual fees for **FY 20 and beyond** include:

Application Fee = 1 application x \$1,000 = \$1,000.

License Fees = 10 facilities x \$1,000 = \$10,000.

Testing Fees = 10 facilities x 2 tests/year x \$700 = \$14,000.

Inspection Fees = 10 facilities x 12 inspections x 20 hours/inspection x \$85 per hour = \$204,000.

Total Annual Fees estimated for FY20 and beyond = \$229,000 annually

The AGR currently has two existing FTE (a Program Coordinator and a Senior Office Support Assistant) that will also be paid for from the fees established in section 261.265 to cover the program's costs. Annual costs for the two existing FTE total approximately \$136,639 annually (personal service \$135,716 + equipment and expense \$923).

ASSUMPTION (continued)

The program will require 1 additional field staff for inspections (Feed and Seed Inspector II; \$36,924 annually). Duties will include, but are not limited to: application review; verification of application information; travel to field locations; performing inspections of sites for verification; monthly facility inspections; collecting samples for testing; transporting samples to the laboratory; documentation of the "hemp monitoring system"; and providing location documentation to appropriate authorities.

The AGR estimates costs to the Ag Protection Fund of \$44,671 for FY 19 and a positive fiscal impact of \$9,075 for FY 20 and \$6,823 for FY 21.

For fiscal note purposes, **Oversight** will only show the costs associated with the one additional staff person AGR indicated would be needed as a result of this proposal. However, in addition to the new FTE, costs for two existing FTEs will be paid from the fees established in section 261.265 to cover the program's costs.

Bill as a whole

Officials from the **Department of Insurance, Financial Institutions and Professional Registration** and the **Joint Committee on Administrative Rules** each assume the proposal would not fiscally impact their respective agencies.

In response to the previous version of this proposal, officials from the **Department of Public Safety, Missouri State Highway Patrol** assumed the proposal would not fiscally impact their agency.

In response to similar legislation from the current session (HB 1440), officials from the **Office of the Secretary of State (SOS)** stated many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the SOS for Administrative Rules is less than \$2,500. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what the office can sustain with the core budget. Therefore, the SOS reserves the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process.

<u>FISCAL IMPACT - State Government</u>	FY 2019 (10 Mo.)	FY 2020	FY 2021
GENERAL REVENUE FUND			
<u>Income - DOR (per Chapter 144 and §192.947) (p. 8 - 9)</u>			
Sales taxes collected	\$0	\$3,299,725	\$4,671,389
<u>Income - DHSS (§192.945) (p. 7)</u>			
Application fees	\$0	\$5,223,232	\$5,223,232
<u>Costs - DHSS (§192.945) (p. 3 - 8)</u>			
Personal service	(\$111,147)	(\$2,107,890)	(\$2,128,969)
Fringe benefits	(\$59,981)	(\$1,370,415)	(\$1,376,676)
Equipment and expense	(\$42,830)	(\$1,760,876)	(\$955,802)
ITSD costs/on-going support	<u>(\$308,749)</u>	<u>(\$63,769)</u>	<u>(\$65,363)</u>
Total <u>Costs - DHSS</u>	<u>(\$522,707)</u>	<u>(\$5,302,950)</u>	<u>(\$4,526,810)</u>
FTE Change - DHSS	3 FTE	69 FTE	69 FTE
<u>Costs - DOR (§192.947) (p. 9)</u>			
OA, ITSD/DOR system changes	<u>(\$150,012)</u>	<u>(\$30,752)</u>	<u>(\$31,521)</u>
ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND			
	<u>(\$672,719)</u>	<u>\$3,189,255</u>	<u>\$5,336,290</u>
Estimated Net FTE Change on the General Revenue Fund			
	3 FTE	69 FTE	69 FTE

<u>FISCAL IMPACT - State Government</u>	FY 2019 (10 Mo.)	FY 2020	FY 2021
AGRICULTURE PROTECTION FUND (#970)			
<u>Income - AGR</u> (§261.265) (p. 10)			
License and inspection fees	\$160,800	\$229,000	\$229,000
<u>Costs - AGR</u> (§261.265) (p. 10 - 11)			
Personal service	(\$30,770)	(\$37,293)	(\$37,666)
Fringe benefits	(\$18,129)	(\$21,862)	(\$21,975)
Equipment and expense	(\$44,417)	(\$25,051)	(\$25,678)
<u>Total Costs - AGR</u>	<u>(\$93,316)</u>	<u>(\$84,206)</u>	<u>(\$85,319)</u>
FTE Change - AGR	1 FTE	1 FTE	1 FTE
ESTIMATED NET EFFECT ON THE AGRICULTURE PROTECTION FUND (#970)			
	<u>\$67,484</u>	<u>\$144,794</u>	<u>\$143,681</u>
Estimated Net FTE Change on the Agriculture Protection Fund			
	1 FTE	1 FTE	1 FTE
CONSERVATION COMMISSION FUND			
<u>Income - DOR</u> (per Chapter 144 and §192.947) (p. 9)			
Sales taxes collected	<u>\$0</u>	<u>\$139,425</u>	<u>\$197,383</u>
ESTIMATED NET EFFECT ON THE CONSERVATION COMMISSION FUND			
	<u>\$0</u>	<u>\$139,425</u>	<u>\$197,383</u>

<u>FISCAL IMPACT - State Government</u>	FY 2019 (10 Mo.)	FY 2020	FY 2021
SCHOOL DISTRICT TRUST FUND			
<u>Income</u> - DOR (per Chapter 144 and §192.947) (p. 9)			
Sales taxes collected	<u>\$0</u>	<u>\$1,115,400</u>	<u>\$1,579,061</u>
ESTIMATED NET EFFECT ON THE SCHOOL DISTRICT TRUST FUND	<u>\$0</u>	<u>\$1,115,400</u>	<u>\$1,579,061</u>
 PARKS, WATER & SOIL FUND			
<u>Income</u> - DOR (per Chapter 144 and §192.947) (p. 9)			
Sales taxes collected	<u>\$0</u>	<u>\$92,950</u>	<u>\$131,588</u>
ESTIMATED NET EFFECT ON THE PARKS, WATER & SOIL FUND	<u>\$0</u>	<u>\$92,950</u>	<u>\$131,588</u>
 <u>FISCAL IMPACT - Local Government</u>			
	FY 2019 (10 Mo.)	FY 2020	FY 2021
ALL LOCAL GOVERNMENTS			
<u>Income</u> -All Local Governments (per Chapter 144 and §192.947) (p. 10)			
Sales taxes collected	\$0	Less than \$4,000,000	Less than \$5,700,000
ESTIMATED NET EFFECT ON ALL LOCAL GOVERNMENTS	<u>\$0</u>	<u>Less than \$4,000,000</u>	<u>Less than \$5,700,000</u>

FISCAL IMPACT - Small Business

§261.265 - The proposed legislation allows the Missouri Department of Agriculture to issue licenses to ten cultivation and production facilities in the state to grow or cultivate the cannabis plant used to make hemp extract. There could be an unknown impact on small businesses that may serve as these facilities.

FISCAL DESCRIPTION

Currently, the law allows people with intractable epilepsy to possess and use hemp extract to treat the condition. This bill expands the current law to allow individuals with other serious conditions to use hemp extract as well. Serious condition is defined as Cancer, HIV, AIDS, Amyotrophic lateral sclerosis, Rheumatoid Arthritis, Parkinson's disease, Multiple sclerosis, spinal cord damage, Epilepsy, Inflammatory bowel disease, neuropathies, Huntington's disease, or certain specified symptoms or complications associated with the conditions listed above.

Currently, the Department of Health and Senior Services must issue a registration card to a person who provides a statement signed by a neurologist that the person suffers from intractable epilepsy and may benefit from treatment with hemp extract. This bill requires the department to also issue registration cards to people who provide certification signed by a physician that the person suffers from one of the previously mentioned serious conditions. The physician must also indicate to the department that he or she is qualified to treat the condition, and that the patient is under the practitioner's continuing care.

The maximum level of Tetrahydrocannabinol (THC) permitted in hemp extract under current law is 0.3% by weight. This bill raises the maximum level to 0.9% by weight. This bill also lowers the minimum level of cannabidiol required in hemp extracted from 5% by weight to 1.5% by weight.

The civil liability of a doctor or hospital that provides medical treatment to a patient pursuant to this bill will not be determined according to the normal standards for medical malpractice but can only be found upon a showing that the damages were caused by gross negligence or willful or wanton acts or omissions on the part of the doctor or hospital.

A maximum of 10 licenses may be issued for the cultivation of cannabis to be used in the production of hemp extract.

This legislation is not federally mandated, would not duplicate any other program but would require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Health and Senior Services
Department of Agriculture
Department of Insurance, Financial Institutions and Professional Registration
Department of Revenue
Department of Public Safety -
 Missouri State Highway Patrol
Joint Committee on Administrative Rules
Office of Administration -
 Division of Budget & Planning
 Information Technology Services Division/DHSS
 Information Technology Services Division/DOR
Office of Secretary of State

Ross Strope



Acting Director
April 27, 2018