

Statement on Office of Medical Cannabis audit

The Minnesota Department of Health (MDH) issued the following statement in response to a Minnesota Office of the Legislative Auditor audit of the Office of Medical Cannabis.

In 2014 Minnesota was among the first states to implement a medical cannabis program of this kind, and the lack of established best practices made implementation challenging. However, we have worked consistently to build a strong program that prioritizes patient safety. As a part of this work, we place high priority on effective internal controls even as the cannabis industry evolves rapidly.

We appreciate the work of the Office of the Legislative Auditor in reviewing the Office of Medical Cannabis for the period of July 2016 through December 2018. We were aware of many of the issues raised in the audit and spent all of 2019 improving internal controls, which should address many of the OLA's concerns. For example:

- In August 2019, MDH implemented a system to enter laboratory reports into a centralized, searchable spreadsheet. This allows better data management and tracking.
- In December 2019, MDH also implemented a policy to verify during the registration renewal process that each manufacturer holds a valid contract with an independent laboratory for the purpose of testing medical cannabis.
- In December 2019, as a temporary measure until seed-to-sale software can be acquired, the manufacturer registration agreements were renewed including a provision that each manufacturer provide read-only access to OMC of the manufacturer's seed-to-sale system to monitor for activity suspect of diversion, inversion or lack of inventory control. Having read-only access does have limitations, but is a step forward in tracking and monitoring cultivation, processing, testing, and sale of medical cannabis.
- MDH is partnering with Minnesota IT Services to improve the storage capacity of our medical cannabis registry, and the upgrade is set for March.
- Starting in April 2020 and on a recurring basis, OMC will systematically review and verify that health care practitioners licensed to approve patients for participation in the medical cannabis program continue to hold a valid license with the Board of Medical Practice.
- MDH will amend administrative rules by the end of June to require a health care practitioner to notify the department of a change in license status or when discontinuing care for patients in the program.

While MDH agrees with the OLA that it needs to continue to take action to increase internal controls in the program, MDH has interpreted statute differently than the OLA, and so the department disagrees with one of the findings. OMC offers a reduced fee to disabled veterans receiving Civilian Health and Medical Program of the Department of Veterans Affairs (CHAMPVA), and to disabled seniors who had received Social Security Disability Insurance and have transitioned to Social Security retirement benefits. Based on statute, MDH believes the legislative intent was to lower the barrier to access to the medical treatment for these vulnerable populations. MDH will work with the Governor and Legislature to clarify eligibility and will implement any changes needed to comply with legislative intent. Until then, OMC will continue charging fees based on our interpretation.

Several other recommendations made by the OLA offer potential value but require further consultation with MNIT and additional funding for implementation.

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