

RE: Testimony against HB 4034
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2/12/2020

Dear Chair Lively and Committee Members,

I implore you to reject HB 4034. This bill will only further reduce access to medical marijuana for patients in Oregon and rob the Oregon Medical Marijuana Program (OMMP) of much needed revenue. Having all state medical programs housed and administered under the Oregon Health Authority (OHA) is an important psychological safety valve for citizens, especially for OMMP patients.

As you have heard, the OMMP is in financial distress. On 2/3/2020 Steven Marks, executive director of the OLCC, gave verbal testimony to this committee regarding HB 4034. Mr. Marks stated that OHA/OMMP is losing their cardholders, customers and their revenue. He also stated, "OHA doesn't have enough revenue to support itself." Although Mr. Marks' comments are correct, he did not explain how or why the OMMP does not have revenue to support itself. The interagency relationship is the root cause of the demise of OMMP.

The Oregon Health Authority's Oregon Medical Marijuana Program and Oregon Liquor Control Commission's (OLCC) recreational cannabis program are both fee-based programs. If House Bill 4034 passes, 576 OMMP grow sites, 667 growers and 3,216 patients will be negatively impacted, see OHA's January 2020 statistical snapshot. The link to this report is https://www.oregon.gov/oha/PH/DISEASES/CONDITIONS/CHRONIC/DISEASE/MEDICALMARIJUANA/PROGRAM/Documents/OMMP_Statistical_Snapshot_01-2020.pdf. There is a \$200 grower registration fee per patient paid to OHA/OMMP. If this bill passes, the \$200 grower registration fee, multiplied by 3,216 patients, will equal **\$643,200** in lost revenue for OHA/OMMP. Please consider the negative fiscal impact this bill will have on an already financially stressed program.

Both the OMMP and the OLCC cannabis programs are fee-based programs. OLCC licensees simply check a box on their application to receive an "OLCC medical endorsement" granting them privileges that would otherwise only be found in the OMMP system. From January to August 2019, OLCC licensees sold **\$38,915,979.62** in cannabis products, https://drive.google.com/drive/folders/19whFvVXNJY7_NJjPAOGcLd9rclhRNUfp to OMMP patients and caregivers, which does not put any revenue back into the OMMP. In other words, OLCC licensees are allowed to process and sell higher concentration limits and weight limits to OMMP patients and caregivers without paying into OMMP. Since OLCC licensees do not pay into the OHA/OMMP, yet profit from sales to OMMP participants, they are hijacking OMMP out from under OHA, effectively shutting down the medical marijuana program. HB 4034 perpetuates this downward spiral of OMMP.

OMMP patients are required to submit their medical information as part of the application process. OLCC is not bound by the Health Insurance Portability Accountability Act (HIPAA). A state audit cited OLCC as having the state's least secure computer system of any state agency. Not only will patient's privacy be violated, but also their access to medical cannabis will be greatly diminished. I stand in strong opposition to HB 4034, please reject this bill outright. This bill will further reduce access to cannabis for the poorest and most vulnerable OMMP patients. This is not equitable nor sustainable.

Respectfully,



Matthew Mendoza