

# House Research Act Summary

**CHAPTER:** 311

**SESSION:** 2014 Regular Session

**TOPIC:** Medical Cannabis Therapeutic Research Study

**Analyst:** Jamie Olson

**Date:** May 19, 2014

This publication can be made available in alternative formats upon request. Please call 651-296-6753 (voice); or the Minnesota State Relay Service at 1-800-627-3529 (TTY) for assistance. Summaries are also available on our website at: [www.house.mn/hrd/](http://www.house.mn/hrd/).

---

## Overview

This act creates a patient registry under the Department of Health relating to the therapeutic use of medical cannabis. It provides for the use of medical cannabis in limited forms for certain qualifying medical conditions and regulates the distribution and manufacture of medical cannabis. It also creates a task force to conduct an impact assessment on medical cannabis therapeutic research and provides for certain criminal and civil protections for parties involved in the registry program.

### Section

- 1**      **Medical use of cannabis data.** Amends § 13.3806 by adding subdivision 22. States that data collected relating to registrations for the medical use of marijuana are classified in sections 152.25, 152.28, and 152.37.
- 2**      **Medical Cannabis Therapeutic Research Study.** Adds § 152.22.
  - Subd. 1. Definitions.** (a) Defines terms used in sections 152.22 to 152.37.
  - Subd. 2. Commissioner.** Defined as the commissioner of health.
  - Subd. 3 Disqualifying felony offense.** Defined as a violation of state or federal controlled substance law that is, or would be, a felony under Minnesota law, unless the commissioner determines the conviction was related to the medical use of cannabis.
  - Subd. 4. Health care practitioner.** Defined as a doctor, physician assistant, or advanced practice nurse, licensed in Minnesota, who has the primary responsibility of care and treatment of the qualifying medical condition of the patient.

**Section**

**Subd. 5. Health records.** Defined as defined in section 144.291 (Minnesota Health Records Act).

**Subd. 6. Medical cannabis.** Defined as any species of the genus cannabis plant including whole plant extracts, and which are delivered only in the form of: (1) liquid, including oils; (2) pill; (3) vaporized delivery method using only liquid or oil; or (4) any other method approved by the commissioner, excluding smoking.

**Subd. 7. Medical cannabis manufacturer.** Defined as an entity registered with the commissioner to, among other things, cultivate, prepare, or supply medical cannabis, delivery devices, and education materials to patients in the registry program.

**Subd. 8. Medical cannabis product.** Defined as delivery devices for the use of medical cannabis or related supplies and education materials.

**Subd. 9. Patient.** Defined as a Minnesota resident who has been diagnosed with a qualifying medical condition and otherwise meets the requirements under sections 152.22 to 152.37 for participation in the registry program.

**Subd. 10. Patient registry number.** Defined as a unique identification number assigned by the commissioner to a patient enrolled in the registry program.

**Subd. 11. Registered designated caregiver.** Defined as a person who (1) is at least 21 years old; (2) has not been convicted of a disqualifying felony offense; (3) has been approved by the commissioner to assist a patient who is unable to self-administer medication or acquire medical cannabis from a distribution facility; and (4) is authorized to assist the patient with the use of medical cannabis.

**Subd. 12. Registry program.** Defined as the patient registry established under sections 152.22 to 152.37.

**Subd. 13. Registry verification.** Defined as the verification provided by the commissioner to the health care practitioner, the patient, and the manufacturer that a patient has been enrolled in the registry program and contains listed information.

**Subd. 14. Qualifying medical condition.** Defined as a diagnosis of any of the following conditions:

- ▶ Cancer, if the condition or treatment produces (i) severe or chronic pain; (ii) nausea or severe vomiting; or (iii) cachexia or severe wasting
- ▶ Glaucoma
- ▶ HIV/AIDS
- ▶ Tourette's syndrome
- ▶ Amyotrophic lateral sclerosis
- ▶ Seizures, including those characteristic of epilepsy
- ▶ Severe and persistent muscle spasms, including those characteristic of multiple

**Section**

sclerosis

- ▶ Crohn's disease
- ▶ Terminal illness with a probable life expectancy of under one year, if the illness or its treatment produces (i) severe or chronic pain; (ii) nausea or severe vomiting; or (iii) cachexia or severe wasting
- ▶ Any other medical condition or its treatment approved by the commissioner

**3**     **Limitations.** Adds § 152.23. States this section does not permit and does not prevent civil, criminal, or other penalties for the listed activities, including, but not limited to, possessing or engaging in the use of medical cannabis in certain locations, vaporizing medical cannabis in any public place or where the smoke would be inhaled by a nonpatient minor child, and operating a motor vehicle while under the influence of medical cannabis. Also states that medical assistance and MinnesotaCare programs are not required to reimburse an enrollee or a provider for costs associated with the medical use of cannabis.

**4**     **Federally approved clinical trials.** Adds § 152.24. Allows the commissioner to prohibit enrollment of a patient in the registry program if the patient is enrolled in a federally-approved clinical trial for the treatment of a qualifying condition with medical cannabis and requires the commissioner to inform patients of federally-approved clinical trials.

**5**     **Commissioner duties.** Adds § 152.25.

**Subd. 1. Medical cannabis manufacturer registration.** (a) Requires, among other things, the commissioner to register two in-state manufacturers for the production of all medical cannabis in the state by December 1, 2014, and to register new manufacturers or reregister the same manufacturers by December 1 of each year. Allows the commissioner to obtain federally-sourced medical cannabis instead of registering a manufacturer if an adequate supply of the federally-sourced medical cannabis is obtained by August 1, 2014.

(b) Requires the commissioner to require the manufacturers to supply medical cannabis products to patients by July 1, 2015, and comply with other requirements, as a condition of registration.

(c) Requires the commissioner to consider factors when determining which manufacturers to register, including, but not limited to, the qualifications of employees, the technical expertise of the manufacturer, and the long-term financial stability of the manufacturer.

(d) Requires the commissioner to require each manufacturer to contract with an independent laboratory, approved by the commissioner, for purposes of testing medical cannabis produced by the manufacturer and requires the laboratory to report testing results to the commissioner.

**Subd. 2. Range of compounds and dosages; report.** Requires the commissioner to review and publicly report existing medical and scientific literature on the range of recommended dosages for each condition and the range of chemical compositions

**Section**

likely to be medically beneficial for each condition. Requires the information to be available by December 1, 2014, and allows the commissioner to consult with an independent laboratory. Requires the commissioner to consult with the manufacturer on an annual basis on medical cannabis offered by the manufacturer and to publish a list of what is offered on the Health Department Web site.

**Subd. 3. Deadlines.** (a) Requires the commissioner to complete rulemaking necessary for distribution to begin by July 1, 2015, and have notice published of those rules prior to January 1, 2015.

(b) Requires the commissioner to advise the public and the co-chairs of the task force on medical cannabis therapeutic research if the commissioner is unable to register two manufacturers by December 1, 2014, and provides for a deadline extension.

(c) Requires the commissioner to advise the public and the co-chairs of the task force if the commissioner is advised by the manufacturer that the manufacturer will not meet the July 1, 2015, deadline for distribution of medical cannabis to patients and provides for a deadline extension.

**Subd. 4. Reports.** (a) Requires the commissioner to provide regular updates to the task force regarding any changes to federal law or regulatory restrictions regarding the use of medical cannabis.

(b) Allows the commissioner to submit medical research collected under the registry program to any federal agency with regulatory or enforcement authority over medical cannabis to demonstrate the effectiveness of medical cannabis.

**6 Rulemaking.** Adds § 152.26. Allows the commissioner to adopt rules to implement the registry program and allows rules for which notice is published before January 1, 2015, to use the expedited rulemaking process.

**7 Patient registry program established.** Adds § 152.27.

**Subd. 1. Patient registry program; establishment.** (a) Requires the commissioner of health to establish a patient registry program to evaluate data on, among other things, effective treatment options for the purpose of reporting on the benefits, risks, and outcomes regarding the use of medical cannabis on a patient's qualifying medical condition.

(b) States that the establishment of the registry program is not intended in any manner to condone or promote the illicit recreational use of marijuana.

**Subd. 2. Commissioner duties.** (a) Requires the commissioner to:

(1) give notice and explanation of the registry program to health care practitioners;

(2) allow participation in the registry program by each health care practitioner in the

**Section**

state who meets qualifications and requests to participate in the registry program;

(3) provide explanatory information to health care practitioners;

(4) create a certification for the health care practitioner to use when certifying a patient's qualifying medical condition and include an option for the health care practitioner to certify that the patient, as the result of the patient's disability, is unable to self-administer medication or acquire medical cannabis from a distribution facility;

(5) supervise the participation of the health care practitioner in conducting patient treatment and health records reporting;

(6) develop safety criteria for patients; and

(7) conduct research and studies based on data from submitted health records.

(b) Provides for a procedure for the commissioner to add a delivery form or qualifying medical condition that includes the legislature's ability to prevent the addition.

**Subd. 3. Patient application.** (a) Requires the commissioner to develop a patient application for enrollment in the registry program and lists information that must be included in the application, including, but not limited to, a copy of a certification from a health care practitioner that is dated within 90 days prior to the submission of the application that certifies that the patient has been diagnosed with a qualifying medical condition.

(b) Requires the commissioner to require a patient to resubmit a copy of the recertification from the health care practitioner on a yearly basis.

(c) Requires the commissioner to develop a disclosure form as a required condition of enrollment and lists information that must be included in the disclosure form.

**Subd. 4. Registered designated caregiver.** (a) Requires the commissioner to register a designated caregiver for a patient if a health care practitioner has certified that the patient, as a result of a developmental or physical disability, is unable to self-administer medication or acquire medical cannabis from a distribution facility. Requires that a designated caregiver: (1) be at least 21 years of age; (2) agree to only possess medical cannabis for purposes of assisting patients; and (3) agree to only be a registered caregiver for one patient, unless the patients reside in the same residence.

(b) Requires the commissioner to conduct a criminal background check on a designated caregiver prior to registration and requires costs associated with the background check be paid by the person seeking registration.

**Subd. 5. Parents or legal guardians.** Allows a parent or legal guardian of a patient to act as a caregiver without having to register as a designated caregiver and states that sections 152.22 to 152.37 do not limit any legal authority a parent or legal guardian may have for the patient under any other law.

**Section**

**Subd. 6. Patient enrollment.** (a) Requires the commissioner to issue a registry verification to the patient or patient's registered designated caregiver or parent or legal guardian, if applicable, upon enrollment in the registry program and limits the reasons for a patient's denial of enrollment in the registry program.

(b) Requires the commissioner to give written notice to a patient of the reason for denying enrollment in the registry program.

(c) States denial of enrollment is a final decision and is subject to judicial review under the Administrative Procedure Act pursuant to chapter 14.

(d) State's a patient's enrollment in the registry program may only be revoked for violation of section 152.30 or 152.33.

(e) Requires the commissioner to develop a registry verification to provide to the patient, health care practitioner identified in the patient's application, and the manufacturer and lists required information to be contained in the registry verification.

**Subd. 7. Notice requirements.** Requires patients and registered designated caregivers to notify the commissioner of an address or name change within 30 days and provides a \$100 fine for failure to make the notification.

**8 Health care practitioner duties.** Adds § 152.28.

**Subd. 1. Health care practitioner duties.** (a) Requires a health care practitioner, prior to patient enrollment in the registry program, to, among other things, determine whether the patient suffers from a qualifying medical condition and whether the patient has a disability which prevents the patient from self-administering medication or acquiring medical cannabis from a manufacturer and agree to continue treatment of the patient's qualifying medical condition and report findings to the commissioner.

(b) Requires the health care practitioner, after notice that the patient has been enrolled in the registry program, to, among other things, report health records to the commissioner in accordance with subdivision 2.

(c) States that nothing in this section requires a health care practitioner to participate in the registry program.

**Subd. 2. Data.** States that data collected and reported to the patient registry are health records under section 144.291 (Minnesota Health Records Act) and are private data. Allows the data to be used or reported in an aggregated, non-identifiable form as part of a scientific, peer-reviewed publication or in the creation of summary data.

**9 Manufacturer of medical cannabis.** Adds § 152.29.

**Subd. 1. Manufacturer; requirements.** (a) Requires a manufacturer to, among other things, operate four distribution facilities, located based on geographic need, which may include the manufacturer's one location where all cultivation, harvesting,

**Section**

manufacturing, packaging, and processing is conducted but is not required to include that location. Requires distribution to begin by July 1, 2015, by at least one facility and requires that four distribution facilities be operational by July 1, 2016. Prohibits distribution facilities other than the one location for cultivation from containing medical cannabis in any form other than those allowed under section 152.22, subdivision 6. States that additional distribution facilities are subject to all requirements of the manufacturer under sections 152.22 to 152.37.

(b) Requires each manufacturer to contract with a laboratory, subject to the commissioner's approval and additional requirements, for purposes of testing medical cannabis. Requires the costs for testing to be paid by the manufacturer.

(c) Lists the requirements for a manufacturer's operating documents.

(d) Requires a manufacturer to implement listed security requirements, including, but not limited to, facility access controls.

(e) Prohibits the manufacturer from, among other things, having any financial relationship with a health care practitioner.

(f) Prohibits the manufacturer from allowing any person to consume cannabis on the property of the manufacturer.

(g) States that a manufacturer is subject to reasonable inspection by the commissioner.

(h) States that a medical cannabis manufacturer is not subject to the Board of Pharmacy licensure or regulatory requirements.

(i) Prohibits a manufacturer from employing anyone under the age of 21 or someone who has a conviction for a disqualifying felony offense. Requires employees of the manufacturer to submit a completed criminal history records check both to Minnesota and the FBI.

(j) Prohibits a manufacturer from operating in any location within 1,000 feet of a public or private school existing before the date of the manufacturer's registration with the commissioner.

(k) Requires the manufacturer to comply with reasonable restrictions set by the commissioner relating to, among other things, advertising of medical cannabis.

**Subd. 2. Manufacturer; production.** (a) Requires a manufacturer to provide a reliable and ongoing supply of all medical cannabis needed for the registry program.

(b) Requires all cultivation, harvesting, manufacturing, packaging, and processing of medical cannabis to take place in an enclosed, locked facility and at specified address.

(c) Requires a manufacturer to process and prepare any medical cannabis plant

**Section**

material into a form allowable under section 152.22, subdivision 6, prior to distribution of any medical cannabis.

**Subd. 3. Manufacturer; distribution.** (a) Requires the manufacturer to require that only employees licensed as pharmacists under chapter 151 distribute medical cannabis.

(b) Allows a manufacturer to dispense medical cannabis products but does not require the manufacturer to produce or dispense medical cannabis products.

(c) Requires the manufacturer, prior to distribution, to, among other things, verify the patient's identity and registration in the program, verify the person requesting distribution of the medical cannabis is listed on the patient's registry verification, have an employee who is a licensed pharmacist determine dosage for the individual patient, properly label each product, and ensure distribution is only for a 30-day supply of the dosage determined for that patient.

(d) Requires the manufacturer to require an employee who is transporting medical cannabis to a distribution facility to carry identification showing that the person is an employee of the manufacturer.

**Subd. 4. Report.** Requires each manufacturer to submit a monthly report to the commissioner containing information for the month prior relating to, among other things, the amount and dosages of medical cannabis distributed.

- 10 Patient duties.** Adds § 152.30. (a) Requires a patient to apply by submitting an application as required under section 152.27 and pay an annual registration fee as determined under section 152.35.
- (b) Requires the patient, as a condition of enrollment, to continue to receive regularly-scheduled treatment for their qualifying medical condition from the health care practitioner and report changes in their qualifying medical condition to the health care practitioner.
- (c) Requires a patient to receive medical cannabis only from a registered manufacturer but does not require the patient to receive medical cannabis products only from the manufacturer.
- 11 Data practices.** Adds § 152.31. (a) States that government data in patient files maintained by the commissioner or health care practitioner, and data submitted to or by a medical cannabis manufacturer, are private data or nonpublic data. Allows the data to be used for purposes complying with chapter 13 and complying with a request from the legislative or state auditor. Applies section 13.05, subdivision 11 for the agreement entered into between the commissioner and a medical cannabis manufacturer.
- (b) Prohibits not public data maintained by the commissioner from being used for any purpose not provided in sections 152.22 to 152.37 and prohibits it from being combined or linked in any manner with any other list, dataset, or database.
- 12 Protections for registry program participation.** Adds § 152.32.



**Section**

**Subd. 1. Presumption.** (a) States there is a presumption that a patient enrolled in the registry program is engaged in the authorized use of medical cannabis.

(b) States the presumption of authorized use may be rebutted by evidence that the patient's conduct related to use was not for the purpose of treating or alleviating the qualifying condition or symptoms of the qualifying condition.

**Subd. 2. Criminal and civil protections.** (a) States that subject to section 152.23, the following are not violations under chapter 152:

(1) use or possession of medical cannabis products by a patient, or possession by a registered designated caregiver or the parent or legal guardian of a patient, if the parent or legal guardian is listed on the registry verification;

(2) possession, dosage determination, administering, or dispensing medical cannabis by the manufacturer, employees of the manufacturer, the laboratory contracted by the manufacturer for testing of medical cannabis products, or employees of the laboratory; and

(3) possession of medical cannabis products by any person while carrying out the duties required under sections 152.22 to 152.37.

(b) States medical cannabis obtained pursuant to this section and associated property is not subject to forfeiture under sections 609.531 to 609.5316.

(c) Precludes the commissioner, the commissioner's staff, the commissioner's agents or contractors, and any health care practitioner from being subject to any civil or disciplinary penalties by a business, occupational, or professional licensing board or entity based solely for participation in the registry program. Precludes a pharmacist licensed under chapter 151 from being subject to any civil or disciplinary penalties by the Board of Pharmacy when acting in accordance with the registry program. States that nothing prohibits a licensing board from sanctioning for actions taken outside of those actions allowed under the registry program.

(d) States that the commissioner, the governor of Minnesota, or employees of a state agency may not be held civilly or criminally liable for certain occurrences caused by any act or omission while acting within the scope of office or employment under the registry program.

(e) States that federal, state, and local law enforcement are prohibited from accessing the registry except when acting pursuant to a valid search warrant.

(f) Prohibits the commissioner or any public employee from releasing data about an individual contained in any report, document, or registry or any information obtained about a patient participating in the program, except as provided in sections 152.22 to 152.37.

(g) Prohibits any information obtained about a patient from being admitted as evidence

**Section**

in a criminal proceeding unless the information was independently obtained or in connection with a proceeding involving a violation of sections 152.22 to 152.37.

(h) States any person who violates paragraph (e) or (f) is guilty of a gross misdemeanor.

(i) States an attorney is not subject to disciplinary action by the Minnesota Supreme Court or professional responsibility board for providing legal assistance to prospective or registered manufacturers or others related to activity that is no longer subject to criminal penalties under the registry program.

(j) States that, among other things, possession of a registry verification or application for enrollment does not constitute probable cause or reasonable suspicion and does not support a search of a person or property of person possessing or applying for the registry verification.

**Subd. 3. Discrimination prohibited.** (a) Prohibits a school or landlord from refusing to enroll or lease to a person based on the person's status as a patient in the registry program, unless failing to do so would violate federal law or regulation or cause the school or landlord to lose monetary or licensing-relating benefits under federal law or regulation.

(b) States that the use of medical cannabis is considered an authorized use of a medication and does not constitute the use of an illicit substance for purposes of medical care, including organ transplants.

(c) Prohibits an employer from discriminating in hiring, termination, or other terms of employment based on a person's status as a patient enrolled in the registry program or a positive drug test, unless the person was impaired by medical cannabis on the premises of employment or during the hours of employment. The prohibition on discrimination exists unless a failure to do so would violate federal law or regulation or cause the employer to lose monetary or licensing-related benefits under federal law or regulation.

(d) States that verification of enrollment in the patient registry may be part of an employee's explanation under section 181.953, subdivision 6, as it relates to drug testing required by an employer.

(e) Prohibits denial of custody, visitation rights, or parenting time based on a person's status as a patient in the registry program. Prohibits a presumption of neglect or child endangerment unless, as established by clear and convincing evidence, the person's behavior creates an unreasonable danger to a minor's safety.

**13      Violations.** Adds § 152.33.

**Subd. 1. Intentional diversion; criminal penalty.** States a manufacturer or its agent is guilty of a felony, punishable by imprisonment for not more than two years

**Section**

and/or payment of a fine of no more than \$3,000, for the sale or transfer for value of medical cannabis to a person other than a patient, registered designated caregiver, or, if listed on the registry verification, a patient's parent or legal guardian and, upon conviction, is prohibited from any continued or future affiliation with a manufacturer.

**Subd. 2. Diversion by patient, registered designated caregiver, or parent; criminal penalty.** States that a patient, registered designated caregiver, or, if listed on the registry verification, a parent or legal guardian of a patient is guilty of a felony punishable by imprisonment for not more than two years and/or a fine of not more than \$3,000, for the sale or transfer for value of medical cannabis to a person other than a patient, registered designated caregiver, or, if listed on the registry verification, a parent or legal guardian of a patient.

**Subd. 3. False statement; criminal penalty.** States that a person is guilty of a misdemeanor punishable by imprisonment for not more than 90 days and/or a fine of not more than \$1,000, for intentionally making a false statement to law enforcement about facts relating to the use of medical cannabis in order to avoid arrest or prosecution. The punishment does not preclude other criminal punishments and conviction disqualifies the person from further participation in the registry program.

**Subd. 4. Submission of false records; criminal penalty.** States a person is guilty of a felony punishable by imprisonment for not more than two years and/or payment of a fine of not more than \$3,000, for knowingly submitting false records or documentation required to register as a manufacturer.

**Subd. 5. Violation by health care practitioner; criminal penalty.** States that a health care practitioner is guilty of a misdemeanor punishable by imprisonment for not more than 90 days and/or payment of a fine of not more than \$1,000, if the health care practitioner refers patients to a manufacturer or a registered designated caregiver, advertises with a manufacturer, or issues certifications while holding a financial interest in a manufacturer.

**Subd. 6. Other violations; civil penalty.** Allows a manufacturer to be fined up to \$1,000 for violation of sections 152.22 to 152.37 or regulations pursuant to those sections where no penalty has been specified, in addition to other applicable penalties in law.

- 14 Nursing facilities.** Adds §152.34. Allows nursing facilities, boarding care homes, and assisted living facilities to adopt reasonable restrictions on the use of medical cannabis by persons receiving inpatient services. States that these facilities are not required to adopt restrictions but may not unreasonably limit a qualifying patient's access to or use of medical cannabis.
- 15 Fees; deposit of revenue.** Adds § 152.35. (a) Requires the commissioner to collect an annual enrollment fee of \$200 from an enrolled patient, or \$50 if the patient attests to receiving Social Security disability, Supplemental Security Insurance payments, or is enrolled in medical assistance or MinnesotaCare.
- (b) Requires the commissioner to collect a \$20,000 application fee from any manufacturer

**Section**

applying for registration and to credit the funds to the state government special revenue fund.

(c) Requires the commissioner to collect an annual fee from the manufacturer equal to the cost of regulating and inspecting the manufacturer that year. States the funds will be credited to the state government special revenue fund.

(d) Allows the manufacturer to charge patients a reasonable fee for costs associated with the operations of the manufacturer. Allows the manufacturer to establish a sliding scale of patient fees based on a patient's household income and allows the manufacturer to accept private donations.

**16 Impact assessment of medical cannabis therapeutic research.** Adds § 152.36.

**Subd. 1. Task force on medical cannabis therapeutic research.** (a) Establishes a 23 member task force to conduct an impact assessment consisting of listed members.

(b) States that certain task force members will be appointed by the governor and that all members serve at the pleasure of the appointing authority.

(c) Requires there to be two co-chairs of the task force with one being selected by the speaker of the house and the other selected by the majority leader of the senate, and states that the authority to convene meetings shall alternate between the co-chairs.

(d) States that certain members of the task force shall receive expenses as provided in section 15.059, subdivision 6.

**Subd. 2. Impact assessment.** Requires the task force to hold hearings to conduct the impact assessment that must evaluate Minnesota's activities and other states' activities involving medical cannabis and offer analysis of topics including, but not limited to, the impacts on the health care providers, the incidence of substance abuse, and law enforcement and prosecution.

**Subd. 3. Cost assessment.** Requires the commissioners of state departments impacted by the medical cannabis therapeutic research study to submit reports to the co-chairs to compare actual costs to the estimated costs of implementing sections 152.22 to 152.37 and provides reporting requirements.

**Subd. 4. Reports to the legislature.** (a) Requires the co-chairs to submit the following reports to the chairs and ranking minority members of certain legislative committees:

- ▶ by February 1, 2015, a report on the design and implementation of the registry program and every two years thereafter, a complete impact assessment report; and
- ▶ upon receipt of a cost assessment report, the completed cost assessment.

**Subd. 5. Expiration.** States that the task force does not expire

**17 Financial examinations; pricing reviews.** Adds § 152.37.

**Section**

**Subd. 1. Financial records.** Requires a manufacturer to maintain detailed financial records in a format approved by the commissioner and keep records updated and accessible to the commissioner when requested.

**Subd. 2. Certified annual audit.** Requires the manufacturer to submit the results of an annual certified financial audit to the commissioner no later than May 1 of each year and states requirements for the audit.

**Subd. 3. Power to examine.** (a) Allows the commissioner or a designee to examine the business affairs and conditions of a medical cannabis manufacturer.

(b) States the scope of the examination and requires the commissioner to determine the nature and scope of each examination. Requires the costs of the examination to be paid by the manufacturer.

(c) Allows the commissioner to retain certain specialists as designees.

(d) Requires the commissioner to make a report on the examination and provide the report to the manufacturer and post a copy on the department's Web site. States that information other than the official report is not public data.

**18 Drug formulary.** Amends § 256B.0625, subdivision 13d. Adds medical cannabis as an exemption to the drug formulary.

**19 Rules; adverse incidents.** (a) Requires the commissioner to adopt rules to establish requirements for reporting incidents when individuals who are not authorized under this act are in possession of medical cannabis and states conditions for those rules.

(b) Requires the commissioner to adopt rules to establish requirements for law enforcement and health professionals to report incidents involving an overdose of medical cannabis to the commissioner of health.

(c) Requires rules to include the method by which the commissioner will collect data and tabulate reports.

**20 Intractable pain.** Requires the commissioner to consider the addition of intractable pain to the list of qualifying medical conditions prior to considering any other new qualifying medical conditions. Requires the commissioner to report findings on the need for adding intractable pain to the list by no later than July 1, 2016.

**21 Appropriations; medical cannabis research.** Provides the following appropriations:

**Subd. 1. Health Department.** \$2,795,000 in fiscal year 2015 from the general fund to the commissioner of health for the costs of administered sections 152.22 to 152.37. States that the base for the appropriation is \$829,000 in fiscal year 2016 and \$728,000 in fiscal year 2017.

**Subd. 2. Legislative Coordinating Commission.** \$24,000 in fiscal year 2015 from the general fund to the Legislative Coordinating Commission for administration of the

**Section**

task force on medical cannabis therapeutic research and for the task force to conduct the impact assessment.

**Subd. 3. Health department.** \$100,000 in fiscal year 2015 from the state government special revenue fund to the commissioner of health for the costs of implementing sections 152.22 to 152.37. States the base for the appropriation is \$734,000 in fiscal year 2016 and \$722,000 in fiscal year 2017.

**22 Effective date.** The effective date for sections 1 to 21 is the day following final enactment.