



DH, MMRegulations

From: Lauren Niehaus <lniehaus@harvestinc.com>
Sent: Tuesday, March 23, 2021 11:19 AM
To: DH, MMRegulations
Subject: [External] Medical Marijuana Rulemaking Input
Attachments: PA Suggested Regulatory Changes_3.23.2021.pdf

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Director Collins,

Attached please find Harvest Health & Recreation's submission of suggested regulatory changes to the Department's rules.

I am available for any discussion or to answer any questions you may have.

Thank you for your consideration,

HARVEST

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HARVEST

March 23, 2021

John J. Collins
Director
Office of Medical Marijuana

Delivered via: Email

RE: Pennsylvania Medical Marijuana Regulatory Changes

Director Collins,

Harvest Health & Recreation, Inc operates nine medical marijuana dispensaries in the state of Pennsylvania, along with managing one cultivation and manufacturing operation. In response to the Department's request for input on existing regulations, we respectfully request consideration of the following items:

1. Existing Regulation:

Section 1151.a26 (B) (3) The grower/processor shall retain at the facility, for at least four years, records of all inspections, servicing, alterations and upgrades performed on the systems and shall make the records available to the Department and its authorized agents within two business days following the Department's request or the request of the Department's authorized agents.

Desired Regulatory Change:

Harvest requests for the storage retention to be lowered to 90 days for all video footage to be more in line with other state regulatory retention programs.

Reason for Regulatory Change:

No other state in which Harvest operates has such an extensive and costly retention requirement. Harvest's ultimate goal is to ensure patient access to competitively-priced medicine, and four years of retention is an unnecessary overhead cost that leads to the inability to price medicine appropriately for our patients. Harvest has been asked by the department, and provided, video records, however we have never been asked for footage that is more than four months old. Retention policies for other Harvest states are as follows: Arizona-45 days; Arkansas-90 days; California-90 days; Colorado-40 days; Florida-45 days; Maryland-90 days; Massachusetts-90 days; Nevada-30 days; North Dakota-90 days; Ohio-45 days for Cultivation, 180 days for Dispensary; Pennsylvania 730 days.

With the lengthy retention period in Pennsylvania, it costs approximately \$35,000 - \$40,000 for our initial buildout of a facility due to the extreme video storage mandates. The price fluctuation results from the size of the build which determines how many cameras are in service. The more cameras in service, the more retention costs accrued. Across the country, our budgeted security cost is generally \$50,000 - \$55,000 per retail site. In Pennsylvania, our cost to build out security in a retail facility jumps up to \$85,000 - \$95,000 per facility, making the cost of doing business related to security in Pennsylvania the highest in the United States by more than 55 percent, at minimum.

2. Existing Regulation:

Section 1151.a26 (B) (5) Security and surveillance. permits more than one employee to be assigned to monitor the security system, whereas the current subsection only permits one employee to be assigned.

Desired Regulatory Change:

While we appreciate the consideration for allowing for more than one employee to monitor the security system, this requirement remains duplicative of the dedicated, 24-hour 3rd party monitoring.

This employee monitoring requirement, on top of the 3rd party monitoring, should be removed.

Reason for Regulatory Change:

After three years of successfully operating dispensaries throughout the state, we are pleased to report there have been zero issues that have been viewed on camera by the on-site monitoring, that haven't been flagged by the off-site 24-hour monitoring service. The duplication is not necessary for safe and efficient operations.

3. Existing Regulation:

Section 1151.37. Transportation of seeds, immature medical marijuana plants and medical marijuana plants.

Desired Regulatory Change:

Allow for a grower/processor to transport finished goods, such as marijuana extract, to another grower/processor.

Reason for Regulatory Change:

Allowing growers/processors to transport finished goods to other growers/processors allows for greater patient access to a variety of medical marijuana products, positively impacting each patient's medical marijuana offerings. Further, allowing for transport of finished product will provide expanded access to other growers/processors that may not have the capacity or ability to produce a given product or strain.

4. Existing Regulation:

Email guidance from Assistant Director Podolak dated March 27, 2019:

Electronic Tracking System

- MJ Freeway is the required system of record. Entry into MJ Freeway must occur at the point of sale.
- No sales of medical marijuana products or devices can be made outside the MJ Freeway system.

Desired Regulatory Change:

Increased flexibility to choose from alternate marijuana compliance service providers, as opposed to only having the option of using MJ Freeway.

Reason for Regulatory Change:

At dispensaries across the state, we have experienced both inventory tracking issues, as well as integration issues. In order to streamline the patient experience and enable patients to find dispensaries nearest to them, integration with programs such as Leafly and Weedmaps is desired.

5. Existing Regulation:

Section 1151a.8. Allowable forms of medical marijuana.

Desired Regulatory Change:

Allowing edibles & combustibles as medicinal product offerings for Pennsylvania patients.

Reason for Regulatory Change:

The marijuana plant has a wide variety of delivery methods. Enabling patients to choose the marijuana delivery method that best fits their personal needs, through access to regulated edibles and combustibles, will ensure those most in need are able to take their medical marijuana in a fashion that best fits their lifestyle. Allowing for the production and sale of regulated edibles and combustibles will ensure that patients remain in the regulated market for purchase of these products, rather than returning to the black market for products they are not able to secure inside of a medical dispensary. Allowing for the sale of edibles and combustibles will make the Pennsylvania Medical Marijuana program more in line with other East Coast medical programs, such as those found in Florida, Maryland, Massachusetts, Ohio, New Jersey, New York.

Thank you for your consideration,



Lauren Niehaus

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