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Medical Marijuana Program

Annual Report

Fiscal Year 2024

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Glossary

Cardholder: A qualifying patient, designated caregiver, or compassion center agent who has been issued and possesses a valid registry identification card.

Compassion Center: A manufacturing facility or dispensary.

Designated Caregiver: An individual who agrees to manage the well-being of a registered qualifying patient with respect to the qualifying patient's medical use of marijuana.

Dispensary: An entity registered by the department as a compassion center authorized to dispense usable marijuana to a registered qualifying patient and a registered designated caregiver.

Health Care Provider: A physician, a physician assistant, or an advanced practice registered nurse.

Manufacturing Facility: An entity registered by the department as a compassion center authorized to produce and process and to sell usable marijuana to a dispensary.

Qualifying Patient: An individual who has been diagnosed by a health care provider as having a debilitating medical condition.

Registry Identification Card: A document issued by the department which identifies an individual as a registered qualifying patient, registered designated caregiver, or registered compassion center agent.

Usable Marijuana: A medical marijuana product or the dried leaves or flowers of the plant of the genus cannabis in a combustible delivery form. However, the term does not include a cannabinoid

edible product. In the case of a registered qualifying patient who is a minor, "usable marijuana" is limited to pediatric medical marijuana.

Written Certification: A form established by the department which is executed, dated, and signed by a health care provider within ninety calendar days of the day of application, stating that the patient has a debilitating medical condition. A health care provider may authorize an enhanced amount of dried leaves or flowers of the plant of the genus cannabis in a combustible delivery form to treat or alleviate the patient's debilitating medical condition of cancer. A written certification may not be made except in the course of a bona fide provider-patient relationship.

Background Information and Status of the Program

In November 2016, an initiated measure, known as the "North Dakota Compassionate Care Act," was approved by voters. In January 2017, the provisions of the North Dakota Compassionate Care Act were suspended through legislation passed by the Legislative Assembly. On April 18, 2017, a new state law became effective requiring the North Dakota Department of Health to establish and implement a Medical Marijuana Program allowing for the production and processing, the sale and dispensing of usable marijuana, and medical use of marijuana. During fiscal year 2023, the Department of Health was merged with the Department of Human Services creating the Department of Health and Human Services (DHHS).

State law requires the DHHS to register no more than two manufacturing facilities unless the DHHS determines additional entities are necessary to increase access to usable marijuana by registered qualifying patients and registered designated caregivers. Two manufacturing facilities received their registration certificates in fiscal year 2019.

State law identifies the DHHS is to register no more than eight dispensaries unless the DHHS determines additional entities are necessary to increase access to usable marijuana by registered qualifying patients and registered designated caregivers. The DHHS established eight regions within the state where dispensaries would be located. Regions are comprised of a 50-mile radius from selected cities. The first dispensary opened in Fargo in March 2019. Additional dispensaries opened during the 2019 calendar year with the eighth, and final, dispensary opening in December 2019 in Dickinson.

The 68th Legislative Assembly made certain changes to the laws of the Medical Marijuana Program. Effective August 1, 2023, state law was modified to increase the amount of tetrahydrocannabinol (THC) from 4,000 milligrams to 6,000 milligrams that is permitted to be purchased in a 30-day period for a cannabinoid concentrate or medical cannabinoid product, or the cumulative total of both. Also, language was added to state law to allow an individual admitted into a hospice program to provide a copy of the individual's medical records in lieu of a written certification in a qualifying patient application. There is no application fee for a qualifying patient applicant who is submitting documentation of being admitted into the hospice program.

An online application process is used for registering qualifying patients and designated caregivers. While the number of registered qualifying patient continued to grow during fiscal year 2024, the growth was significantly less compared to prior fiscal years as can be seen on Page 5. As of June 30, 2024, there were 9,934 registered qualifying patients (an increase of 338 from the prior year).

State Law Reporting Requirements

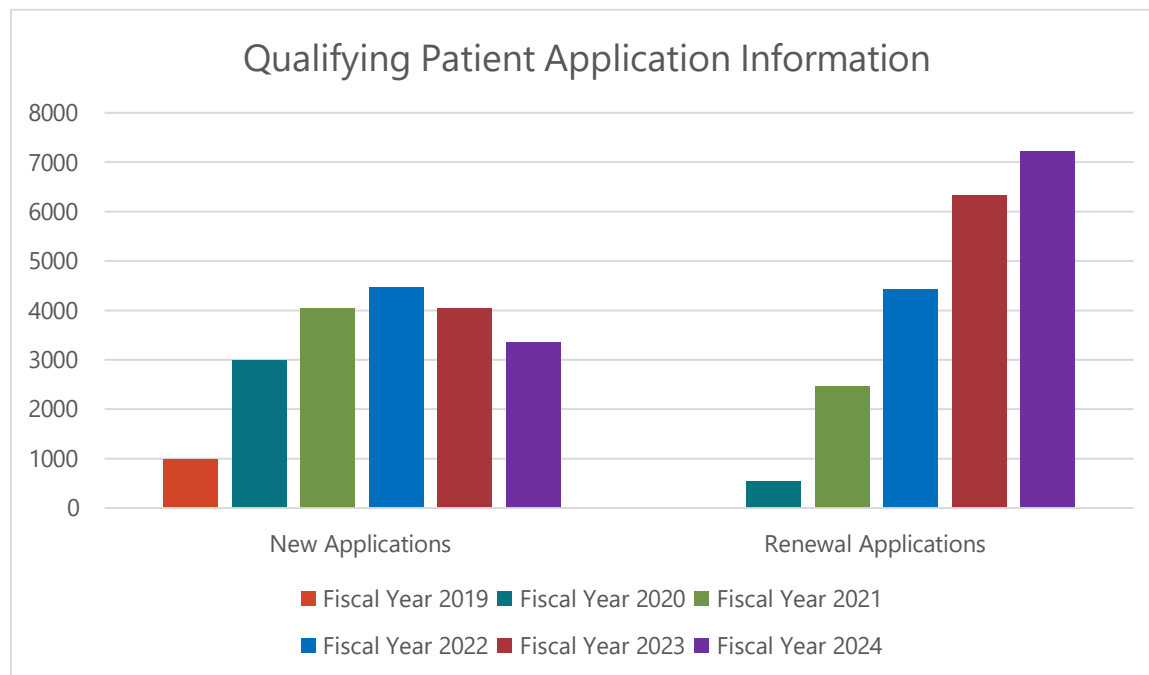
North Dakota Century Code (NDCC) Section 19-24.1-39 requires the DHHS to submit an annual report that contains the following information:

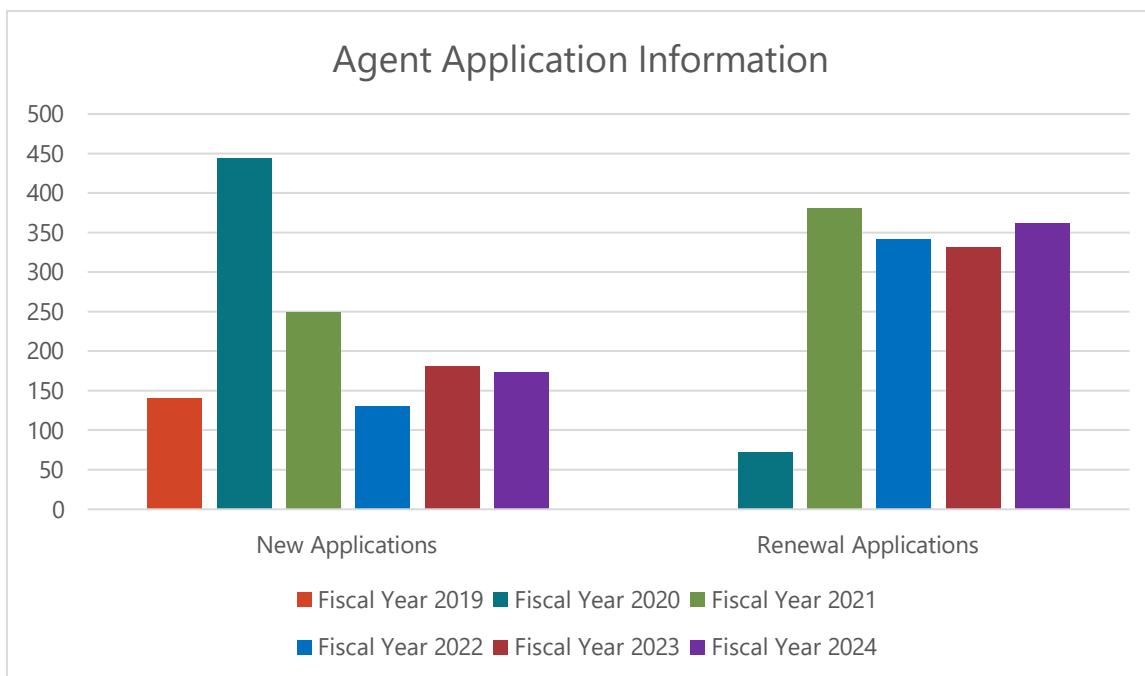
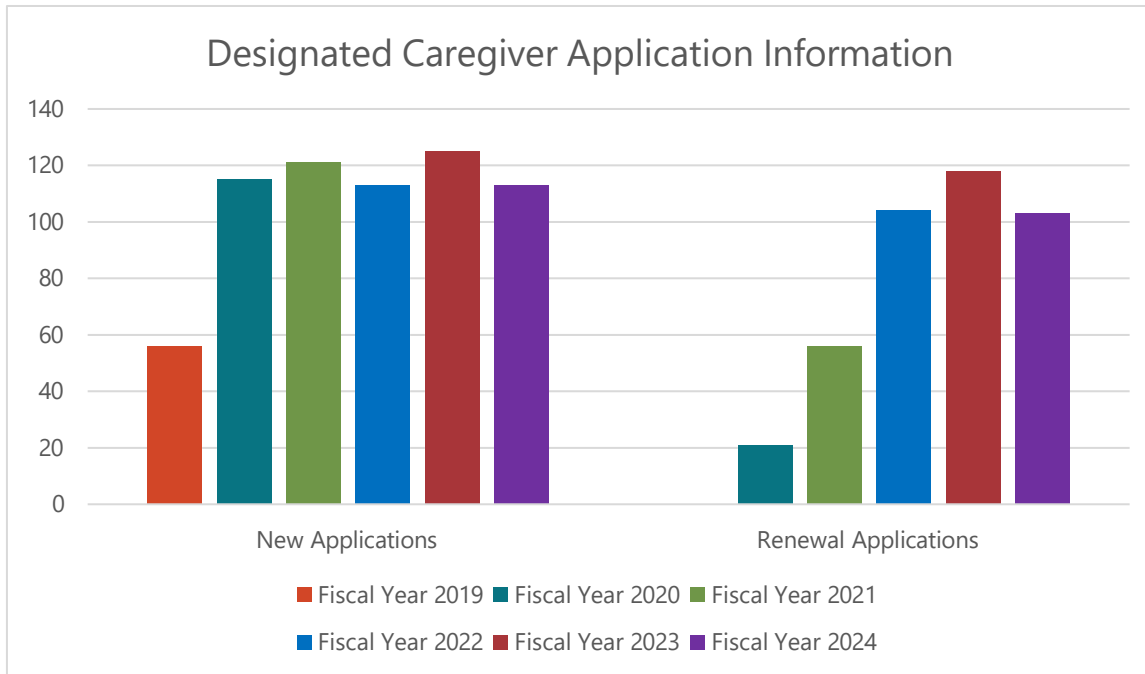
1. The number of registry identification card applications and renewals;
2. The number of registered qualifying patients, registered designated caregivers, and registered compassion center agents;
3. The nature of the debilitating medical conditions of the registered qualifying patients;
4. The number of registry identification cards revoked;
5. The number of health care providers providing written certifications for qualifying patients;
6. The number of compassion centers;
7. Any expenses incurred and revenues generated by the department from the medical marijuana program; and
8. Data for statistical purposes in a manner so that an individual person is not identifiable.

Data is reported as of June 30, 2024.

APPLICATIONS AND RENEWALS

Individuals applying to become a registered qualifying patient, designated caregiver, or agent submit their application through the North Dakota Medical Marijuana Program online registration system. The graphs below identify new applications and renewal applications submitted during fiscal years 2019 through 2024. As identified in the following graphs, there continued to be an increase in qualifying patient renewal applications (data from the Medical Marijuana Program online registration system).





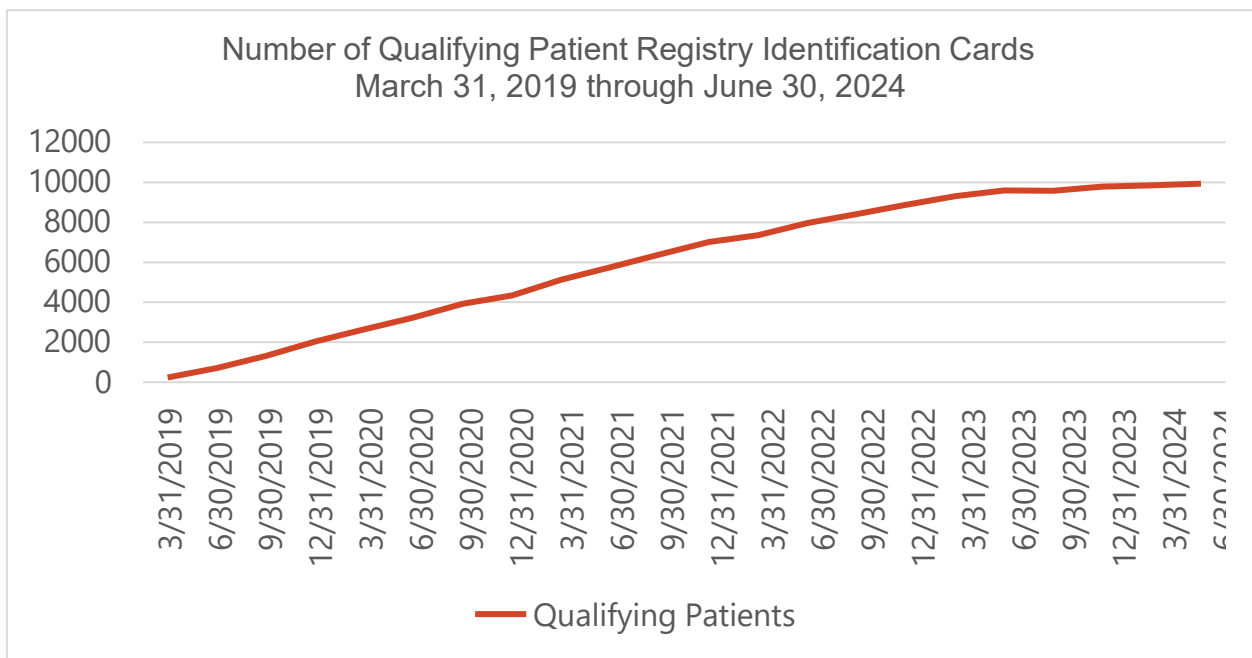
REGISTERED QUALIFYING PATIENTS AND DESIGNATED CAREGIVERS

An individual may possess more than one designated caregiver registry identification card. Also, individuals may be an agent of multiple registered manufacturing facilities/dispensaries. Thus, card numbers are not reflective of the actual number of individuals with a registry identification card. The total number of registry identification cards as of June 30 for the past five years is identified in the table on the following page (data from the Medical Marijuana Program online registration system):

| Fiscal Year End Registry Identification Card Data | | | | | |
|---|-----------|-----------|-----------|-----------|-----------|
| | 6/30/2020 | 6/30/2021 | 6/30/2022 | 6/30/2023 | 6/30/2024 |
| Qualifying patient cards * | 3,233 | 5,754 | 7,958 | 9,596 | 9,934 |
| Designated caregiver cards | 109 | 139 | 167 | 196 | 164 |
| Agent cards | 410 | 408 | 416 | 457 | 483 |

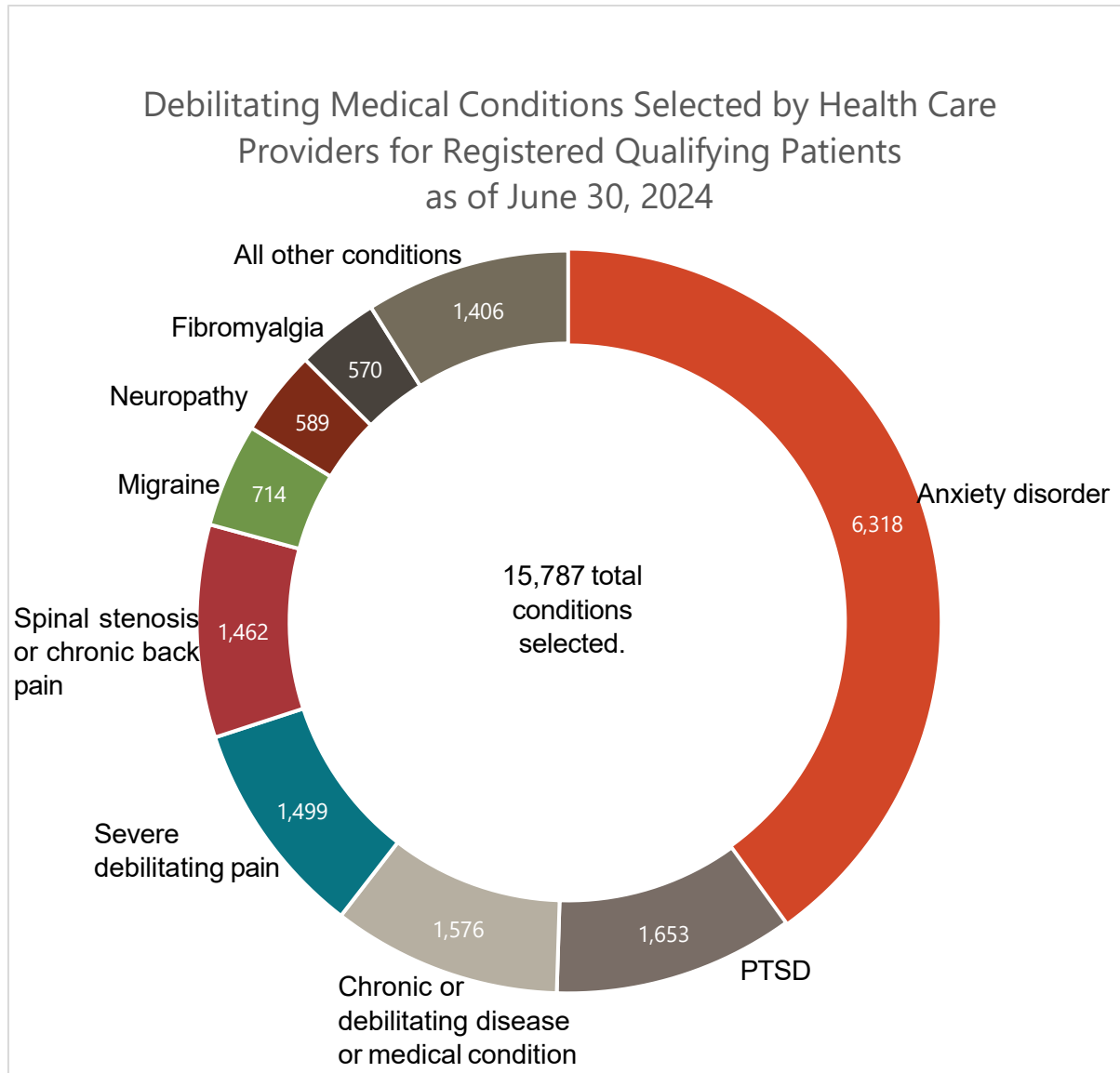
* Number of minor patients (those under the age of 19) was less than 40 in all five years.

The graph below identifies information related to the number of qualifying patient registry identification cards active in the Medical Marijuana Program since the first month a dispensary was open in the state (March 1, 2019). As seen by the graph, while the number of registered qualifying patients is increasing, fiscal year 2024 had a significantly lower rate of growth compared to prior years (data from the Medical Marijuana Program online registration system).



DEBILITATING MEDICAL CONDITIONS

A qualifying patient application requires a health care provider to complete a written certification. A health care provider must select at least one of the debilitating medical conditions authorized in state law. A health care provider may select more than one debilitating medical condition on a written certification (thus, the total number of conditions exceeds the registered qualifying patient data). The chart on the following page identifies the medical conditions selected by health care providers for the 9,934 registered qualifying patients as of June 30, 2024 (data from the Medical Marijuana Program online registration system). As the chart identifies, the top two conditions selected were anxiety disorder and post-traumatic stress disorder.

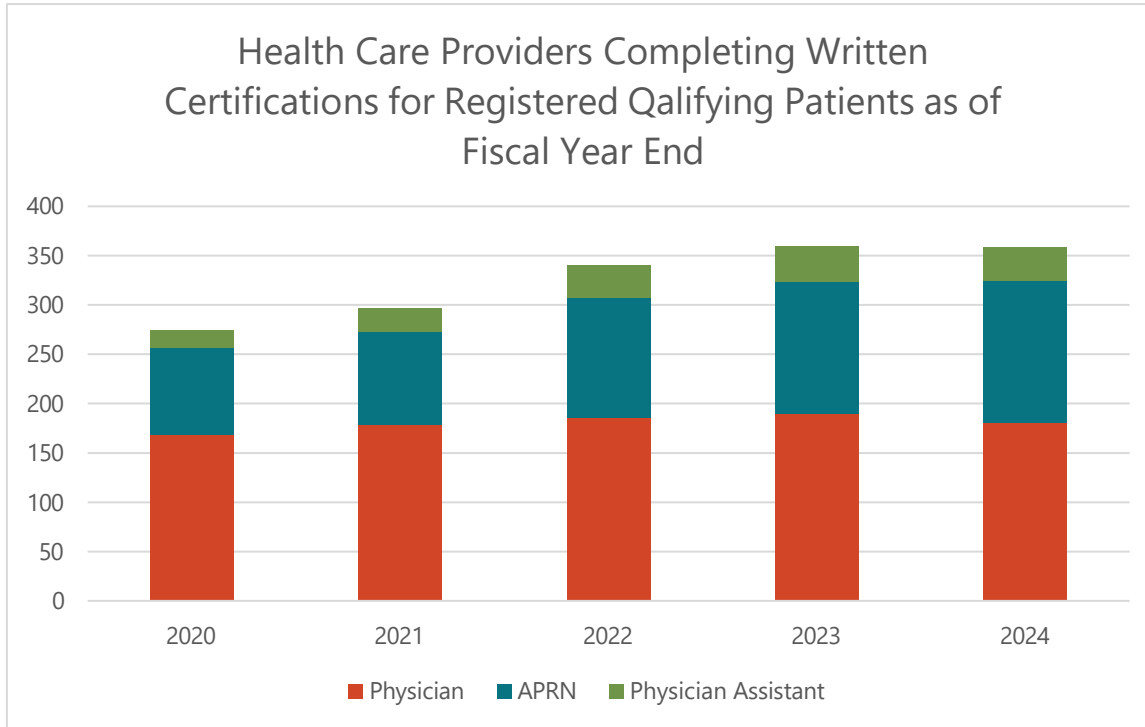


REGISTRY IDENTIFICATION CARDS REVOKED

In fiscal years 2022 and 2023, there were 16 and seven registry identification cards revoked, respectively. In fiscal year 2024, there were four registry identification cards revoked. All four revocations were qualifying patients (data from the Medical Marijuana Program online registration system).

HEALTH CARE PROVIDERS COMPLETING WRITTEN CERTIFICATIONS

The following chart identifies the number of health care providers who completed written certifications for registered qualifying patients as of the fiscal year end. As seen by the chart, the total number of health care providers remained relatively the same for fiscal years 2023 and 2024 (data is from the Medical Marijuana Program online registration system).



COMPASSION CENTERS

The two registered manufacturing facilities and locations are:

- Grassroots Cannabis in Fargo (legal name GR Vending ND, LLC)
- Pure Dakota, LLC in Bismarck

The eight registered dispensaries and locations are:

- Curaleaf in Devils Lake
- Curaleaf in Dickinson
- Curaleaf in Jamestown
- Curaleaf in Minot
- Pure Dakota Health in Bismarck
- Pure Dakota Health in Fargo
- Pure Dakota Health in Williston
- We-Mend (Strive Life) in Grand Forks

MEDICAL MARIJUANA EXPENSES AND REVENUE

| Expenditures* | | | | |
|----------------------|-----------------------|-----------------------|-----------------------|---------------------|
| | 2017-2019 Biennium | 2019-2021 Biennium | 2021-2023 Biennium | Fiscal Year 2024 |
| Salaries and Wages | \$633,819 | \$907,214 | \$1,005,742 | \$654,906 |
| Operating | \$452,357 | \$347,118 | \$603,916 | \$275,351 |
| Total Expenses | \$1,086,176 | \$1,254,332 | \$1,609,658 | \$930,257 |
| General Funds | | | | |
| General Funds | \$677,064 | \$0 | \$0 | \$0 |
| Special Funds | \$409,112 | \$1,254,332 | \$1,609,658 | \$930,257 |

| Revenue* | | | | |
|------------------------|-----------------------|-----------------------|-----------------------|---------------------|
| | 2017-2019 Biennium | 2019-2021 Biennium | 2021-2023 Biennium | Fiscal Year 2024 |
| Medical Marijuana Fees | \$1,023,300 | \$1,874,374 | \$2,114,824 | \$623,275 |

* Expenditure and revenue data obtained from the state's accounting information system.

Additional Program Data

House Bill 1213 of the 67th Legislative Assembly modified NDCC Section 19-24.1-37 regarding information the DHHS may disclose. State law allows the DHHS to disclose data for statistical purposes in a manner such that an individual or compassion center is not identified.

TOTAL DISPENSARY SALES

Data related to total sales at dispensaries is below. Only total sales information is provided to ensure an individual dispensary is not identified. In addition, sales information for fiscal year 2019 is not provided as only two dispensaries were open during the fiscal year (data from the Medical Marijuana Program state traceability and enforcement monitoring system; rounded to the nearest thousand).

| Total Dispensary Sales (by Fiscal Year) | | | | | |
|---|-------------|--------------|--------------|--------------|--------------|
| | 2020 | 2021 | 2022 | 2023 | 2024 |
| Total Dispensary Sales | \$6,361,000 | \$15,336,000 | \$19,970,000 | \$21,606,000 | \$22,424,000 |
| Percent of Total Sales that were Dried Leaves and Flowers | 67% | 72% | 69% | 66% | 62% |

REGISTERED QUALIFYING PATIENTS BY COUNTY

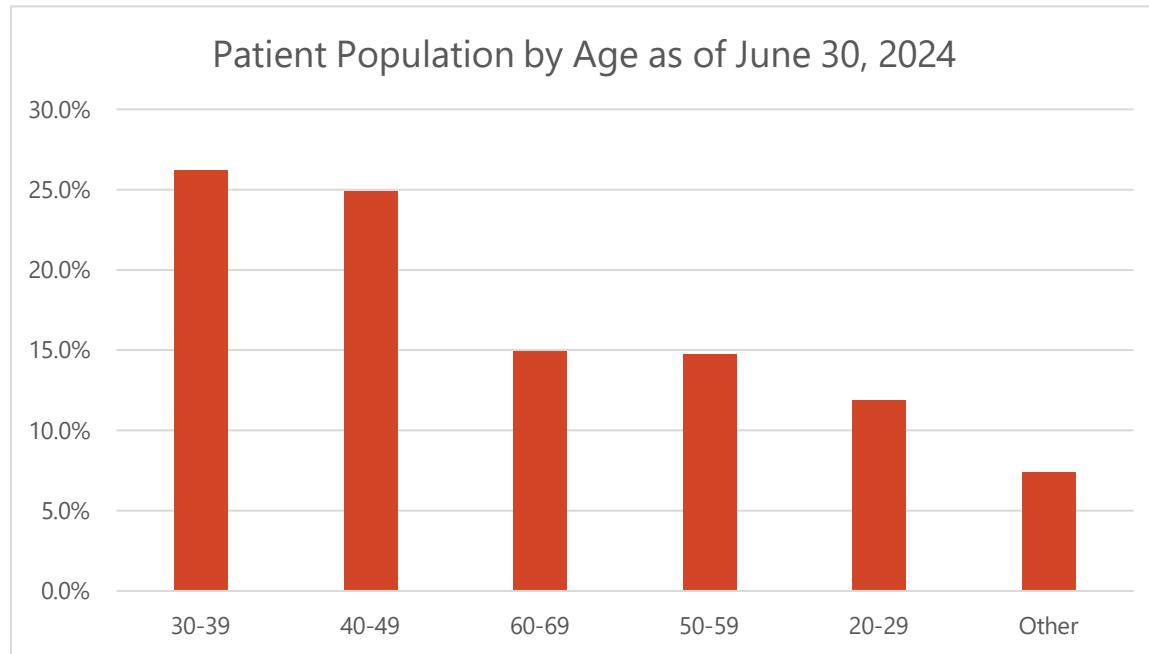
The table on the following page identifies the county of residence for the 9,934 registered qualifying patients as of June 30, 2024 (data from the Medical Marijuana Program online registration system). The top three counties comprise approximately 50% of the registered

qualifying patients. A county in the 'All other counties' category has less than 5% of the total registered qualifying patients.

| Registered Qualifying Patients by County (as of June 30, 2024) | |
|---|------------|
| | Percentage |
| Cass | 24% |
| Burleigh | 14% |
| Ward | 12% |
| Grand Forks | 10% |
| Morton | 5% |
| All other counties | 35% |

REGISTERED QUALIFYING PATIENTS BY AGE

The graph below identifies age information for the 9,934 registered qualifying patients as of June 30, 2024 (from the Medical Marijuana Program online registration system). Over 50% of registered qualifying patients are between the ages of 30 and 49.



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