



## MEDICAL MARIJUANA DISPENSARY FACILITIES AND PRODUCERS

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### Medical Marijuana Program

Connecticut's Medical Marijuana Program is administered by the Department of Consumer Protection (DCP). The program was created by [PA 12-55](#) and implementing regulations. DCP's [website](#) has detailed information about the program.

### ISSUE

This report addresses a series of questions on Connecticut's Medical Marijuana Program, specifically about dispensary facilities and producers.

### ***Which companies have permission to distribute marijuana through the medical marijuana program?***

DCP's medical marijuana regulations use the term "dispensary facility" to refer to a licensed retail facility allowed to sell medical marijuana to qualifying patients and primary caregivers.

In April, DCP selected six companies for medical marijuana dispensary facility licenses:

1. Arrow Alternative Care, Inc. (Hartford);
2. Bluepoint Wellness of Connecticut (Branford);
3. Compassionate Care Center of Connecticut/D&B Wellness, LLC (Bethel);
4. Prime Wellness of Connecticut, LLC (South Windsor);
5. Thames Valley Alternative Relief, LLC (Uncasville); and
6. The Healing Corner, Inc. (Bristol).

DCP's [website](#) has contact information for these companies.

### ***Which companies have received permission to grow marijuana through the program?***

The law and regulations refer to licensed marijuana growers as “producers.” In January, DCP selected four companies for medical marijuana producer licenses:

1. Advanced Grow Labs, LLC (West Haven);
2. Connecticut Pharmaceutical Solutions, LLC (Portland);
3. Curaleaf, LLC (Simsbury); and
4. Theraplant, LLC (Watertown).

### ***What does one need to apply for a dispensary facility or producer license?***

In September 2013, DCP issued a Request for Application (RFA) for medical marijuana dispensary facility licenses and a separate RFA for producer licenses. DCP regulations specify information that must be included with the application (Conn. Agencies Reg., [§§ 21a-408-15, 21a-408-21, and 21a-408-24](#)).

In general, the RFAs for both the dispensary facility and producer licenses required candidates to:

1. familiarize themselves with the medical marijuana statutes and regulations;
2. provide comprehensive responses or relevant documents to questions on several topics (see below for an overview of the selection criteria); and
3. pay a nonrefundable application fee (\$1,000 for dispensary facility applicants and \$25,000 for producer applicants).

Additional licensing fees apply to candidates awarded licenses ([Conn. Agencies Reg., § 21a-408-28](#)).

Each RFA specified that the DCP commissioner could disqualify an applicant under certain circumstances, such as (1) failure to pay the application fee; (2) submitting incomplete, false, or misleading information; or (3) for producers, failing to provide documents showing that if the company were selected for a license, it could establish an acceptable escrow account, letter of credit, or surety bond as required.

While an applicant for a dispensary facility license does not need to be a pharmacist, the facility manager must be a licensed pharmacist also licensed to dispense marijuana (i.e., a “dispensary”).

The department is not currently accepting applications for either dispensary facility or producer licenses.

***What are the criteria and methodology DCP used to grant a license to grow and distribute marijuana?***

DCP regulations require the commissioner to grant dispensary facility and producer licenses on a competitive basis, based on the criteria set out in the notice for applications. Those criteria are based on factors set forth in the regulations (Conn. Agencies Reg., §§ [21a-408-14](#), [21a-408-20](#)).

Each RFA outlined a two-step process for DCP's review of applications. The first step involved assessing applications to determine that they met the following mandatory qualification criteria. The department assessed whether the applications:

1. were submitted on time with the application fee;
2. fully responded to all mandatory items in the RFA;
3. contained no significant inconsistencies or inaccuracies;
4. included the required number of copies (nine paper copies and a CD with a PDF); and
5. contained all required signatures.

Applications that met these mandatory criteria were reviewed and scored according to the quality of the responses. For dispensary facility applications, the maximum score was 2,000, and the RFA generally required a minimum score of 1,500 for a license. For producer applications, the maximum score was 2,650 and the RFA generally required a minimum score of 2,000 for a license.

Each RFA allocated points in several categories and listed examples of factors considered within each category. Tables 1 and 2 below lists these categories and the maximum points per category. The tables also include brief descriptions of the factors within each category. For more information on the factors, see pages 11-12 of the [dispensary facility RFA](#) and pages 11-13 of the [producer RFA](#).

**Table 1: Evaluation Criteria for Medical Marijuana Dispensary Facility Applicants, September 2013 RFA**

| <b>Category/Brief Description of Factors</b>   | <b>Maximum Points Per Category</b> |
|--|------------------------------------|
| Business Information of Applicant <ul style="list-style-type: none"> <li>- Security system and security plan</li> <li>- Financial stability, funding sources, and potential legal liabilities</li> <li>- Hours of operation</li> </ul>   | 250                                |
| Location and Site Plan <ul style="list-style-type: none"> <li>- Facility location and graphic materials displayed outside</li> <li>- Facility design (e.g., to reduce risk of marijuana diversion, loss, or theft)</li> </ul>  | 250                                |
| Proposed Business Plan <ul style="list-style-type: none"> <li>- Plan for making facility accessible to patients and caregivers</li> <li>- Protocol for limiting other people's access to facility</li> <li>- Other products and services offered</li> <li>- Training and processes (e.g., to prevent dispensing errors and protect against marijuana diversion, loss, or theft)</li> <li>- System to prevent or reduce off-site odors</li> </ul> | 500                                |
| Proposed Marketing Plan <ul style="list-style-type: none"> <li>- Proposed plan's ability to educate about medical marijuana use and not promoting recreational use or use by people under 18</li> </ul>  | 250                                |
| Financial Statements and Organizational Structure <ul style="list-style-type: none"> <li>- Financial soundness and funding sources</li> <li>- Background (such as training or past compliance) of the applicant, backers, and key personnel</li> </ul>   | 500                                |
| Bonus Points <ul style="list-style-type: none"> <li>- Employee working environment plan</li> <li>- Compassionate need program</li> <li>- Research plan</li> <li>- Community benefits plan</li> <li>- Substance abuse prevention plan</li> </ul>  | 250                                |

**Table 2: Evaluation Criteria for Medical Marijuana Producer Applicants, September 2013 RFA**

| <b>Category/ Examples of Factors Considered</b>   | <b>Maximum Points Per Category</b> |
|---|------------------------------------|
| Business Information of Applicant <ul style="list-style-type: none"> <li>- Security system and security plan</li> <li>- Business experience, financial stability, funding sources, and potential legal liabilities</li> </ul>   | 250                                |
| Location and Site Plan <ul style="list-style-type: none"> <li>- Facility location and graphic materials displayed outside</li> <li>- Facility design (e.g., to reduce risk of marijuana diversion, loss, or theft)</li> </ul>   | 250                                |
| Proposed Business Plan <ul style="list-style-type: none"> <li>- Range of products offered and value to patients</li> <li>- Current and future production capacity</li> <li>- Plan for limiting access by unauthorized people</li> <li>- Training and processes to protect against marijuana diversion, loss, or theft</li> <li>- Training and educational opportunities for employees, including training to produce unadulterated, pharmaceutical-grade marijuana</li> <li>- System to prevent or reduce off-site odors</li> </ul> | 500                                |
| Proposed Marketing Plan <ul style="list-style-type: none"> <li>- Proposed plan's ability to educate about medical marijuana use and not promoting recreational use or use by people under 18</li> </ul>   | 250                                |

Table 2: -Continued-

| <i>Category/ Examples of Factors Considered</i>   | <i>Maximum Points Per Category</i> |
|---|------------------------------------|
| Financial Statements and Organizational Structure <ul style="list-style-type: none"> <li>- Financial soundness and funding sources</li> <li>- Background (such as training or past compliance) of the applicant, backers, and key personnel</li> </ul>                        | 500                                |
| Agricultural and Production Experience <ul style="list-style-type: none"> <li>- Employees' collective experience in techniques to produce pharmaceutical- grade marijuana</li> </ul>  | 250                                |
| Product and Site Safety <ul style="list-style-type: none"> <li>- Plan to produce safe and unadulterated products and a safe work environment</li> </ul>   | 200                                |
| Marijuana Transport <ul style="list-style-type: none"> <li>- Protocol for transporting marijuana to reduce marijuana diversion, theft, or loss</li> </ul>   | 150                                |
| Bonus Points <ul style="list-style-type: none"> <li>- Employee working environment plan</li> <li>- Compassionate need program</li> <li>- Research plan</li> <li>- Community benefits plan</li> <li>- Substance abuse prevention plan</li> <li>- Environmental plan</li> </ul> | 300                                |

Both RFAs specified several steps the department could take in its evaluation beyond assessing the RFA responses themselves, such as conducting background checks and interviews, contacting references, contacting other states' regulators when relevant, and visiting the location of the proposed facility or other marijuana-related businesses associated with the applicant, its backers, or key personnel.

The RFAs stated that the department would award licenses to the applications with the highest scores "so long as the highest ranking applicants reflect a diversity of ownership. If, for example, the second highest ranked applicant has overlapping backers, directors, owners, officers or other high-level employees of the highest ranked applicant," the department would award the license "to the next highest ranked applicant without such an overlap."

***Do the regulations limit the number of dispensary facility or producer licenses DCP issues?***

The medical marijuana statutes require DCP's regulations to set a maximum number of dispensary facility and producer licenses; the maximum number of producer licenses must be at least three but no more than 10 ([CGS § 21a-408h, 21a-408i](#)).

The regulations (1) require the DCP commissioner to issue at least one dispensary facility license and (2) allow him to issue additional licenses if he determines that additional facilities are desirable to assure access to marijuana for qualifying

patients. That determination must be based on the (1) size and location of the dispensary facilities in operation, (2) number of qualifying registered patients, and (3) convenience and economic benefits to qualifying patients ([Conn. Agencies Reg., § 21a-408-13](#)).

The regulations require DCP to issue at least three but no more than 10 producer licenses. Under the regulations, before issuing “additional” producer licenses, the commissioner must determine that additional producers are desirable to assure access to marijuana for qualifying patients. That determination must be based on the (1) size and location of the production facilities in operation, (2) amount of marijuana each facility is producing, (3) number of qualifying patients registered with DCP, and (4) convenience and economic benefits to qualifying patients or dispensary facilities ([Conn. Agencies Reg., § 21a-408-19](#)).

***Do state bidding and contracting laws apply to the program?***

State bidding and contracting laws do not apply to the program, as the dispensary facility and producer companies are not contracting with the state or bidding for state contracts. The procedure for selecting applicants for licensure was outlined in the RFAs as summarized above.

***Does the dispensary facility or producer application ask for the owner’s gender and ethnicity?***

Both applications ask for the owner’s gender but not ethnicity. Specifically, both applications ask for certain background information, including the gender, for the directors, owners, officers, or other high-level employees.

DCP’s website has a questions and answers page for [dispensary facility](#) and [producer](#) applicants. Both include the following question regarding minority applicants.

- Q. Are there any rules or regulations in regards to special consideration from the state to minority applicants/businesses?
- A. All evaluation criteria are set out in the RFA. Points will only be awarded based on how well an application meets either the mandatory or the bonus point elements of the RFA. An applicant may present whatever material it believes meets the RFA criteria.

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