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FISCAL IMPACT REPORT

SPONSOR Ortiz y Pino LAST UPDATED _____
ORIGINAL DATE 2/10/23
SHORT TITLE Medical Cannabis ID and Renewal BILL NUMBER Senate Bill 242
ANALYST Daly

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT* (dollars in thousands)

	FY23	FY24	FY25	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
	No Fiscal Impact	No Fiscal Impact	No Fiscal Impact			

Parentheses () indicate expenditure decreases.

*Amounts reflect most recent version of this legislation.

Sources of Information

LFC Files

Responses Received From

Department of Health (DOH)
Regulation and Licensing Department (RLD)

SUMMARY

Synopsis of Senate Bill 242

Senate Bill 242 amends the Lynn and Erin Compassionate Use Act, which governs the medical cannabis program managed by DOH, to change the renewal period for patient registry identification cards from three year to two years, and allow a patient's medical certification to be submitted at the same time, rather than annually, so that the application for registry and medical certifications are renewed together every two years.

This bill does not contain an effective date and, as a result, would go into effect June 16, 2023, (90 days after the Legislature adjourns) if signed into law.

FISCAL IMPLICATIONS

DOH, the agency charged with managing the medical cannabis program, reports no fiscal impact.

SIGNIFICANT ISSUES

DOH explains the reasoning behind SB242's changes to the medical cannabis program:

The statute currently requires qualified patients and patient applicants submit an annual medical certification from their medical practitioner, despite the registry identification card expiring every three years. This has created confusion and uncertainty for qualified patients and medical providers regarding enrollment expiration, as their current enrollment is for three years but will lapse if the annual medical certification is not submitted. SB 242 would simplify the enrollment process for qualified patients and patient applicants by requiring the medical provider certification to be submitted together with the patient's application for enrollment every two years, rather than requiring that medical certifications be submitted annually.

SB242 creates a more clearly defined and streamlined process for qualified patients to enroll and maintain enrollment in the program. SB242 would reduce confusion and disruptions to medical treatment for patients and providers, while ensuring qualified patients receive regular medical evaluations to ensure the medical use of cannabis remains beneficial for the qualified patients.

DOH reports that qualified patients and medical providers have indicated the annual process is confusing and unnecessary (Medical Cannabis Program 2022 Survey conducted by Cannabis Public Policy Consulting pp. 8- 9 <https://www.nmhealth.org/publication/view/report/7954/>). Amending the statute to set a two-year enrollment without additional annual certifications simplifies the process; it will also result in decreased administrative barriers and qualified patient costs while improving access to the program.

OTHER SUBSTANTIVE ISSUES

DOH also comments:

The cost of the annual certification disproportionately impacts some of New Mexico's most at-risk populations including Veterans, Indigenous Peoples, people experiencing homelessness, and others who rely on federally funded medical programs such as the Veteran Administration (VA) and Indian Health Services (IHS). Medical providers at these agencies are not able to certify qualified patients due to the lack of federal recognition for medical cannabis. These qualified patients must find and pay another medical provider, who is not their primary provider, and may pay rates ranging from \$40.00 to over \$200.00 to obtain the required written medical certification. Approximately 30 percent of enrolled medical cannabis qualified patients surveyed have an annual household income of less than \$30 thousand (MCP-CPPC, p. 13, 2022 <https://www.nmhealth.org/publication/view/report/7954/>).

The Medical Cannabis Program currently processes 119 thousand certifications annually. SB242 would reduce the certifications to 59,500 per year. Estimated cost savings at \$200 per evaluation = \$11,900,000 per year saved for patients.