



## CANNABIS LEGALIZATION AND REGULATION Fact Sheet

# State Policies to Protect Access to Medical Cannabis Following Adult-Use Legalization.

## Introduction


The influx of new customers created by the legalization of adult-use cannabis can place a strain on a state's cannabis supply. For example, in December of 2023, six months after opening their adult-use cannabis market, [Maryland had approximately \\$35 million in monthly medical cannabis sales and \\$61.5 million in adult-use sales](#). This increased demand can present a challenge to the state's medical cannabis system and potentially reduce patient access to medical cannabis. This fact sheet examines various state policies aimed at protecting patient access to medical cannabis. Six policy approaches have been identified: 1) a general statement of policy supporting medical access, (2) inventory requirements, (3) licensee inventory plans, (4) reserving certain categories of product for medical patients, (5) empowering regulatory agencies to protect inventory for medical cannabis patients, and (6) operational requirements for dispensaries that prioritize medical patient access. Examples of each policy approach are provided below.

## General Statement of Policy

- **California:** The Medicinal Cannabis Patients' Right of Access Act was passed in 2022 to stop local governments from prohibiting the delivery of medical cannabis within their jurisdiction. As part of this law, California issued a general policy statement regarding the need to protect access to medical cannabis but has not initiated any explicit protections for medical cannabis inventory. The relevant section states that "[i]t is the policy of the state and the intent of the Legislature to ensure that Californians throughout the state have timely and convenient access to safe, effective, and affordable medicinal cannabis". [Cal. Business and Professions Code § 26320](#)

## Inventory Requirements

- **Illinois:** Dispensaries that are dual licensed for the medical and adult-use systems must "maintain an inventory of medical cannabis and medical cannabis products on a monthly basis that is substantially



similar in variety and quantity to the products offered at the dispensary during the 6-month period immediately before . . .” the effective date of the state’s adult-use legalization. The state’s Department of Agriculture is required to make quarterly determinations whether these inventory requirements should be adjusted to meet patient demand. [410 Ill. Comp. Stat. § 705/55-85](#)

- **Massachusetts:** Collocated Marijuana Operations (medical and adult-use) must ensure sufficient cannabis and cannabis products for medical cannabis patients. Businesses that have been open and dispensing for less than six months must reserve thirty-five percent of their cannabis products for medical cannabis patients. For businesses open and dispensing longer than 6 months, the licensee must maintain an inventory of products sufficient to meet the demand of patients based on an analysis of sales data from the preceding six months. Reserved products should reflect the actual types and cultivars of cannabis products documented in the previous six months. Collocated Marijuana Operations (CMO) are required to submit a biannual inventory plan to the regulatory commission that outlines their plan for meeting the demand of medical cannabis patients. CMOs must also report to the regulatory commission whenever a product with the reserved medical patient supply is exhausted and reasonable substitute cannot be made. [935 CMR 500.140\(14,15\)](#)
- **Michigan-** A licensee with equivalent licenses may operate a medical cannabis dispensary and an adult-use retail operation out of the same location. Michigan uses the term equivalent licenses to refer to comparable licenses within the adult-use and medical cannabis systems. However, equivalent licensees must physically separate their inventories and display items “so that individuals may clearly identify medical marijuana products from adult-use marijuana products.” Equivalent licensees are not required to have “(a) Separate business suites, partitions, or addresses. (b) Separate entrances and exits. (c) Distinct and identifiable areas with designated structures that are contiguous and specific to the state license and the state operating license. (d) Separate point of sale area and operations.” [Mich. Admin. Code R. 420.201](#) (Definitions) [Mich. Admin. Code R. 420.205](#) (Equivalent Licensee Requirements)

## Licensee Inventory Plans

- **Missouri:** Medical licensees seeking to convert to a comprehensive facility license (allows medical and adult-use operations) and applicants for a comprehensive facility license must provide a plan that explains how the applicant would serve both the medical and adult-use markets, while maintaining adequate supply at a reasonable cost to qualifying patients. [Mo. Code Regs. Tit.19 §100-1.060](#)
- **New Jersey:** Alternative Treatment Centers seeking to expand to adult-use operations must certify to the regulatory commission that they have enough medical cannabis and cannabis products to meet expected patient demand. Dispensaries must also certify that they will not make operational changes that reduce access to medical cannabis, including a detailed plan for prioritizing and meeting the needs of medical patients. [N.J. Admin. Code § 17:30-7.1](#)

## Reserving Certain Categories of Medical Cannabis Products for Medical Cannabis Patients

- **Maryland:** To help ensure an adequate supply of medical cannabis products, Maryland reserves all high potency products for medical patients. The state defines high potency products as cannabis concentrates

(e.g., kief, hashish, wax, resin, shatter) and cannabis edibles that exceed 10 mg of THC per serving and 100 mg per package. [Md. Code Regs. 14.17.13.03](#)

## Empowering Regulatory Agencies to Protect Inventory for Medical Cannabis Patients

- **Connecticut:** The regulatory agency in Connecticut has been given authority to take action to address cannabis shortages generally. The specific language states “[t]o avoid cannabis supply shortages or address a public health and safety concern, the commissioner may set temporary lower per-transaction limits, which shall be published on the department’s internet web site. Such limits shall become ineffective upon the commissioner’s determination that a supply shortage or public health and safety concern no longer exists.” [Conn. Gen. Stat. § 21a-421aa\(c\)](#)
- **New Mexico:** New Mexico provides their Cannabis Control Division with the authority to take several specific actions to protect cannabis inventory for medical cannabis patients. The Division may do any of the following:
  - a. Require cannabis establishments to reserve ten percent of their monthly stock for medical cannabis patients and their caregivers.
  - b. Take reasonable measure to incentivize increased cannabis production to address the shortage of cannabis in the medical system.
  - c. If efforts to increase production do not address the shortage, the division may restrict new licenses to serving the medical cannabis market for at least six months.
  - d. Require cannabis producers to reserve a specified quota of mature cannabis plants for the medical cannabis program. This quota cannot exceed twenty-five percent of monthly production and the division may institute specific tracking procedures for these plants. [N.M Stat. §26-2C-6\(L\)](#)

## Operational Requirements that Prioritize Medical Cannabis Patients

- **Maryland:** The Maryland Cannabis Administration passed emergency regulations requiring dispensaries to make operational accommodations that prioritize medical cannabis patients. Dispensaries must provide at least one hour of operation each day that is exclusive to medical patients and caregivers or a dedicated service line to serve only qualifying patients and caregivers for the duration of their operating hours. The dispensary must conspicuously display information about the exclusive hours of operation or exclusive service line at their location and online. The regulations also state that if the dispensary chooses exclusive hours of operation, they must maintain a consistent schedule. [Md. Code Regs. 14.17.04.06](#)

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