

Ohio Medical Marijuana Control Program

State of Ohio Board of Pharmacy

Provisional Dispensary Licenses:
Overview & Recommendations

June 4, 2018



Objectives

- Review status of Medical Marijuana Program
- Describe approach to provisional dispensary licensing
- Approve provisional licenses





Status of the Program

- Medical Marijuana Advisory Committee
 - New patient representative
 - Next MMAC meeting on June 7, 2018
- Medical Board
 - Physicians/Certificates to recommend
- Department of Commerce
 - Cultivators
 - Processors
 - Laboratories

Dispensary Application Process Overview



Definitions – Terms & Concepts

Term/Concept	Definition
Applicant	Refers to the business entity applying for a medical marijuana dispensary provisional license.
Viable Applicant	Applicant that submitted an Application that scored at least 138 out of 230 available points (60%) in the Scoreable Evaluation across the whole application.
Disqualified Applicant	Applicant that fails to meet the minimum regulatory requirements to be licensed as a medical marijuana dispensary (e.g. within 500 feet of a prohibited facility).
Abandoned Application	An Application for which no response to a request for clarification was received.
Prospective Associated Key Employee	Any and all natural persons who are owners, officers, board members of a dispensary Applicant; persons who have a financial interest in a dispensary Applicant; and/or persons who exercise substantial control over a dispensary Applicant.
District	The Board was required to take geography into account when awarding dispensary licenses, the state was divided into 31 districts. There was a maximum number of dispensary licenses that can be awarded in each dispensary districts. Applicants were limited to five licenses across the state, 66% of licenses in a single district.



Definitions – Disqualifying Events

Disqualifying Event	Prohibition
500 Foot Rule Violation	Location less than 500 feet from a prohibited facility or a community addiction services provider as defined under section 5119.01 of the Revised Code
Disqualifying Criminal Offense	See Handout
Interest in a Testing Lab or Testing Lab Applicant	Ownership or investment interest in or compensation arrangement with a testing lab or applicant for a testing lab; sharing corporate officers or employees with a testing lab or applicant for a testing lab
Owner who is a Physician with CTR or Applicant for CTR	
Non-compliance with Tax Law	Applicant in non-compliance with the applicable tax laws of this state or its political subdivisions; or is not in compliance with the applicable tax laws of any jurisdiction where the applicant has operated and conducted business within the last three years
Prohibition by local jurisdiction	



Timeline and Key Dates

Event	Dates
Publish RFA (Draft Application)	September 19, 2017
First Q&A Period	September 19–October 5, 2017
Informational Webinar	October 3, 2017
Second Q&A Period	October 16–20, 2017
Application Acceptance Period	November 3–17, 2017
Application Amendment Period	December 18–20, 2017
Application Scoring Period	January 8–March 15, 2018
Clarification Request Period	March 20, 2018—Present
Provisional License Announcement	June 4, 2018

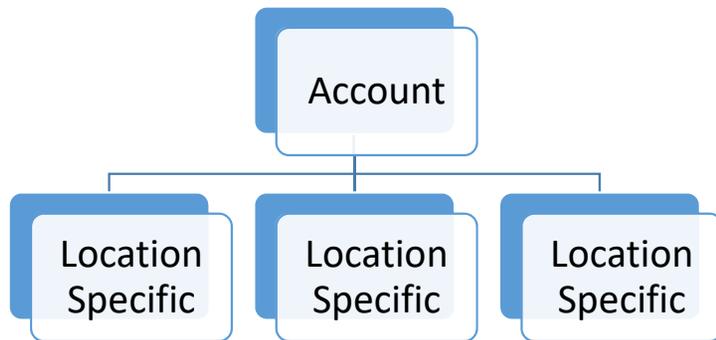


Dispensary Consultant: North Highland

- Demonstrated experience in supporting complex procurements
- Specific experience in medical marijuana program implementation in other states
- Worked with Board staff to design the application, evaluation and allocation processes
- Facilitated scorable evaluation sessions
- Managed the minimum license requirement verification process
- Responsible for project management



Application Structure



- Application divided into 5 sections based on content
- Included 2 categories of questions
 - Questions designed to assess adherence to minimum license requirements
 - Scorable questions designed to identify the most qualified applicants

Account

- Demographic Information only
- Majority of Identifiable Information

Location Specific

- Provides applicant opportunity to submit multiple applications using one Application
- Limited Identifiable Information
- All scorable sections
- Location specific information collected (site plans, facility location, etc.)



Application Sections

Application Section	Contents
Demographic Information*	Business Contact, Primary Contact, Applicant Organization and Tax Status, Economically Disadvantaged, District Information, Prospective Associated Key Employees
Compliance*	Compliance with Applicable Laws and Regulations, Civil and Administrative Action; Prospective Associated Key Employee Compliance
Business Plan	Property Information, Site and Facility Plan, Business Startup Plan, Employee Qualifications, Capital Requirements, Business History and Experience
Operations Plan	Dispensary Oversight, Security and Surveillance, Receiving, Storage, Dispensing, Inventory Management, Diversion Prevention of Product, Sanitation and Safety, Recordkeeping, Other
Patient Care Plan	Staff Education and Training, Updates and Continuing Education, Patient Care, Dispensary Operating Hours, Patient Information

* Non-scorable Application Sections (License Requirements only)



Section Questions and Weighting

Application Section	Scorable Questions	Weighting Percentages
Demographic	0	N/A
Compliance	0	N/A
Business Plan	6	26%
Operations Plan: - Compliance and Enforcement - Patient Care	12	52%
Patient Care Plan	5	22%



Scorable Evaluation Methodology

- The 23 scorable questions in each application were evaluated by 4 teams of no less than 6 evaluators, each covering a separate area of expertise
 - Business Plan;
 - Operations Plan (Compliance & Enforcement);
 - Operations Plan (Patient Care); and
 - Patient Care Plan
- A consistent process was used by each evaluation team
 - Team members received training on the MMCP statutes, rules and guidance provided to applicants
 - Team members pre-read assigned application section online;
 - Team members recorded scores online in a scoring session following the evaluation criteria in the application instructions;
 - Scoring sessions were facilitated / moderated by the project team



Evaluation Criteria

Score	Description
10	Applicant response substantially exceeds all requirements as stated in the question and associated statutes and rules; very strong supporting evidence with relevant examples where applicable; demonstrated approach shows additional value clearly linked to delivering desired MMCP outcomes.
8	Applicant response meets all requirements and in some areas exceeds requirements as stated in the question and associated statutes and rules; strong supporting evidence with examples where applicable; demonstrated approach shows some additional value that support desired MMCP outcomes.
6	Applicant response meets all requirements as stated in the question and associated statutes and rules; supported by evidence and examples relevant to the response. Limited additional value demonstrated.
4	Applicant response meets most, but not all requirements as stated in the question and associated statutes and rules; supported by some limited evidence or examples that may be somewhat applicable to the response; no additional value demonstrated.
2	Applicant response meets a limited number of requirements as stated in the question and associated statutes and rules; very limited evidence or examples to support statements, or with limited relevance.
0	Applicant response does not meet requirements as stated in the question and associated statutes and rules; no evidence or examples to support statements.



Third-party Validation: Gartner Consulting (1/2)

1. Is all applicant data aligned with the correct applicant?

Yes. Based on a review of the code and data, each answer and document submitted created a unique row in the database that was related to the appropriate applicant.

2. Has data integrity been maintained throughout the application process?

Yes. Application data and documents submitted by applicants did not change after January 19, 2018. It is implausible that data was altered prior to this date.

Third-party Validation: Gartner Consulting (2/2)



3. Has data integrity been maintained through the application evaluation process?

Yes. Evaluation scores were captured during the appropriate evaluation periods and did not change afterwards. (Few exceptions were identified, assessed, and determined to have no impact on overall scoring.)

4. Do scoring reports reflect the results in the applicant data repository?

Yes. (The code used to extract data for scoring reports produced the anticipated results.) The data reported is consistent with the outputs from the database.



Economically Disadvantaged Allocation

Allocation for Economically Disadvantaged Groups (EDGs)

- Ranked list of viable EDG applicants was created
- Eligibility checked through
 - Evidence of ownership and control;
 - Confirmation of EDG status; and
 - Confirmation of Ohio residency
- If 9 licenses (or 15%) are not awarded to viable EDG applicants in general allocation, then the balance of the 15% should be awarded to highest scoring EDGs in rank order, displacing lowest scoring non-EDG awardees

License Allocation and Scores



Allocation of Provisional Licenses (1/2)

License Distribution

- The 60 available licenses were distributed across the 31 dispensary districts (as separate allocation events);
 - Based on Viable Applicants by district, there is a possibility for the Board to award up to 56 licenses in 28 dispensary districts

Allocation Guiding Principles

- Applicants can be awarded up to 5 licenses
- No more than 66% (2/3) of licenses for any district will be awarded to a single applicant (to foster competition, widen product choice, and protect enforcement interests)
- No less than 15% (9 licenses) are allocated to viable applicants who are from economically disadvantaged groups



Allocation of Provisional Licenses (2/2)

General Allocation by Dispensary District

- Ranked list of Viable Applicants was created for each district, based on evaluation score
- Using allocation principles a list of potential awardees was identified in each district
- Prioritized list was created for finalizing minimum requirements review before award

Provisional License Recommendations