

**Report on the Number of Medical Cannabis Providers, Amount of Medical Cannabis Sold,
and Average Consumer Price**

Submitted by the Maryland Medical Cannabis Commission

December 2022

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I. Introduction

Health-General Article, §13-3305 requires the Maryland Medical Cannabis Commission (the “Commission”) to submit a report on or before January 1 each year on: (1) Providers certified under this subtitle; and (2) The amount sold, by condition treated, and average consumer price for medical cannabis products provided in accordance with this subtitle. This report satisfies these requirements.

Under Health-General Article, Title 13, Subtitle 33, a “certifying provider” is an individual who is statutorily authorized to provide a written certification to patients to lawfully obtain medical cannabis. Specifically, Health-General Article, §13-3301(d), authorizes any individual who (1) is in good standing as a licensed physician, dentist, podiatrist, nurse practitioner, a certified nurse midwife, or a licensed physician assistant with an active delegation agreement with a primary supervising physician who is a certifying provider, (2) has a State controlled dangerous substances registration, and (3) is registered with the Commission to issue written certifications for qualifying patients to obtain medical cannabis. The total number of providers across each profession who registered with the Commission to issue written certifications for medical cannabis is included in Section II below.

Section III of the report details the amount of medical cannabis sold, conditions for which qualifying patients have been certified to obtain medical cannabis, and average consumer price paid for medical cannabis for the period from January 1, 2022, through November 30, 2022.

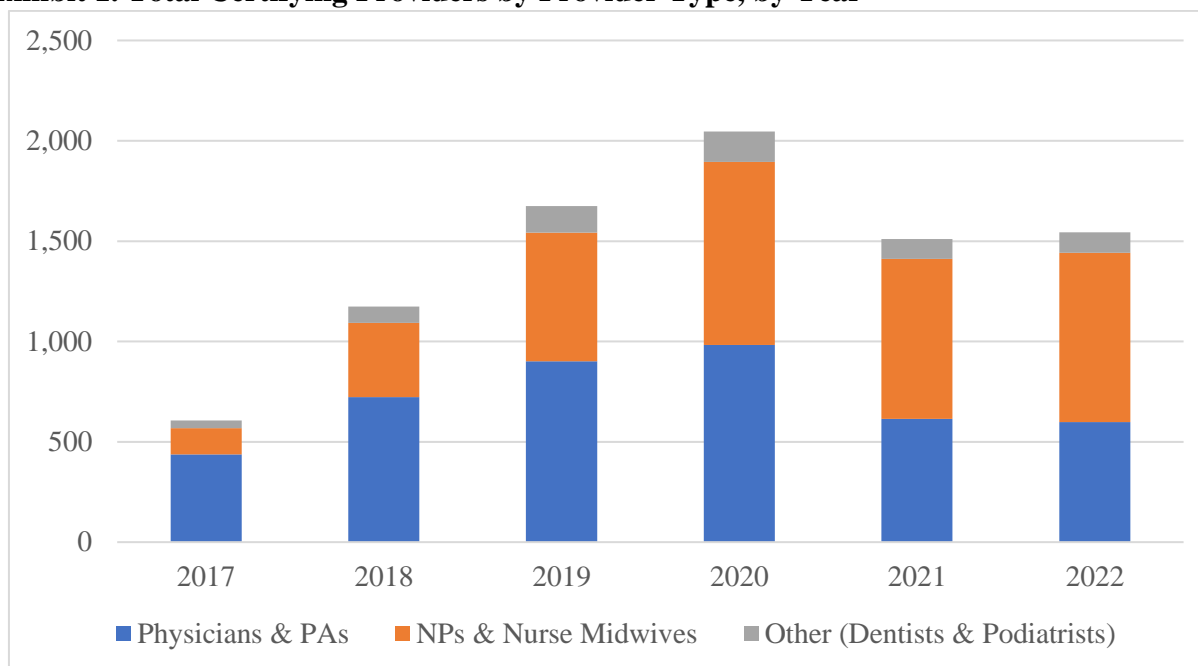
In addition to the requirements under Health-General Article, §13-3305, the Commission has elected to include historical data throughout the medical cannabis program’s existence throughout the report and included detailed data tables in Appendix A. The Commission hopes this historical data is useful considering the State is soon to establish a framework and regulations for the legalization of adult-use cannabis.

II. Certifying Providers

The Maryland Medical Cannabis Program (the “Program”) became operational on December 1, 2017. From 2017 to 2020, the number of providers steadily increased year-over-year, as shown in **Exhibit 1**. However, since 2020, the number of certifying providers has decreased. In February of 2021 the Commission transitioned to OneStop, Maryland’s centralized system for all State licensing and registration. As a result of the transition, all registrants were required to retrieve their records within the new system to remain registered with the Commission. The decrease in registered certifying providers is likely due to providers deciding not to remain registered with the Commission. The number of certified providers in the State has been relatively consistent from

calendar 2021 to calendar 2022. The impending expansion to an adult-use market may have also reduced the incentive for new providers to register with the Commission. **Table 1**, in Appendix A, shares the exact value of certifying providers by year and type throughout the Program’s history.

Exhibit 1. Total Certifying Providers by Provider Type, by Year



Note: 2022 Data Accessed via Salesforce on December 1, 2022.

As shown in the next section of this report, sales largely continued to increase over the period from calendar 2021 to calendar 2022, suggesting that the decrease in providers from 2020 to 2021 and 2022 has not impacted patient access.

III. Amount Sold, Patient Conditions, and Average Consumer Price

(a) Amount Sold

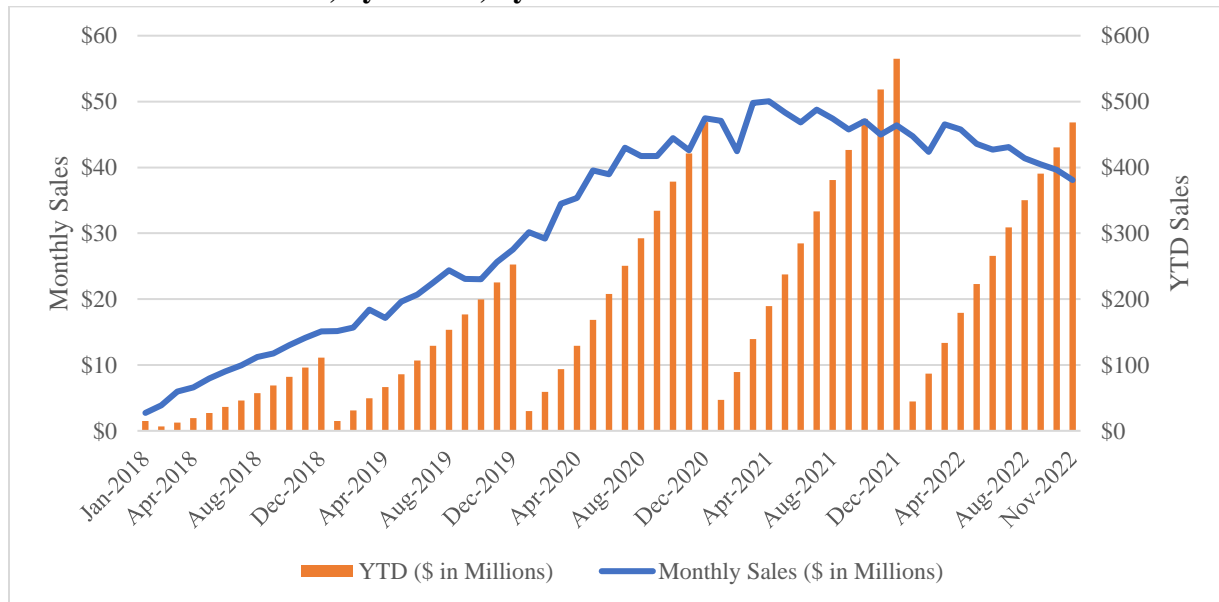
The Code of Maryland Regulations (COMAR) 10.62.30 authorizes licensed medical cannabis dispensaries to distribute medical cannabis to qualifying patients. Medical cannabis means “all parts of any plant of the genus cannabis, whether or not growing, including: (i) the seeds of the plant; (ii) the resin extracted from the plant; (iii) any compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds, or resin including tetrahydrocannabinol (THC) and all other naturally produced cannabinol derivatives, whether produced directly or indirectly by extraction.” For retail sales, medical cannabis is placed into one of three categories: (1) flower, (2) infused products, and (3) vape products. The seed-to-sale tracking system (METRC) that medical dispensaries use to report sales data, categorizes all transactions using these terms.

Exhibit 2 below shows the amount of medical cannabis sold during the fifth year of the Program (January 1, 2022 - November 30, 2022) by product type (infused products, flower, or vape products), and dollar amount. Historical data by product type from previous reports is included for reference and shows continued growth in the Program over this period.

Exhibit 2. Medical Cannabis and Medical Cannabis Products Sold, by Year

| | Infused Products Sold (each) | Flower Sold (lbs.) | Vape Products (each) |
|-------------------------------------|------------------------------|--------------------|----------------------|
| Jan. 1, 2022 – Nov. 30, 2022 | 6,218,718 | 74,486 | 2,969,170 |
| Jan.1, 2021 – Dec. 31, 2021 | 5,893,488 | 70,537 | 2,740,862 |
| Jan. 1, 2020 – Dec. 31, 2020 | 4,652,067 | 57,704 | 2,021,464 |
| Jan. 1, 2019 – Dec. 31, 2019 | 2,486,752 | 34,171 | 986,548 |
| Jan. 1, 2018 – Dec. 31, 2018 | 916,300 | 13,132 | 439,413 |

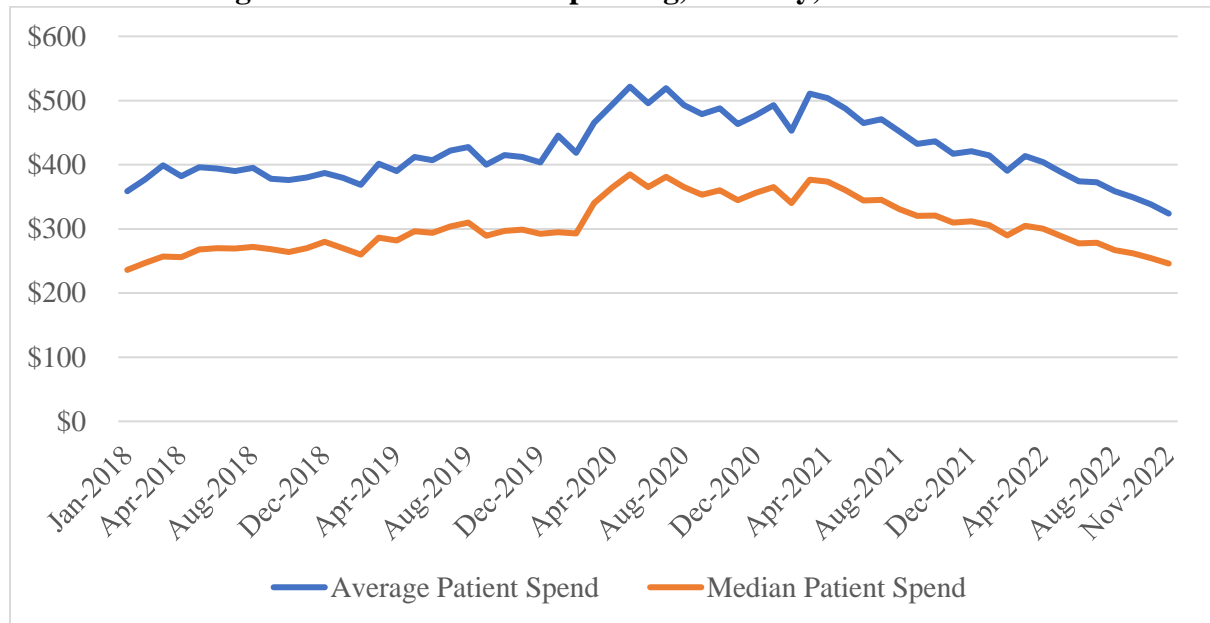
In terms of amount sold, the Program has also continued to grow over the five years. **Exhibit 3** shows the month-over-month sales amount, and the total amount of sales the Program has closed at since 2018. It is worth noting that for calendar 2022 sales, the Commission would currently forecast a slight decrease in gross sales, the exact estimate which is shown in **Table 2**. However, the Commission believes this is largely attributed to an overall decrease in costs per gram, discussed in the next subsection, rather than a contraction in the Program.

Exhibit 3. Amount Sold, by Month, by Year. 2018-2022

(b) Average Patient Price

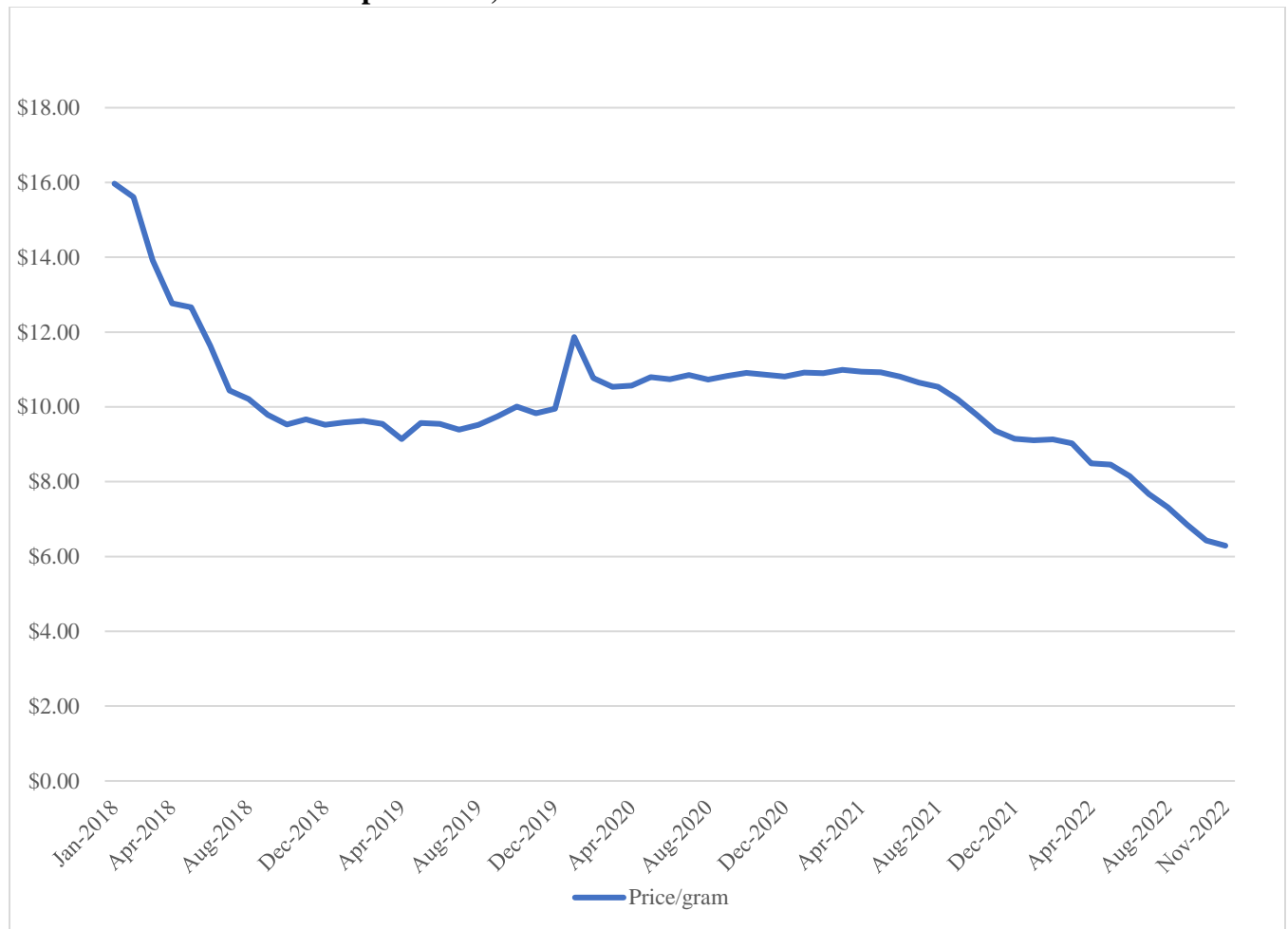
Health-General Article §13-3305(2) requires the Commission to report the average consumer price for medical cannabis products provided in accordance with this subtitle. The average consumer spend over the reporting period was \$375 across all product types monthly, and the median consumer spend during the reporting period is \$279. This is effectively the lowest spending has been, both on a median and average basis since the Program's inception. The historical values for both median and average spend monthly are shown in **Exhibit 4**. The exact values across this period are shown in **Table 3**.

Exhibit 4. Average and Median Patient Spending, Monthly, 2018-2022.



One of the most significant factors contributing to the decrease in spend is the decline in cost per gram that patients are facing in Maryland. While over the last five years prices have generally declined, the most significant cost reductions have occurred in the last few months of 2022. **Exhibit 5**, displayed on the next page, tracks the cost per gram in the State's medical market over the Program's history. The exact values are shown in **Table 4**.

Exhibit 5. Consumer Price per Gram, 2018-2022.



(c) Patient Conditions

Health-General Article, §13-3304(d) encourages the Commission to accept provider applications to treat patients with medical cannabis for the following medical conditions: (1) cachexia, (2) anorexia, (3) wasting syndrome, (4) severe pain, (5) chronic pain, (6) severe nausea, (7) seizures, (8) severe or persistent muscle spasms, and (9) a chronic or debilitating disease or medical condition that results in a patient being admitted into hospice or receiving palliative care. The Commission is also authorized to approve applications that include “any other condition that is severe and for which other medical treatments have been ineffective if the symptoms reasonably can be expected to be relieved by the medical use of cannabis.” Health-General Article §13-3304(e). Pursuant to this authority, in 2015 the Commission added glaucoma and post-traumatic stress disorder (PTSD) to the list of qualifying medical conditions through its regulations, COMAR 10.62.03.01B(3).

Exhibit 5 shows the number of certified medical cannabis patients by qualifying medical condition issued as of December 1, 2022. As of December 1, 2022, the medical cannabis program has 162,863 certified patients. This exhibit shows both the number of individuals who are using medical cannabis to treat that condition alone, or a particular condition in tandem with other diagnoses. Broadly speaking, the most common condition in the State’s medical cannabis program

at present is the treatment of chronic pain. Roughly 30 percent of the medical cannabis in the State is used by patients to treat two or more conditions.

The “other” category is the next most common patient conditions category in the State and includes any medical condition that a certifying provider is registered with the Commission to treat: (1) that is severe, (2) for which other medical treatments have been ineffective, and (3) if the symptoms can reasonably be expected to be relieved by the medical use of cannabis. Certifying providers must include the medical conditions for which they will certify a patient at the time the provider registers with the Commission. Certifying providers must indicate the medical conditions for which they will certify a patient at the time the provider registers with the Commission.

Exhibit 5. Number of Certified Patients by Medical Condition (As of December 1, 2022)

| Approved Medical Conditions | Condition Alone | In Combination with Other Conditions | Total Patients with Diagnosis |
|--|------------------------|---|--------------------------------------|
| Chronic Pain | 63,461 | 43,167 | 106,628 |
| Other medical condition which is severe and for which other treatments have been ineffective | 40,733 | 4,786 | 45,519 |
| Severe Pain | 1,193 | 16,250 | 17,443 |
| Post-traumatic Stress Disorder (PTSD) | 5,505 | 9,009 | 14,514 |
| Severe or Persistent Muscle Spasms | 367 | 5,917 | 6,284 |
| Severe Nausea | 602 | 3,853 | 4,455 |
| Anorexia | 249 | 1,963 | 2,212 |
| Seizures | 603 | 853 | 1,456 |
| Glaucoma | 478 | 693 | 1,171 |
| Cachexia | 30 | 348 | 378 |
| Wasting Syndrome | 25 | 244 | 269 |
| <u>Medical Patients with One Condition</u> | <u>113,246</u> | | |
| <u>Medical Patients with Two or More Conditions</u> | | <u>49,617</u> | |
| <u>TOTAL MEDICAL PATIENTS</u> | | | <u>162,863</u> |

IV. Conclusion

The Maryland Medical Cannabis Program became operational on December 1, 2017. In the first three years of operation, the Program grew significantly across all reporting areas. (See Appendix A – Historical Data Tables on Certifying Providers, Total Sales, and Patient Spending) While the rate of growth has slowed while the Program has matured, the medical program remains robust and the established regulations, best practices, and data collected by the Commission over the first five years of the medical program have laid a strong foundation for Maryland’s future adult-use program.

The Commission will continue to provide updated data on providers, patients, qualifying conditions, and average consumer price on its website: mmcc.maryland.gov.

**Appendix A – Historical Data Tables
on Certifying Providers, Total Sales, and Patient Spending**

Table 1. Total Certifying Providers by Year and Provider Types

| | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|----------------------------------|-------------|--------------|--------------|--------------|--------------|--------------|
| Physicians & PAs | 438 | 723 | 901 | 982 | 614 | 599 |
| NPs & Nurse Midwives | 130 | 369 | 642 | 913 | 798 | 843 |
| Dentists | 37 | 70 | 113 | 129 | 79 | 85 |
| Podiatrists | 1 | 12 | 19 | 22 | 20 | 17 |
| Total Certified Providers | 606 | 1,174 | 1,675 | 2,046 | 1,511 | 1,544 |

Table 2. Total Sales, January – November and Full Calendar Year, 2018-2022

| Year | Total Sales | |
|-------------|--|----------------------------|
| | Full Year (2022 Value Forecasted) | Jan. - Nov. Actuals |
| 2018 | \$111,732,031 | \$96,119,731 |
| 2019 | \$252,737,663 | \$225,203,416 |
| 2020 | \$468,591,354 | \$421,140,260 |
| 2021 | \$564,846,672 | \$518,459,637 |
| 2022 | \$517,334,582 | \$468,364,817 |

Table 3. Average and Median Patient Spending, Monthly, January 2018 – November 2022

| | Median Patient Spending | | | | | | Average Patient Spending | | | | |
|-----------------------|--------------------------------|--------------|--------------|--------------|--------------|--|---------------------------------|--------------|--------------|--------------|--------------|
| | 2018 | 2019 | 2020 | 2021 | 2022 | | 2018 | 2019 | 2020 | 2021 | 2022 |
| January | \$236 | \$270 | \$295 | \$365 | \$306 | | \$359 | \$380 | \$446 | \$493 | \$414 |
| February | \$247 | \$260 | \$293 | \$340 | \$290 | | \$377 | \$369 | \$419 | \$453 | \$391 |
| March | \$257 | \$286 | \$340 | \$376 | \$305 | | \$399 | \$402 | \$465 | \$511 | \$414 |
| April | \$256 | \$282 | \$364 | \$374 | \$300 | | \$382 | \$390 | \$493 | \$504 | \$404 |
| May | \$268 | \$296 | \$385 | \$360 | \$289 | | \$396 | \$412 | \$522 | \$487 | \$389 |
| June | \$270 | \$294 | \$365 | \$344 | \$278 | | \$394 | \$407 | \$496 | \$465 | \$374 |
| July | \$270 | \$304 | \$381 | \$345 | \$279 | | \$390 | \$422 | \$519 | \$471 | \$373 |
| August | \$272 | \$310 | \$365 | \$331 | \$267 | | \$395 | \$428 | \$493 | \$452 | \$358 |
| September | \$269 | \$289 | \$353 | \$320 | \$262 | | \$378 | \$400 | \$479 | \$433 | \$349 |
| October | \$264 | \$297 | \$360 | \$321 | \$255 | | \$376 | \$415 | \$488 | \$436 | \$338 |
| November | \$270 | \$299 | \$345 | \$310 | \$246 | | \$380 | \$412 | \$463 | \$417 | \$324 |
| December | \$280 | \$293 | \$356 | \$312 | N/A | | \$387 | \$404 | \$477 | \$421 | N/A |
| Yearly Average | \$263 | \$290 | \$350 | \$341 | \$280 | | \$384 | \$403 | \$480 | \$462 | \$375 |

Table 4. Average Price per Gram, January 2018 – November 2022

| | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> | <u>2022</u> |
|---------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| January | \$ 15.97 | \$ 9.59 | \$ 11.87 | \$ 10.92 | \$ 9.11 |
| February | \$ 15.61 | \$ 9.63 | \$ 10.77 | \$ 10.90 | \$ 9.13 |
| March | \$ 13.92 | \$ 9.55 | \$ 10.54 | \$ 10.99 | \$ 9.03 |
| April | \$ 12.77 | \$ 9.14 | \$ 10.57 | \$ 10.94 | \$ 8.49 |
| May | \$ 12.66 | \$ 9.57 | \$ 10.80 | \$ 10.93 | \$ 8.46 |
| June | \$ 11.63 | \$ 9.55 | \$ 10.74 | \$ 10.81 | \$ 8.15 |
| July | \$ 10.44 | \$ 9.39 | \$ 10.85 | \$ 10.65 | \$ 7.67 |
| August | \$ 10.21 | \$ 9.52 | \$ 10.73 | \$ 10.54 | \$ 7.31 |
| September | \$ 9.79 | \$ 9.75 | \$ 10.83 | \$ 10.21 | \$ 6.85 |
| October | \$ 9.53 | \$ 10.01 | \$ 10.91 | \$ 9.80 | \$ 6.43 |
| November | \$ 9.67 | \$ 9.83 | \$ 10.86 | \$ 9.36 | \$ 6.29 |
| December | \$ 9.52 | \$ 9.95 | \$ 10.81 | \$ 9.15 | N/A |
| Annual Average | \$ 11.81 | \$ 9.62 | \$ 10.86 | \$ 10.43 | \$ 7.90 |