



UTAH DEPARTMENT OF
HEALTH

Center for Medical Cannabis

04/26/2022

INDUSTRY-WIDE BULLETIN: 22-04

Subject: Medical Cannabis Pharmacy Inventory Requirements

Dear Medical Cannabis Pharmacies:

This bulletin describes instructions from the Utah Department of Health Center for Medical Cannabis (CMC) that will help medical cannabis pharmacies comply with amendments to "Utah Administrative Code R380-406-8 Medical Cannabis Pharmacy - Operating Standards - Inventory". The rule amendments will become effective by May 2, 2022. A copy of the rule showing R380-406 content to be deleted and added in the rule amendment is provided as Attachment A. The CMC requires that each medical cannabis pharmacy comply with these instructions.

- **Submit a Monthly Inventory Report by the 2nd Friday of each month for the prior month's data.** Beginning June 2022, by the second Friday of each month, each pharmacy must submit an inventory report to cannabispharmacyinventory@utah.gov for the preceding month's data that shows the quantity per item as of month-end reconciled with the pharmacy's physical inventory count results and documentation. This documentation must show any discrepancies between what is recorded in the MJ Freeway Inventory Control System (ICS) and the physical count. Any discrepancy appearing on the inventory report must have corresponding notes that document actions taken by the pharmacy to investigate the discrepancy. The notes must include concise details of the investigation of each discrepancy including:
 1. the method of action taken to identify what occurred to create the variance between what is recorded in the ICS and the physical count;
 2. identification of what caused the discrepancy;
 3. identification of any individual pharmacy employee responsible;
 4. the resolution (i.e. "manually adjusted XX up 2 units and XX down 2 units");

5. differences between the ICS and the physical count must be reported until resolved or until the Department has approved them to be adjusted if no resolution was found.

See *Attachment B* for an example of an inventory report with the required reporting fields.

Pharmacies must ensure that authorized personnel are performing the adjustments to inventory, using the Manual function in the ICS, and always adding a detailed, concise, and confident note with a clear resolution. The Reconcile function is insufficient as it does not allow a note to be added in the ICS. The Department expects manual adjustments to inventory to be low in volume and quantity.

Strategies to Address Inventory Discrepancies. If a month-end inventory report shows one or more discrepancies or quantity differences between what is recorded in the ICS inventory when compared with the physical count, the CMC may request that the medical cannabis pharmacy document specific strategies to mitigate these discrepancies (i.e. pharmacy-wide or individual employee improvement plan that includes additional internal controls, educate staff who are mis-picking, more rigorous staff training, or plans to hire more staff). The CMC will follow up with a medical cannabis pharmacy regarding its strategies to mitigate discrepancies.

The CMC will schedule a virtual meeting within the next week for pharmacy inventory managers to address any comments or questions. Please direct any written comments or questions to cannabiscompliance@utah.gov.

This industry-wide bulletin does not constitute legal advice. Individuals and entities are encouraged to seek legal counsel to ensure their actions comply with all applicable statutes and rules.

R380. Health, Administration.

380-406. Medical Cannabis Pharmacy.

R380-406-1. Authority and Purpose.

Pursuant to Subsections 26-1-5(1), 26-61a-303(2), 26-61a-305 (1), 26-61a-501(12), 26-61a-501(13), 26-61a-503(3), 26-61a-505(3), 26-61a-505(4), 26-61a-505(5), and 26-61a-605(5), this rule establishes operating and licensing standards and requirements applicable to medical cannabis pharmacies and their employees.

R380-406-2. Definitions.

(1) The definitions in R380-400-2 apply to this rule. In addition, the following apply in this rule.

(2) “Cannabis waste” means cannabis product that is damaged, deteriorated, mislabeled, expired, returned, subject to a recall, or enclosed within a container or package that has been opened or breached.

(3) “Educational event” means an organized event at which a medical cannabis pharmacy distributes, orally presents, or displays educational material.

(4) (a) “Educational material” means material or content used or distributed by a medical cannabis pharmacy in-person or online in a business or professional capacity. Educational material includes:

(i) live or recorded content of an actual educational event;

(ii) any printed educational material such as an exit bag, placard, employee identification tag, poster, fact sheet, book, pamphlet, flyer, business card;

(iii) online content such as websites or social media posts; and

(iv) business or professional mass communications sent via email, text, or social media applications for official educational purposes.

(b) “Educational material” does not mean the packaging or labeling of medical cannabis products or medical cannabis devices sold in a medical cannabis pharmacy.

(5) Institutional review board” or “IRB” means the same term as defined in Section 26-61-102.

(6) “Recreational disposition” means the following:

(a) slang or phrasing associated with the recreational use of cannabis;

(b) an image bearing resemblance to a cartoon character or fictional character whose target audience is children or minors;

(c) an image of a celebrity or other person whose target audience is children or minors;

(d) content that encourages, promotes, or otherwise creates an impression that the recreational use of cannabis is legal or acceptable, or that the recreational use of cannabis has potential health or therapeutic benefits;

(e) content that promotes excessive consumption; and

(f) content that is obscene or indecent.

(7) “Substantial evidence or substantial clinical data” means evidence that is supported by two or more clinical studies that meet the following criteria:

(a) was conducted under a study approved by an IRB;

(b) was conducted or approved by the federal government;

(c) is cited by the Department in educational materials posted on its website; or

(d) is of reasonable scientific rigor as determined by the Department.

R380-406-3. Medical Cannabis Pharmacy - General Operating Standards.

(1) In addition to general operating standards established in Title 26, Chapter 61a, Part 5, Utah

Medical Cannabis Act, Medical Cannabis Pharmacy Operation, medical cannabis pharmacies shall comply with the operating standards established in this rule. Medical cannabis pharmacies shall:

- (a) be well lit, well ventilated, clean, and sanitary;
- (b) maintain a current list of employees working at the medical cannabis pharmacy;
 - (i) the list shall include employee name, Department registration license classification and license number, registration expiration date, and work schedule; and
 - (ii) the list shall be readily retrievable for inspection by the Department and may be maintained in paper or electronic form;
- (c) have a counseling area to allow for confidential patient counseling;
- (d) have current and retrievable editions of the following reference publications, in print or electronic format, and readily available and retrievable to medical cannabis pharmacy personnel:
 - (i) Title 26, Chapter 61a, Utah Medical Cannabis Act; and
 - (ii) applicable administrative rules.

(2) A medical cannabis pharmacy shall not distribute medical cannabis product, or medical cannabis devices, to a medical cannabis cardholder, unless an employee who is a PMP is physically present and immediately available in the medical cannabis pharmacy.

(3) A medical cannabis pharmacy location shall be open for a cardholder to buy a medical cannabis product, and medical device, for a minimum of 35 hours a week, except as authorized by the Department.

(4) A medical cannabis pharmacy that closes during normal hours of operation, shall implement procedures to notify a cardholder when the medical cannabis pharmacy will resume normal hours of operation. Procedures may include telephone system messages and conspicuously posted signs.

(5) Deliveries from a cannabis processing facility or another medical cannabis pharmacy shall be carried out under the direct supervision of a PMP or pharmacy agent, who shall be present to accept the delivery. Upon delivery, the medical cannabis product or medical cannabis devices shall immediately be placed in a limited access area of the medical cannabis pharmacy.

(6) A medical cannabis pharmacy shall protect, at all times, confidential cardholder data and information stored in the EVS to ensure that access to and use of the data and information is limited to those individuals and purposes authorized under Title 26, Chapter 61a, Utah Medical Cannabis Act, and this rule.

(7) A medical cannabis pharmacy shall not dispense expired, damaged, deteriorated, misbranded, adulterated, or opened medical cannabis products or medical cannabis devices.

(8) A medical cannabis pharmacy license cannot be assigned or transferred but a licensee may make changes to its ownership or company structure. When making a change to its ownership, a licensee shall not:

- (a) make an ownership change by an interest of 2% or more without notification of the Department at least 10 days before the date of the change;
- (b) make an ownership change by an interest of 50% or more without applying to the Department and receiving Department approval and payment of the fee authorized under Section 26-61a-109 that the Department sets in accordance with Section 63J-1-504.

(9) When applying to the Department for approval of an ownership change of more than 50%, the medical cannabis pharmacy shall submit to the Department:

- (a) a description of how the medical cannabis pharmacy shall maintain its compliance with the minimum standards for licensure and operation of the medical cannabis pharmacy; and
- (b) the results of a formal investigation, charge, claim or adverse action taken against the new owners or individuals with formal financial or management control who make up the new owners, during

the past seven years, by any licensing jurisdiction, government agency, law enforcement agency, or court in any state.

(10) A medical cannabis pharmacy shall provide a copy of a certificate of analysis for a medical cannabis product to a medical cannabis cardholder or a recommending medical provider if:

(a) it is requested in writing; and

(b) the requestor signs a non-disclosure agreement upon request by the medical cannabis pharmacy.

R380-406-4. Medical Cannabis Pharmacy – Operating Plan.

(1) Pursuant to Section 26-61a-301, Medical Cannabis Pharmacy License, a medical cannabis pharmacy license application shall include an operating plan that includes, at a minimum the following:

(a) information requested in the application;

(b) information listed in Section 26-61a-301, Medical Cannabis Pharmacy License;

(c) a plan to comply with applicable operating standards, statutes, and administrative rules, including:

(i) Title 26, Chapter 61a, Utah Medical Cannabis Act; and

(ii) applicable administrative rules.

(2) The Department may require the applicant for a medical cannabis pharmacy license to make a change to its operating plan before issuing a pharmacy license. The applicant shall submit a copy of its updated operating plan, with the required change, and receive Department approval of the plan before the Department awards the license.

(3) Once the Department issues a license, any change to a medical cannabis pharmacy's operating plan is subject to the approval of the Department. A medical cannabis pharmacy shall submit a notice, in a manner determined by the Department, at least 14 days before the date that it plans to implement any change to its operating plan.

R380-406-5. Medical Cannabis Pharmacy – Operating Standards – Pharmacist-In- Charge.

(1) A medical cannabis pharmacy's pharmacist-in-charge (PIC) shall have the responsibility to oversee the medical cannabis pharmacy's operation, and that it is in compliance with Chapter 26, Title 61a, Utah Medical Cannabis Act and applicable administrative rules. The PIC shall generally supervise the medical cannabis pharmacy, though the PIC is not required to be on site during business hours.

(2) A unique email address shall be established by the PIC, or responsible party, for the medical cannabis pharmacy; to be used for official notices, self-audits or medical cannabis pharmacy alerts, initiated by the Department. The PIC or responsible party shall notify the Department of the medical cannabis pharmacy's email address in the initial application for licensure.

(3) The duties of the PIC shall include:

(a) ensure that PMPs, and pharmacy agents, at the medical cannabis pharmacy appropriately interpret and distribute a recommendation from a recommending medical provider, in a suitable container, appropriately labeled for subsequent administration, or use by a patient;

(b) ensure that medical cannabis product and a medical cannabis devices are distributed safely, and accurately, with correct dosing guidelines and directions of use as recommended by a recommending medical provider;

(c) ensure that medical cannabis product, and medical cannabis devices, are distributed with information and instruction as necessary for proper utilization;

- (d) ensure that PMPs and pharmacy agents communicate to a cardholder, at their request, information concerning any medical cannabis product or medical cannabis devices distributed to the cardholder;
 - (e) ensure that a reasonable effort is made to get, protect, record, and maintain patient records;
 - (f) education and training of medical cannabis pharmacy personnel;
 - (g) establishment of policies for procurement of medical cannabis products, medical cannabis devices, and educational material sold at the facility;
 - (h) distribution and disposal of medical cannabis product and medical cannabis devices, from a medical cannabis pharmacy;
 - (i) appropriate storage of medical cannabis product and medical cannabis devices;
 - (j) maintain a complete and accurate record of transactions of the medical cannabis pharmacy necessary to maintain accurate control and accountability for materials required by applicable state laws;
 - (k) establish effective control against theft or diversion of medical cannabis product or medical cannabis devices, and record of product;
 - (l) legal operation of the medical cannabis pharmacy, including inspections, and other requirements, of state laws governing the medical cannabis pharmacies;
 - (m) implementation of an ongoing quality assurance program, that monitors performance of the personnel at the medical cannabis pharmacy;
 - (n) ensure that the point-of-sale (POS) is in working order;
 - (o) ensure that relevant information is submitted to the state's ICS and EVS in a timely manner;
 - (p) ensure that medical cannabis pharmacy personnel have appropriate licensure and registration;
 - (q) ensure that no medical cannabis pharmacy operates with a ratio of PMPs to pharmacy agents that results in, or reasonably would be expected to result in, a reasonable risk of harm to public health, safety, and welfare;
 - (r) ensure that the PIC assigned to the medical cannabis pharmacy is recorded with the Department, and the Department is notified of a PIC change within 30 days of the change; and
 - (s) in regard to the unique email address used for self-audits or medical cannabis pharmacy alerts, ensure that:
 - (i) the medical cannabis pharmacy uses a single email address; and
 - (ii) the medical cannabis pharmacy notifies the Department, on the form prescribed, of any change in the email address within seven calendar days of the change.
- (4) A PMP cannot be designated as PIC for more than two medical cannabis pharmacies at one time.

R380-406-6. Medical Cannabis Pharmacy – Operating Standards – Supervision.

- (1) A medical cannabis pharmacy is always under the full and actual charge of the medical cannabis pharmacy's PIC, but it shall be under the direct supervision of at least one supervising PMP, who is physically present at all times when a medical cannabis pharmacy is open to the public.
- (2) A medical cannabis pharmacy PIC is not required to be in the medical cannabis pharmacy at all times, but shall be available for contact within a reasonable period with the supervising PMP.
- (3) A medical cannabis pharmacy shall never operate with a supervision ratio of PMP to pharmacy agent that results in, or reasonably would be expected to result in, an unreasonable risk of harm to public health, safety, and welfare.

R380-406-7. Medical Cannabis Pharmacy – Security Standards.

- (1) A medical cannabis pharmacy shall comply with security standards established in Section 26-61a-501, Medical Cannabis Pharmacy Operation, and this rule.

(2) A medical cannabis pharmacy shall have security equipment sufficient to deter and prevent unauthorized entrance into a limited access area of the medical cannabis pharmacy that includes equipment required in this section.

(3) A medical cannabis pharmacy shall have a system to detect unauthorized intrusion; which may include a signal system interconnected with a radio frequency method, such as cellular or private radio signals, or other mechanical or electronic device.

(4) A medical cannabis pharmacy shall be equipped with a secure lock on any entrance to the medical cannabis pharmacy.

(5) A medical cannabis pharmacy shall have electronic monitoring including:

(a) at least one 19-inch or greater call-up monitor;

(b) a printer, capable of immediately producing a clear still photo from any video camera image;

(c) a video camera with a recording resolution of at least 640 x 470, or the equivalent, which provide coverage of entrances to and exits from limited access areas; and entrances to and exits from the building, and are capable of identifying any activity occurring in or adjacent to the building;

(d) a video camera shall either record continuously, 24 hours a day, 7 days a week or be motion activated;

(e) a video camera at each point-of-sale and product destruction or disposal location, which will allow for the identification of a medical cannabis cardholder, visitor, or pharmacy employee;

(f) a method for storing video recordings from the video camera for at least 45 calendar days;

(g) for locally stored footage, the surveillance system storage device shall be secured in the facility in a lockbox, cabinet, closet, or secured in another manner, to protect from employee tampering or criminal theft;

(h) access to footage stored on a remote server shall be restricted to protect from employee tampering;

(i) a failure notification system that provides an audible, and visual, notification of failure in the electronic monitoring system;

(j) sufficient battery backup for video camera and recording equipment, to support at least five minutes of recording in the event of a power outage;

(k) a date and time stamp embedded on video camera recordings, which shall be set correctly; and

(l) a panic alarm in the interior of the facility, which is a silent security alarm system signal, generated by the manual activation of a device intended to signal a robbery in progress.

(6) Security measures implemented by a medical cannabis pharmacy to deter and prevent unauthorized entrance in areas containing products, theft of product, and to ensure the safety of employees and medical cannabis cardholders, shall include the following:

(a) store medical cannabis product and medical cannabis devices in a secure locked limited access area, in a manner as to prevent diversion, theft, and loss;

(b) notwithstanding (6)(a), a medical cannabis pharmacy may display, in a secure locked case, a sample of each product offered;

(i) the display case shall be transparent;

(ii) an authorized PMP, or pharmacy agent, may remove an example of medical cannabis, or medical cannabis device, from the case, and provide it to a cardholder for inspection; provided:

(A) the patient does not consume or otherwise use the sample;

(B) the processor label from the original product container or an image showing the processor label is affixed to the sample's container with the unique identifying number that links the medical cannabis product to the ICS; and

(C) destruction of the medical cannabis product shall be done in compliance with applicable laws and the pharmacy's standard operating procedures.

(iii) inside the medical cannabis pharmacy, medical cannabis product and medical cannabis devices, shall be stored in a limited access area during non-business hours;

(c) keep safes, vaults, and any other equipment, or areas used for storage, including before disposal of product, securely locked and protected from entry; except for the actual time required to remove or replace medical cannabis product or medical cannabis devices;

(d) keep locks and security equipment in good working order, and shall test that equipment is functioning properly at least two times per calendar year;

(e) prohibit keys, if any, from being left in the locks, or stored or placed, in a location accessible to any person other than specifically authorized personnel;

(f) prohibit accessibility to security measures, such as combination numbers, passwords, or electronic, or biometric security systems, to any person other than specifically authorized personnel;

(g) ensure that the outside perimeter of the building is sufficiently lit, to facilitate surveillance;

(h) ensure that medical cannabis product and medical cannabis devices are kept out of plain sight, and are not visible from a public place, outside of the medical cannabis pharmacy;

(i) develop emergency policies and procedures for securing each product following any instance of diversion, theft, or loss of product, and conduct an assessment to determine whether additional safeguards are necessary;

(j) at a medical cannabis pharmacy where a cash transaction is conducted, establish a procedure for safe cash handling and cash transportation, to a financial institution to prevent theft, loss, and associated risk to the safety of employees, customers and the general public;

(k) while inside the medical cannabis pharmacy, employee shall wear an identification tag, or similar form of identification, to clearly identify them to the public;

(i) including their position at the medical cannabis pharmacy, as a PMP or pharmacy agent; and

(l) prevent an individual from remaining on the premise of the medical cannabis pharmacy, if they are not engaging in activity expressly, or by necessary implication, permitted by Title 26, Chapter 61a, Utah Medical Cannabis Act.

(7) A medical cannabis pharmacy shall include the following areas of security:

(a) public waiting area;

(b) cardholder only area; and

(c) limited access area.

(8) A medical cannabis pharmacy shall allow only medical a cannabis cardholder, PMP, pharmacy agent, authorized vendor, contactor, and visitor, to have access to the cardholder area of the medical cannabis pharmacy.

(9) An outside vendor, contractor, and visitor must get a visitor identification badge, before entering the cardholder only, or limited access area of a medical cannabis pharmacy; to be worn at all times when on the premise of the medical cannabis pharmacy, and shall be escorted at all times by an employee authorized to enter the medical cannabis pharmacy. The visitor identification badge must be visibly displayed at all times, while in the facility. A visitor must be logged in and out, and that log shall be available for inspection by the Department at all times. The visitor identification badge shall be returned to the medical cannabis pharmacy upon exit.

(10) Product inside a medical cannabis pharmacy, shall be kept in a limited access area, inaccessible to any person other than a PMP, pharmacy agent, state employee, or an individual authorized by the medical cannabis pharmacy's PIC. The limited access area shall be identified by the posting of a sign, that shall be a minimum of 12" x 12", and states: "Limited Access Area", in lettering no smaller than

one inch in height

(11) If a cabinet or drawer is used as a limited access area, it is not required to have a “Limited Access Area” sign on it.

(12) Only a PMP, or a pharmacy agent, employed at the medical cannabis pharmacy shall have access to the medical cannabis pharmacy when the medical cannabis pharmacy is closed to the public.

(13) The medical cannabis pharmacy, or parent company, shall maintain a record of not less than five years, of the initials or identification codes that identify each PMP or pharmacy agent by name. The initial or identification code, shall be unique, to ensure that each PMP, or pharmacy agent, can be identified. An identical initial or identification code, shall not be used for two or more PMPs, or pharmacy agents.

R380-406-8. Medical Cannabis Pharmacy – Operating Standards – Inventory.

(1) A medical cannabis pharmacy shall be equipped for orderly inventory, storage of medical cannabis product, and medical cannabis devices, in a manner to permit clear identification, separation, and easy retrieval of product; and an environment necessary to maintain the integrity of product inventory.

(2) A medical cannabis pharmacy shall use the state’s ICS to establish a record of each transaction, sale, and disposal.

(3) A medical cannabis pharmacy shall input in the ICS information regarding the purchase of medical cannabis product, or medical cannabis devices, immediately after a transaction with a cardholder is closed, so reporting of purchases to the ICS across medical cannabis pharmacies is in real-time.

(4) A medical cannabis pharmacy shall establish and document daily and weekly inventory controls of medical cannabis product and medical cannabis devices to help the pharmacy detect any diversion, theft, or loss of product in a timely matter.

(5) A PMP at each medical cannabis pharmacy shall conduct a monthly inventory which shall include a reconciliation of each medical cannabis product and medical cannabis device stored at the pharmacy with the pharmacy’s inventory record in the ICS. Pharmacy agents may assist a PMP with the monthly inventory. A monthly inventory shall include:

- (a) the time and date of completing the inventory;
- (b) a summary of the inventory findings; and
- (c) the name and signature or initials of the PMP who conducted the inventory.

(6) If a medical cannabis pharmacy employee identifies a reduction in the amount of medical cannabis product or medical cannabis devices in the medical cannabis pharmacy's inventory is not due to documented causes, the medical cannabis pharmacy shall determine where the loss occurred, and immediately take and document corrective action. The medical cannabis pharmacy shall immediately inform the Department of the loss by telephone, and provide written notice of the loss, and the corrective action taken within two business days after first discovery of the loss.

(7) If a reduction in the amount of medical cannabis product, or medical cannabis devices, in the inventory is due to criminal activity, or suspected criminal activity, the medical cannabis pharmacy shall immediately make a written report identifying the circumstances surrounding the reduction to the Department, and to law enforcement with jurisdiction where the suspected criminal acts occurred.

(8) If a medical cannabis pharmacy employee identifies an increase in the amount of medical cannabis product, or medical cannabis devices, in the medical cannabis pharmacy's inventory, not due

to documented causes, the medical cannabis pharmacy shall determine where the increase occurred and take and document corrective action.

(9) The PIC shall conduct and complete an annual comprehensive inventory of products at a medical cannabis pharmacy within 72 hours or three working days of the pharmacy's first annual comprehensive inventory. The annual comprehensive inventory shall include:

- (a) the time and date of completing the inventory;
- (b) a summary of the inventory findings; and
- (c) the name and signature or initials of the PIC who conducted the inventory.

(10) Records of each monthly inventory, and comprehensive annual inventory, shall be kept by the medical cannabis pharmacy for a period of five years. The records may be electronic or physical. If physical records are kept, the physical records must be located at the medical cannabis pharmacy where the medical cannabis products and medical cannabis devices are located. A medical cannabis pharmacy intending to maintain such records at a location other than the medical cannabis pharmacy must first send a written request to the Department. The request shall contain the medical cannabis pharmacy name and license number, and the name and address of the alternate location. The Department shall send written notification to the medical cannabis pharmacy documenting the approval, or denial, of the request. A copy of the Department's approval shall be maintained. An alternate location shall be secured and accessible only to authorized medical cannabis pharmacy employees.

(11) A medical cannabis pharmacy shall provide documentation required to be maintained in this rule to the Department for review upon request.

R380-406-9. Medical Cannabis Pharmacy – Operating Standards – Transportation.

(1) Transport of medical cannabis from a medical cannabis pharmacy to another location shall occur only when:

- (a) a home delivery medical cannabis pharmacy is delivering shipments of medical cannabis, or medical cannabis devices, to a cardholder's home address;
- (b) a medical cannabis pharmacy, or cannabis production establishment, is transporting medical cannabis, or a medical cannabis device, from a medical cannabis pharmacy facility to a cannabis production establishment facility, or waste disposal location to be disposed of; and
- (c) a product recall is initiated and medical cannabis, or a medical cannabis device, must be returned from a medical cannabis pharmacy to the cannabis production establishment.

(2) Medical cannabis product and medical cannabis devices to be returned to the cannabis production establishment shall be:

- (a) logged into the ICS;
- (b) stored in a locked container with clear and bold lettering: "Return"; and
- (c) prepared for return in compliance with any guideline and protocol of the cannabis production establishment for collecting, storing, and labeling a returned product.

(3) A PMP or pharmacy agent accepting a shipment of medical cannabis, or medical cannabis device, at a medical cannabis pharmacy facility from a cannabis production establishment shall:

- (a) get a copy of the transport manifest and safeguard the manifest for recordkeeping;
- (b) not delete, void, or change information provided on the transport manifest, upon arrival at the medical cannabis pharmacy;
- (c) ensure that the medical cannabis product and medical cannabis devices received from a cannabis production establishment are as described in the transport manifest, and record the amount received into the ICS;

(d) clearly record on the manifest the unique initial, or identification code of the medical cannabis pharmacy employee who compares the received inventory with the transport manifest, and the actual date and time of receipt of the medical cannabis product, or medical cannabis devices;

(e) if a difference between the quantity specified in the transport manifest and the quantity received occurs, document the difference in the ICS; and

(f) log in the ICS any change to medical cannabis product, or medical cannabis devices, that may have occurred while in transport.

R380-406-10. Medical Cannabis Pharmacy – Operating Standards – Packaging.

(1) Medical cannabis product in the following dosage form shall be delivered to a medical cannabis pharmacy, from a cannabis processing facility, or another medical cannabis pharmacy, in their final container:

- (a) concentrated oil;
- (b) liquid suspension;
- (c) topical preparation;
- (d) transdermal preparation;
- (e) gelatinous cube;
- (f) sublingual preparation; and
- (g) resin or wax.

(2) Medical cannabis product in the following dosage form may be delivered to a medical cannabis pharmacy from a cannabis processing facility, in either a final container or a bulk container, to later be separated into a final packaging before being dispensed to a cardholder:

- (a) tablet;
- (b) capsule; and
- (c) unprocessed cannabis flower.

R380-406-11. Medical Cannabis Pharmacy – Operating Standards – Cannabis Disposal and Waste.

(1) A medical cannabis pharmacy’s cannabis waste may be disposed of at either a medical cannabis pharmacy location, or a location of a cannabis production establishment, licensed by the UDAF.

(2) In addition to complying with standards for cannabis disposal and waste established in Sections 26-61a-501 and 26-61a-607, a medical cannabis pharmacy shall ensure compliance with the following standards when handling cannabis waste:

(a) designate a location in the limited access area of the medical cannabis pharmacy where cannabis waste shall be securely locked and stored;

(b) designate a lockable container, or containers, that are clearly and boldly labeled with the words “Not for Sale or Use”;

(c) ensure logging of the medical cannabis product in the ICS at the time of disposal with appropriate information including:

- (i) a description of and reason for the medical cannabis product being disposed;
- (ii) date of disposal;
- (iii) method of disposal; and
- (iv) name and registration identification number of the agent responsible for the disposal;

(d) wastewater generated during the cannabis waste disposal process shall be disposed of in compliance with applicable state laws and rules;

(e) cannabis waste generated from the cannabis plant, trim, and leaves is not considered hazardous waste unless it has been treated or contaminated with a solvent or pesticide;

- (f) cannabis waste disposed of shall be rendered unusable;
- (g) cannabis waste, which is not designated as hazardous, shall be rendered unusable by grinding and incorporating the cannabis waste with other ground materials so the resulting mixture is at least 50% non-cannabis waste by volume or other methods approved by the Department;
- (h) materials used to grind and incorporate with cannabis may be compostable or non-compostable;
- (i) compostable waste is a cannabis waste to be disposed of as compost or in another organic waste method mixed with:
 - (i) food waste;
 - (ii) yard waste; or
 - (iii) vegetable-based grease or oils;
- (j) compostable waste is cannabis waste to be disposed of in a landfill or another disposal method, such as incineration, mixed with:
 - (i) paper waste;
 - (ii) cardboard waste;
 - (iii) plastic waste; or
 - (iv) soil.

R380-406-12. Medical Cannabis Pharmacy – Operating Standards – Product Recall.

- (1) A recall may be initiated by a cannabis production establishment, a medical cannabis pharmacy, the Department, or the UDAF.
- (2) A medical cannabis pharmacy's recall plan shall include, at a minimum:
 - (a) a designation of at least one employee who shall serve as the recall coordinator;
 - (b) if the recall is initiated by a medical cannabis pharmacy, the pharmacy will provide immediate notification to the Department, UDAF, and the cannabis production establishment from which it obtained the cannabis product in question;
 - (i) notification shall occur within 24 hours upon becoming aware of a complaint about the medical cannabis product or medical cannabis device in question;
 - (c) a procedure for identifying and isolating recalled product to prevent or minimize distribution to patients;
 - (d) a procedure to retrieve and destroy recalled product; and
 - (e) a communication plan to notify those affected by the recall.
- (3) The medical cannabis pharmacy shall track the total amount of affected medical cannabis product, and the amount of medical cannabis product returned to the medical cannabis pharmacy, as part of the recall.
- (4) The medical cannabis pharmacy shall coordinate the destruction of the medical cannabis product with the Department and the UDAF, and allow the UDAF to oversee the destruction of the final product.
- (5) A medical cannabis pharmacy shall notify the Department before initiating a voluntary recall.

R380-406-13. Medical Cannabis Pharmacy – Partial Filling.

- (1) A PMP or pharmacy agent who partially fills a recommendation for a medical cannabis cardholder shall specify in the ICS the following:
 - (a) date of partial fill;
 - (b) quantity supplied to cardholder;
 - (c) quantity remaining of the recommendation partially filled; and

(d) a brief explanation as to why the recommendation was partially filled.

R380-406-14. Medical Cannabis Pharmacy – Operating Standards – Closing a Pharmacy.

(1) At least 14 days before the closing of a medical cannabis pharmacy, the PIC shall comply with the following:

(a) send written notice to the Department containing the following information:

(i) the name, address, and Department issued license number of the medical cannabis pharmacy;

(ii) surrender the license issued to the medical cannabis pharmacy;

(iii) a statement attesting:

(A) a comprehensive inventory was conducted;

(B) the manner in which the medical cannabis product and medical cannabis devices will be transferred or disposed of;

(C) the anticipated date of closing;

(D) the name, address, and Department issued license number of the medical cannabis pharmacy, or cannabis production establishment, acquiring the medical cannabis and medical cannabis devices from the medical cannabis pharmacy that is closing;

(E) the date of transfer when the medical cannabis product and medical cannabis devices will occur; and

(F) the name and address of the medical cannabis pharmacy to which the orders, including any refill information, and patient records, will be transferred;

(b) post a closing notice in a conspicuous place at public entrance doors to the medical cannabis pharmacy which shall contain the following information:

(i) the date of closing; and

(ii) the name, address, and telephone number of the medical cannabis pharmacy acquiring the recommendation orders, including refill information and customer records of the medical cannabis pharmacy.

(2) If the medical cannabis pharmacy closed suddenly due to fire, destruction, natural disaster, death, property seizure, eviction, bankruptcy, or emergency circumstances, and the PIC cannot provide notification 14 days before the closing, the PIC shall provide notification to the Department of the closing, no later than 24 hours after the closing.

(3) If the PIC is not available to comply with the requirements of this section, the owner or legal representative shall be responsible for compliance with the provisions of this section.

(4) On the date of the closing, the PIC shall remove medical cannabis product, and medical cannabis devices, from the medical cannabis pharmacy by one or a combination of the following methods:

(a) transport them to a cannabis processing facility for credit or disposal; or

(b) transfer or sell them to a person who is legally entitled to have medical cannabis products and medical cannabis devices, such as another medical cannabis pharmacy in the state of Utah.

(5) The PIC shall remove signs, and notify the landlord of the property that it is unlawful to use the word “medical cannabis pharmacy”, or any other word or combination of words of the same or similar meaning, or any graphic representation that would mislead, or tend to mislead the public that a medical cannabis pharmacy is located at this address.

R380-406-15. Medical Cannabis Pharmacy – Abandonment of a License

(1) The following actions constitute abandonment of a medical cannabis pharmacy license:

(a) a medical cannabis pharmacy’s failure to begin operations within one year after the day on which the Department issues an intent to award a medical cannabis pharmacy license.

R380-406-16. Medical Cannabis Pharmacy – Operating Standards – Drive-Thru and Curbside Service.

(1) A medical cannabis cardholder may contact a medical cannabis pharmacy, either by phone or online, before the time of drive-thru or curbside service pick-up to make an order.

(2) A medical cannabis cardholder transaction may take place outside the medical cannabis pharmacy facility but it shall still occur within the total property boundary of the licensed entity. Drive-thru and curbside service transactions shall occur at a licensed location that is owned, leased, or rented by the licensed entity and shall not occur on a public sidewalk or an adjacent parking lot.

(3) If product is bought with cash, the cash must be taken into the medical cannabis pharmacy facility after each transaction. If a medical cannabis pharmacy obtains approval from the Division of Finance to accept customer payments through an electronic payment provider, a medical cannabis cardholder using drive-thru and curbside pick-up service may make payments using the approved electronic payment provider.

(4) Medical cannabis products and medical cannabis devices, including those that are awaiting pick-up, shall be securely stored in the medical cannabis pharmacy facility until a medical cannabis cardholder arrives for pick-up. Under no circumstances may a medical cannabis product or medical cannabis device be stored outside of a medical cannabis pharmacy facility before a customer arrives to pick-up the product.

(5) A medical cannabis pharmacy's video surveillance shall enable the video recording of each medical cannabis cardholder transaction. This includes video surveillance of a cardholder, cardholder vehicle, medical cannabis pharmacy employee verifying the cardholder's valid form of photo identification, and the transfer and dispensing of an item bought by a cardholder. Video cameras shall record points of entry and exit of a parking lot and shall be angled to ensure the capture of clear and certain identification of a cardholder and their vehicle's license plate.

(6) The individual receiving the delivery of a product from the medical cannabis pharmacy employee via drive-thru or curbside pick-up shall be a cardholder. When drive-thru service is used, the medical cannabis cardholder verifying their ID to the medical cannabis pharmacy shall be visible to cameras and to the medical cannabis pharmacy employee who is helping them.

(7) Children under 18 may be present in a vehicle that arrives for drive-thru or curbside pick-up service.

(8) When a PMP's consultation with a medical cannabis cardholder is required, the consultation may be provided in-person, over the phone, or with another real-time communications device. It is the responsibility of the medical cannabis pharmacy to ensure the privacy of these consultations regardless of where or how the consultations happen.

(9) When a medical cannabis pharmacy employee transports a container of medical cannabis product to a medical cannabis cardholder via drive-thru or curbside service, the container shall be contained within a box or an opaque bag.

(10) When drive-thru service is used, a medical cannabis pharmacy may use a secure drive-thru drawer or pneumatic tube to transport medical cannabis product, valid photo identification, cash, and documents between a medical cannabis pharmacy employee and a medical cannabis cardholder.

R380-406-17 Medical Cannabis Pharmacy – Operating Standards – Educational Material.

(1) A medical cannabis pharmacy shall comply with the operating standards related to educational

material established in this rule.

(2) Educational material related to the use of medical cannabis that makes a statement relating to side effects, consequences, contraindications, and effectiveness shall present a true statement of the information.

(3) Educational material is false, lacking fair balance, or otherwise misleading if it:

(a) contains a representation or suggestion that a cannabis strain, brand, or product is better, more effective, useful in a broader range of conditions or patients or safer than other drugs or treatments including other cannabis strains or products, unless the claim has been demonstrated by substantial evidence or substantial clinical data;

(b) contains favorable information or opinions about a medical cannabis product previously regarded as valid but which have been rendered invalid by contrary and more credible recent information;

(c) uses a quote or paraphrase out of context or without citing conflicting information from the same source, to convey a false or misleading idea;

(d) uses a study on individuals without a qualifying medical condition without disclosing that the subjects were not suffering from a qualifying medical condition;

(e) uses data favorable to a medical cannabis product derived from patients treated with a different product or dosages different from those legal in Utah; and

(f) contains favorable information or conclusions from a study that is inadequate in design, scope, or conduct to furnish significant support for the information or conclusions.

(4) Educational material shall not include:

(a) unsubstantiated health claims and other claims that are not supported by substantial evidence or substantial clinical data;

(b) claims that cannabis cures any medical condition;

(c) any statement, design, representation, picture or illustration portraying anyone under the age of 18, objects suggestive of the presence of anyone under the age of 18, or containing the use of a figure, symbol, or language that is customarily associated with or would appeal to anyone under the age of 18; and

(d) any false statement about a competitor's products.

(5) Notwithstanding the recreational disposition of some cannabis strains and medicinal dosage forms, a medical cannabis pharmacy may reference a cannabis strain or a medicinal dosage form in educational material.

(6) Beginning September 1, 2022, when posting information about a processed medical cannabis product online, a medical cannabis pharmacy shall list the concentration of each cannabinoid as a percentage and the total contained amount of each cannabinoid content measured in milligrams. When posting information about an unprocessed medical cannabis product on a website, the concentration of each cannabinoid shall be listed as a percentage. The total amount of each cannabinoid measured in milligrams is not required.

(7) A medical cannabis pharmacy may send electronic notifications via email or text to individuals over the age of 18 who have consented to receive notifications. The notifications may communicate information about a medical cannabis pharmacy's products, services, or educational events. These notifications do not constitute advertising prohibited in Section 26-61a-505.

R380-406-18 Medical Cannabis Pharmacy – Operating Standards – Educational Events.

(1) When hosting or participating in educational events, a medical cannabis pharmacy shall comply with educational event standards established in Section 26-61a-505, Advertising, and this rule.

(2) A medical cannabis pharmacy may give out educational material at an educational event but shall not give out marketing merchandise such as t-shirts, hats, or pens. If a medical cannabis pharmacy notices that a third-party is giving out or selling merchandise that appears to advertise for a medical cannabis pharmacy, the medical cannabis pharmacy shall immediately contact the third-party and request that the third-party cease and desist giving out or selling of the merchandise at the educational event.

(3) An educational event hosted by a third-party or a medical cannabis pharmacy that a medical cannabis pharmacy participates in may include a food vendor where food is available for purchase. If food is provided at no cost to the attendees at an educational event that a medical cannabis pharmacy participates in, the food may be bought and provided by a third-party but it cannot not be bought or provided by a medical cannabis pharmacy. Food bought by a medical cannabis pharmacy and provided at no cost to participants of an educational event that a medical cannabis pharmacy is participating in constitutes a gift item which is prohibited under Section 26-61a-505.

(4) A medical cannabis pharmacy may get, at cost or no cost, a sponsorship or booth at an educational event hosted by a third-party if the primary purpose of the event is educational.

(5) Signage and displays used by a medical cannabis pharmacy at an educational event shall comply with educational material standards established in Section R380-406-17.

R380-406-19. Medical Cannabis Pharmacy – Business Name and Logo Standards.

(1) Pursuant to Subsection 26-61a-505 (3)(b) and to ensure a medical cannabis pharmacy's name and logo have a medical rather than a recreational disposition, the name and logo of a medical cannabis pharmacy:

(a) may include terms and images associated with a medical disposition such as medical, medicinal, medicine, pharmacy, apothecary, wellness, therapeutic, health, care, cannabis, clinic, compassionate, relief, treatment, and patient;

(b) shall not include any term, statement, design representation, picture, or illustration associated with a recreational disposition or that appeals to children; and

(c) shall not include an emphasis on a psychoactive ingredient or a specific cannabis strain.

(2) A term associated with a recreational disposition that a medical cannabis pharmacy is prohibited from using in their name or logo includes: weed, pot, reefer, grass, hash, ganga, Mary Jane, high, buzz, haze, stoned, joint, bud, smoke, euphoria, dank, doobie, kush, frost, cookies, rec, bake, blunt, combust, bong, budtender, dab, blaze, toke, and 420.

R380-406-20. Medical Cannabis Pharmacy – Criteria and Process for Issuance of Additional Licenses.

(1) The Department may consider the following factors as criteria when determining if additional medical cannabis pharmacy licenses shall be issued pursuant to Subsection 26-61a-305 (1)(d):

(a) high potential for growth in the number of medical cannabis card holders located in one or more regions of the state;

(b) access to medical cannabis home delivery service in the state or in certain regions of the state;

(c) commuting patterns and economic activity in certain regions of the state;

(d) driving distance for medical cannabis cardholders or potential medical cannabis cardholders residing in certain regions of the state from their home to the nearest medical cannabis pharmacy location;
or

(e) the inadequate supply, quality, or variety of medical cannabis in the state or certain regions of the state.

(2) As the Department considers one or more factors described in Subsection (1), it shall consult with and consider input from the Utah Department of Agriculture and Food, the medical cannabis industry, and the public.

(3) The Department's process of consultation and consideration of input shall include meetings with stakeholders and holding of a public hearing during which it will accept public comment.

(4) If the Department determines that an additional medical cannabis pharmacy license should be issued, the Department shall accept applications for the license in accordance with Title 63G, Chapter 6a, Utah Procurement Code.

KEY: medical cannabis, medical cannabis pharmacy, marijuana

Date of Enactment or Last Substantive Amendment: June 10, 2020

Notice of Continuation: June 10, 2020

Authorizing, and Implemented or Interpreted Law: 63G-3; 26-1-5(1); 26-61a; 26-61a-303(2); 26-61a-305(1); 26-61a-501; 26-61-501(12); 26-61a-501(13); 26-61a-503(3); 26-61a-505(3); 26-61a-505(4); 26-61a-505(5); 26-61a-605(5)

Inventory Report pulled from MJF on 4/30/2022 after the close of business or 5/1/2022 before opening of business

Organization Name	Facility Name	Facility License N	Facility Type	Is Active	Product Name	Qty on Hand	Qty on Hand	Qty per Physical Count	Physical UOM	Difference	Notes
Company ABC	Pharmacy ABC	XXXX-270	dispensary	yes	Product A	1 EA			1 EA	-	
Company ABC	Pharmacy ABC	XXXX-270	dispensary	yes	Product B	23 EA			20 EA	3.00	Picking error. Product B adjusted up 3 units and Product D adjusted down 3 units
Company ABC	Pharmacy ABC	XXXX-270	dispensary	yes	Product C	3 EA			3 EA	-	
Company ABC	Pharmacy ABC	XXXX-270	dispensary	yes	Product D	19 EA			22 EA	(3.00)	Picking error. Product B adjusted up 3 units and Product D adjusted down 3 units
Company ABC	Pharmacy ABC	XXXX-270	dispensary	yes	Product E	19 EA			19 EA	-	
Company ABC	Pharmacy ABC	XXXX-270	dispensary	yes	Product F	42 EA			42 EA	-	
Company ABC	Pharmacy ABC	XXXX-270	dispensary	yes	Product G	47 EA			47 EA	-	
Company ABC	Pharmacy ABC	XXXX-270	dispensary	yes	Product C	21 EA			20 EA	1.00	Actively investigating. Reviewed camera footage and didn't discover evidence of theft.
Company ABC	Pharmacy ABC	XXXX-270	dispensary	yes	Product D	22 EA			22 EA	-	
Company ABC	Pharmacy ABC	XXXX-270	dispensary	yes	Product E	9 EA			9 EA	-	
Company ABC	Pharmacy ABC	XXXX-270	dispensary	yes	Product A	7 EA			7 EA	-	
Company ABC	Pharmacy ABC	XXXX-270	dispensary	yes	Product B	1 EA			0 EA	1.00	Theft discovered and reported on 5/5/22: Police Report No. XXXX
Company ABC	Pharmacy ABC	XXXX-270	dispensary	yes	Product C	33 EA			32 EA	1.00	Strain was recalled and pulled from the shelves. Count manually adjusted by CW in MJF on 5/1/22.
Company ABC	Pharmacy ABC	XXXX-270	dispensary	yes	Product D	16 EA			10 EA	6.00	Damaged product. These were added to the destruction log by CW on 5/1/22.
Company ABC	Pharmacy ABC	XXXX-270	dispensary	yes	Product E	3 EA			3 EA	-	
Company ABC	Pharmacy ABC	XXXX-270	dispensary	yes	Product A	0 GR			4 GR	(4.00)	Inventory shipment received and not added to MJF. Manually added to MJF by CW on 5/1/22.
Company ABC	Pharmacy ABC	XXXX-270	dispensary	yes	Product B	25 EA			25 EA	-	
Company ABC	Pharmacy ABC	XXXX-270	dispensary	yes	Product C	21 EA			20 EA	1.00	Item sold (order#), but stuck in payment queue, MJF ticket #, submitted by BC on 5/5/2022
Company ABC	Pharmacy ABC	XXXX-270	dispensary	yes	Product D	1 EA			1 EA	-	

Excel File Naming Convention for Inventory Reporting:

Monthly Inventory Report - License # - Period of Reporting in MMDDYY

i.e. "Monthly Inventory Report - XXXX-270 - 043022"

Examples of insufficient inventory variance explanations:

Couldn't find a reason..video doesn't show evidence of theft

Reconciled

Must have been a sample

Waiting for so-and-so to return from vacation

Must have recently sold some