Oklahoma Medical Marijuana Licensing

Digital Government: Government to Business

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State of Oklahoma

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OMES
OFFICE OF MANAGEMENT
& ENTERPRISE SERVICES

Executive Summary

On June 27, 2018, Oklahoma voters approved State Question 788 legalizing medical marijuana. The Oklahoma State Department of Health was required to implement a licensing solution by Aug. 25, 2018, just 42 business days after the passage of SQ 788. When compared to the length of time other states needed to implement a medical marijuana licensing system, this timeline was much more stringent. It was determined that a unit inside OSDH needed to be established and the Oklahoma Medical Marijuana Authority was created.

The requirements for medical marijuana were very specialized in the state question. OSDH is required to have seven different license types, consisting of three patient, one caregiver and three business. A quick, 14-day turnaround time is also required. Not only were there time constraints to complete the licensing system as outlined in legislation but the solution also had to be flexible as regulations around medical marijuana licensing were already scheduled for change.

Working with the Office of Management and Enterprise Services, OSDH created a website, online licensing application and process, license printing solution, approval letter and business license printing tool, online payment processor, call center solution, and online license verification tool.

By 5 p.m. on the day of the portal launch, there were 1,687 patient and business license applications submitted, raising $1.69 million in the first seven hours. This total reached $3.7 million by the end of the second week in production.

By April 15, Oklahoma had issued over 80,000 patient licenses and over 4,200 licenses for dispensaries, growers and processors. The medical marijuana industry has impacted Oklahoma commerce by generating $23 million in sales and about $3 million in taxes. The new business has also improved the economy by creating hundreds of jobs.

The solution shows collaboration between OMES, OSDH, law enforcement, local businesses, citizens, the state Legislature, and local and national technology vendors working together toward a common goal. The Oklahoma medical marijuana licensing solution displays efficiency and the fast pace state government technology must achieve to meet our citizens' needs, while at the same time fulfilling legislation requirements.

Concept

Problem

State Question 788 was approved by popular vote in an election on June 26, 2018. It legalized medical marijuana for Oklahoma citizens. Citizens and businesses were ready to start their licensing applications for medical marijuana and the Oklahoma State Department of Health was charged with this task.

OSDH was required to implement a licensing solution by Aug. 25, 2018, 42 business days after the passage of SQ 788. This timeline was more rapid than any other medical marijuana program implementation in the nation and required a cooperative effort to ensure the challenging timelines were met. OSDH determined an internal department needed to be built and created the Oklahoma Medical Marijuana Authority to run the program.

42 days to launch the medical marijuana licensing program.

Solution

OSDH and the Office of Management and Enterprise Services partnered to pursue the implementation of an application system beginning the morning after the vote, with OMES providing guidance and project management services. Over the course of the next seven business days, OSDH and OMES invited 14 vendors to demonstrate their potential licensing solutions, with the expectation of having a testing environment in place by Aug. 15 and a go-live production environment no later than 10 a.m Aug. 25. Following vendor demonstrations, OMES and OSDH made a comparison matrix including cost, ability to deliver, level of effort to implement and level of effort to support. Complia, a medical marijuana licensing company with systems implemented in other states, was chosen for Oklahoma's application system.

With quick collaboration between OMES Legal, OSDH Legal, OSDH leadership and Complia legal teams, a contract was drafted and accepted within four days. The contract was funded and a purchase order was given to Complia the seventh day after contract negotiation started. State Chief Information Officer Bo Reese said it was the fastest contract and funding negotiation from start to finish that he had ever seen.

The requirements outlined in SQ 788 for medical marijuana are specialized, requiring OSDH to have seven different license types – three patient, one caregiver and three business. Business applicants are required to submit to a background check by OSBI. Patients must obtain a recommendation from a doctor and submit it to OSDH through Complia for review. OSDH has 14 calendar days from the time the applicant submits the application to the time a license has to be approved, denied or rejected. For patients who are approved, OSDH is required to send a letter of approval and license in the mail;

those who are denied will receive a letter of denial. Business owners get a similar approval letter with a business license, or a denial letter, mailed to them.

It took several steps to ensure the medical marijuana licensing application process met the requirements of the state question. The first requirement of SQ 788 was to provide citizens and businesses with information on how to apply through a webpage. A new website completely dedicated to OMMA was developed. Complia does not include printing features for letters and licenses. OSDH and OMES implemented Badgepass as an overall solution for printing licenses, providing the necessary software and printers to print licenses. The mechanism for transferring data for printing letters and business licenses was developed by OMES using SQL Server Reporting Services.

Complia also partnered with a local payment portal company, Oklahoma Interactive, to processcredit card payments. Through Oklahoma Interactive there is also a third-party relationship with Bank of America and the Oklahoma Office of the State Treasurer to ensure all of the merchant information is routed properly. OMMA launched a call center to ensure citizens with questions could get answers. The call center used a solution called InContact, a standard service by OMES through AT&T. Lastly, for law enforcement and retail vendors who needed to ensure the validity of patients' cards, OMES launched an online verification site.

Significance

Complia provided a test environment one week ahead of schedule and user acceptance testing was completed with minimal issues.

On Aug. 25, 2018, OMES and OSDH personnel gathered to watch the launch of the licensing portal and provide support where needed. The launch was a success with minimal issues.

Seven hours after launch, there were 1,687 license applications.

By 5 p.m., seven hours following the launch of the portal, there were 1,054 patient and 633 business license applications submitted, raising a total of $1.69 million. By the end of the second week in production, the total had reached $3.7 million.

OMES and OSDH were able to define and implement medical marijuana licensing for citizens and businesses in just 42 days. As of April 15, Oklahoma has surpassed its original projected 80,000-patient mark and is on track to reach 150,000 patient licenses by its first anniversary in August. Since its initial opening in August, OMMA has also issued over 4,200 licenses for dispensaries, growers and processors.

The medical marijuana industry has impacted Oklahoma commerce by generating $23 million in sales and about $3 million in taxes. The new business has improved not only the economy but also generated hundreds of jobs.

"I am proud of the OMES team and OSDH for setting up the medical marijuana licensing application in such a short time frame. The licensing application was a success, raising a total of $26 million in sales and taxes boosting our economy."
— Bo Reese, State of Oklahoma CIO

Impact

The technology for Oklahoma medical marijuana licensing solution meets NASCIO's 2019 Top Ten State CIO priorities of cloud services, digital government and customer relationship management.

The licensing management and payment processor are both cloud solutions that allowed Oklahoma to quickly deploy services without the need of standing up costly infrastructure. The partnership between OSDH and OMES allowed for quick turnaround for the licensing, online payment, printing, verification and call center solutions that drastically increased the OMMA's ability to meet its 14-day application process time requirement.

Printed forms, cash or check only and a required physical visit to central health department headquarters were considered, but all of this was avoided thanks to collaboration and quick thinking.

The solution allows law enforcement and dispensaries to digitally verify a patient's credentials in a few moments. Again, keeping our customers at the forefront, the solution meets the requirements of SQ 788 and allows for an improved experience for citizens, permitting OMMA to continue to phase two and meet new regulations rather than focus on failures of the first phase.

There are several regulation areas, including laboratory testing of marijuana products, changes to law enforcement practices, and patient licensing procedures that need to be reviewed. To help with this, then-Gov. Mary Fallin directed a bipartisan group of legislators known as the Medical Marijuana Working Group to gather information on gaps in the law and develop proposals to consider during the 2019 legislative session.

Requirements for OMMA will continue to change as new legislation and rules are passed and take effect. The current solutions may have more requirements or be replaced in the near future, but OMMA, OSDH and OMES have proven their ability to meet challenging timelines and implement complex and efficient solutions.

Phase two planning has yet to commence, and there are items that were not able to be completed in the initial phase of the project. For example, in phase one of the project there is no automatic link between the patient and the caregiver applicants, causing the OMMA staff to have to look up the patient. Additionally, a reporting database is among the items to be incorporated in phase two.

The solutions implemented may look completely different this time next year. Flexibility in technology was part of the solution, and we will continue shaping the technology to meet the upcoming legislative changes for Oklahoma medical marijuana licensing.