

# Can Medical Cannabis Dispensaries Be Saved in Canada?

In light of recent policy changes, a Canadian researcher discusses findings from her study: Capler R, et al. Are dispensaries indispensable? Patient experiences of access to cannabis from medical cannabis dispensaries in Canada. *Int J Drug Policy*. 2017;47:1-8.

By Rielle Capler, MHA, PhD, Postdoctoral Research Fellow, British Columbia Centre on Substance Use and Faculty of Medicine, University of British Columbia

Medical dispensaries in Canada have served a valuable role in securing patient access to high-quality cannabis over the past several decades, filling the gaps in access to Health Canada's medical cannabis program. However, recent legislative changes have excluded dispensaries from the federal regulatory framework for medical cannabis, despite the important role they have played in providing access and the high levels of utilization by patients.

Before recent policy changes, the key barriers to legal medical cannabis access included physician support for required documentation, affordability, and availability of strains and products.<sup>1</sup> An article published in 2017, entitled *Are Dispensaries Indispensable?*, concluded that based on the strong endorsement of dispensaries by patients, future regulations should consider including dispensaries as a legal source of medical cannabis.<sup>2</sup> In 2018, new legislation in Canada legalizing cannabis for nonmedical purposes included provisions for storefront sales of nonmedical cannabis.<sup>3</sup> However, such provisions were not extended to the medical cannabis program, and dispensaries remain an unauthorized source.

Since the legalization of cannabis for nonmedical purposes in Canada, the number of medical dispensaries has dwindled considerably, and it is unclear how long these dispensaries will be tolerated. It is also yet to be determined how the barriers to accessing legal medical cannabis have been impacted by the recent legislative changes. The question is: Are dispensaries still indispensable, and if so, can they be saved?

**“Health care practitioners’ comfort with medical cannabis may grow with the inclusion of pharmacies as a source of cannabis.”**

—Rielle Capler, MHA, PhD

## The Federal Medical Cannabis Program

Under the current medical cannabis regulations in Canada, patients who have authorization from their health care practitioner can legally access cannabis online through a federally licensed cannabis producer or through personal/designated cultivation.<sup>4</sup> Currently, there is no legal storefront option for patients seeking medical cannabis in Canada.

A 2019 population survey found that only 23% of medical users were accessing cannabis from licensed producers in the federal medical cannabis program.<sup>5</sup> Despite physician associations issuing statements suggesting that with the legalization of nonmedical cannabis there is no longer a need for a separate medical stream, the number of health care practitioners providing documents for patients to register with a licensed producer has increased steadily.<sup>6</sup> As of September 2019, there were 369,614 actively registered clients in the medical

cannabis program.<sup>7</sup>

Although there has been a steady increase in the number of people registered in the program since its inception, after the legalization of nonmedical cannabis in October 2018, the sales of dried cannabis in the medical stream has dropped substantially.<sup>7</sup> Potential reasons for the decrease in legal medical sales follow:

- An increase in the cost of medical cannabis resulting from a new excise tax that was applied to cannabis produced in both the medical and nonmedical streams may have led

▶ continued on page 34

## Greenhouse Wellness

continued from page 32

### Advancing the Field

Dr. Apgar hopes to capture outcomes data at the dispensary for clinical research in the future. Currently, she and other dispensaries across the country are participating in a Stanford Medicine study on cannabis and sexual health (study link: [https://stanforduniversity.qualtrics.com/jfe/form/SV\\_2mkzODLAGoHCvGt](https://stanforduniversity.qualtrics.com/jfe/form/SV_2mkzODLAGoHCvGt)). Dr. Apgar is also interested in future studies as they arise.

Dr. Apgar and Ms. Dubbé detail how they started the dispensary and overcame regulatory hurdles in their book *High Heals*.

“The whole point of opening this dispensary, which has been an uphill battle every single day, is that we want to make the industry better,” Dr. Apgar said. “We’ll never improve this field or achieve legitimacy unless we make it better.”

## Reference

1. MacCallum CA, Russo EB. Practical considerations in medical cannabis administration and dosing. *Eur J Intern Med*. 2018;49:12-19.

Dr. Apgar and Ms. Dubbé are co-owners of Greenhouse Wellness and Blissiva and are authors of *High Heals*.

## Dispensaries

continued from page 33

patients to seek cannabis outside the program, including from unregulated sources that have comparatively lower prices.<sup>8,9</sup> These elevated costs also may have led to an increase in personal and designated production within the program.<sup>7</sup> Some insurance companies have started to include cannabis in their drug plans, and patients are advocating for cost coverage from provincial health insurance plans. Additionally, some licensed producers are offering discounted priced on their medical lines.

- A new legal storefront retail source in the nonmedical stream, although not less costly, may be preferable to some patients than the option of mail order provided through the medical stream.
- Shortages of cannabis in the medical stream, possibly due to diversion to the nonmedical stream, may have led patients to use other legal and illegal sources.<sup>10</sup>

An additional legal source of medical cannabis has recently become available through the large pharmacy chain Shoppers

Drug Mart, which was recently licensed by Health Canada to sell medical cannabis online to residents of Canada.<sup>11</sup> The retail chain offers telemedicine consultations to receive authorization for medical cannabis use. One benefit of this source is the ability of patients to access products from various licensed producers from one source; this previously required the patient to order separately from each producer and to obtain separate documentation from their health care practitioner for each order.

This new source of medical cannabis also will offer pharmacist oversight regarding drug interactions, which is not available with online mail order directly from licensed producers. Some skepticism has been voiced about the ability of pharmacists to provide this oversight and support with their current knowledge base.<sup>12</sup> It is yet to be seen how this source might impact the support of health care practitioners, cost, and the sales of cannabis within the medical stream.<sup>13</sup>

It is possible that clinicians' comfort with medical cannabis may grow with the inclusion of pharmacies as a source of cannabis, as well as with the recent additional of new cannabis products in the program.<sup>14</sup> Additionally, the legalization of nonmedical cannabis has resulted in more public and private funding for cannabis research, which also may increase the comfort of health care practitioners with use of this medicine. To address gaps in clinicians' knowledge, which has been a barrier to their participation in the program, it is vital to provide education about cannabis and the endocannabinoid system within school medical curricula.<sup>15</sup>

### Medical Access From Legal Nonmedical Retailers

Under the Cannabis Act of 2018, cannabis for nonmedical purposes is legally available to adults in Canada (18 or 19 years of age

depending on province/territory) from provincially licensed public and private retailers, including online and storefront sales (the specific retail options vary by province/territory).<sup>13</sup>

Although staff at nonmedical retail stores are not permitted to discuss medical efficacy or medical use of cannabis with customers, there is nothing preventing individuals from using the cannabis they purchase from these stores for medical purposes. Many medical cannabis users indeed do access cannabis from these legal nonmedical retailers. Data from a large population survey indicate that in 2019, whether registered in the federal medical program or not, 29% of medical cannabis users were accessing cannabis from legal nonmedical retail storefronts.<sup>5</sup>

The number of individuals accessing cannabis for medical use from nonmedical retailers may increase as more retail stores are licensed across the country, particularly in the highly populated provinces of British Columbia and Ontario, which both have experienced a slow rollout of their retail licensing programs.<sup>13</sup> The addition of new cannabis products, including edibles and concentrates, which became legal at the end of 2019, may result in even higher numbers of medical patients accessing nonmedical retailers.<sup>14</sup>

Notably, health and wellness are among the top reasons why Canadian consumers use recreational cannabis post-legalization, according to a recent survey.<sup>16</sup> In fact, according to that survey, the motivation to use cannabis as a health/medical product rose from 32% to 42% between the first quarter of 2018 and the first quarter of 2019. As the use of cannabis for medical purposes is increasing, it must be considered whether nonmedical stores are the ideal source for medical cannabis. Individuals accessing cannabis from the nonmedical stream will not have the benefit of physician oversight when taking cannabis for medical purposes and will not have a clinician monitoring for drug–drug interactions. They also will not have support from retail staff for the selection of strains and products to address their symptoms and conditions.

### Where Does This Leave Dispensaries and Patients?

Dispensaries have been one of most highly accessed and highly rated source of medical cannabis in Canada. A study of Canadian patients using cannabis for medical purposes in 2011–2012 found that only 7% of patients authorized to use medical cannabis under the federal program exclusively accessed cannabis from legal sources available at the time,<sup>1</sup> with as many as 80% obtaining cannabis from medical dispensaries.<sup>17</sup> Another study demonstrated the high ratings given to dispensaries, with dispensaries being rated equally to or more favorably than other sources of cannabis, both legal and illegal, for quality, safety, availability, efficiency, and feeling respected; they were rated less favorably than self-production and accessing from other producers in terms of cost.<sup>2</sup>

Before the legalization of recreational cannabis in Canada, unregulated dispensaries flourished across the country, particularly

**“Individuals accessing cannabis from the nonmedical stream will not have the benefit of physician oversight when taking cannabis for medical purposes and will not have a clinician monitoring for drug–drug interactions.”**

**—Rielle Capler, MHA, PhD**



**Remedy, a medical cannabis dispensary in Halifax, Nova Scotia, was considered illegal by the province and closed a few days before Canada legalized recreational cannabis nationwide on October 17, 2018.**

**Photocredit:** *Coastal Elite, Wikimedia Commons.*

in major cities. Although illegal, the activities of these dispensaries were tolerated in several major cities and smaller municipalities across the country in recognition of the shortcomings of the federal government's medical cannabis program. In 2016, approximately 175 dispensaries were serving an estimated 100,000 to 200,000 clients.<sup>18,19</sup>

However, since the 2018 legalization of nonmedical cannabis, very few dispensaries have remained open. Most of the dispensaries have either transitioned to licensed nonmedical retailers or have shut down by choice or by force.<sup>20</sup> The provinces and territories, which regulate sales of nonmedical cannabis, no longer tolerate these dispensaries operating without a license and selling unregulated product regardless of whether the needs of patients are being met through the medical or nonmedical legal channels.<sup>21</sup>

Thus, in the context of legal nonmedical cannabis, it has become even more challenging for unregulated medical cannabis dispensaries to operate. The closure of these shops is reflected in the substantial drop in the use of dispensaries by medical cannabis users in the general population from 28% in 2018 pre-legalization, to 12% in 2019 post-legalization.<sup>5,22</sup> It is unknown to what degree patient needs are currently met through the legal medical and nonmedical sources, or through illegal sources.

The loss of this source of cannabis may disproportionately impact some medical cannabis users. Previous research found differences in patient demographic and use patterns between people

**“It must be considered whether nonmedical stores are the ideal source for medical cannabis.”**

**—Rielle Capler, MHA, PhD**

using storefront dispensaries and those using other sources.<sup>2</sup> For example, individuals using storefront dispensaries were found to be older than patients who used other sources. In terms of patterns of use, patients using dispensaries purchased larger quantities of cannabis and placed a higher value on access to specific strains than patients obtaining cannabis elsewhere. It is possible that the new legal sources may address the needs of some of these individuals.

Some of the few remaining strictly medical dispensaries are attempting to find avenues to continue providing the products and services that patients have valued for the past 2 decades. One of first dispensaries in Canada has garnered the support of its municipal government to petition the British Columbia provincial government to grant it a temporary exemption from the province's Cannabis Control and Licensing Act,<sup>23</sup> so it can continue providing “responsible access and a safe, welcoming community space for medical cannabis users.”<sup>24</sup> It is unclear whether this dispensary, or the other remaining medical dispensaries, will continue to be tolerated until such a time when there are provisions for legal storefront retail for medical access.

► continued on page 36

## Dispensaries

continued from page 35

### Lessons From Canada: The Impact of Nonmedical Cannabis Regulation

An unintended consequence of nonmedical cannabis regulation may be that the needs of medical patients are overlooked. If the price of medical cannabis is too high, or products are not earmarked for the medical stream, patients will forego using the legal medical sources and will seek recreational or illegal sources. A review of the medical program is scheduled to take place within 5 years of the enactment of the 2018 Cannabis Act.<sup>25</sup> It will be vital to assess the impact of the new medical and nonmedical sources of cannabis on patient access and whether patient needs are being met through current legal channels. It is unclear what the outcome of that review will be, and how long it will take to implement any changes. It remains to be seen whether storefront access will finally be included in the legal medical stream, and, in the meantime, if dispensaries will continue to fill the gaps in this new regulatory climate.

## References

- Belle-Isle L, Walsh Z, Callaway R, et al. Barriers to access for Canadians who use cannabis for therapeutic purposes. *Int J Drug Policy*. 2014;25(4):691-699.
- Capler R, Walsh Z, Crosby K, et al. Are dispensaries indispensable? Patient experiences of access to cannabis from medical cannabis dispensaries in Canada. *Int J Drug Policy*. 2017;47:1-8.
- Government of Canada. Cannabis Act (S.C. 2018, c. 16). June 21, 2018. Accessed February 19, 2020. <https://laws-lois.justice.gc.ca/eng/acts/c-24.5/>
- Government of Canada. Cannabis Regulation. SOR/2018-144. Canada Gazette, Part II, Volume 152, Number 14. Accessed June 27, 2018. <http://gazette.gc.ca/rp-pr/p2/2018/2018-07-11/html/sor-dors144-eng.html>
- Government of Canada. Cannabis Survey 2019 Summary. Accessed February 3, 2020. <https://www.canada.ca/en/health-canada/services/publications/drugs-health-products/canadian-cannabis-survey-2019-summary.html>
- Government of Canada. ARCHIVED – market data under the Access to Cannabis for Medical Purposes Regulations. Accessed February 3, 2020. <https://www.canada.ca/en/health-canada/services/drugs-medication/cannabis/licensed-producers/market-data.html>
- Government of Canada. Data on Cannabis for Medical Purposes. Accessed February 3, 2020. <https://www.canada.ca/en/health-canada/services/drugs-medication/cannabis/research-data/medical-purpose.html>
- Canada Revenue Agency. Excise duty framework for cannabis. Accessed February 3, 2020. <https://www.canada.ca/en/revenue-agency/campaigns/cannabis-taxation.html>
- Lagerquist, J. Illegal pot now 44% cheaper than legal sources: StatCan. Yahoo Finance Canada. January 23, 2020. <https://ca.finance.yahoo.com/news/illegal-pot-now-44-cheaper-than-legal-sources-stat-can-142417443.html>
- Mazur, A. Canada's cannabis supply issues are real, despite feds' denial, says business professor. *Global News*. July 5, 2019. Accessed February 19, 2020. <https://globalnews.ca/news/5463653/canadas-cannabis-supply-feds-denial/>
- Medical Cannabis by Shoppers. Accessed February 3, 2020. [https://cannabis.shoppersdrugmart.ca/en\\_CA](https://cannabis.shoppersdrugmart.ca/en_CA)
- Krishnan, M. Don't get too excited about shoppers selling weed. *Vice*. January 8, 2019. Accessed February 19, 2020. [https://www.vice.com/en\\_ca/article/xwjb77/dont-get-too-excited-about-shoppers-selling-weed](https://www.vice.com/en_ca/article/xwjb77/dont-get-too-excited-about-shoppers-selling-weed)
- Statistics Canada. The retail cannabis market in Canada: a portrait of the first year. December 12, 2019. Accessed February 19, 2020. <https://www150.statcan.gc.ca/n1/pub/11-621-m/11-621-m2019005-eng.htm>
- Government of Canada. Regulations Amending the Cannabis Regulations (New Classes of Cannabis): SOR/2019-206. Canada Gazette, Part II, Volume 153, Number 13. June 13, 2019. Accessed February 19, 2020. <http://www.gazette.gc.ca/rp-pr/p2/2019/2019-06-26/html/sor-dors206-eng.html>
- Evanoff AB, Quan T, Dufault C, Awad M, Bierut LJ. Physicians-in-training are not prepared to prescribe medical marijuana. *Drug Alcohol Depend*. 2017;180:151-155.
- Vivintel. The Canadian cannabis study: post-legalization usage and opinions. 2019. Accessed February 3, 2020. <https://members.vividata.ca/wp-content/uploads/sites/2/2019/06/Vivintel-Canadian-Cannabis-Study-2019-SUMMARY.pdf>
- Walsh Z, Callaway R, Belle-Isle L, et al. Cannabis for therapeutic purposes: patient characteristics, access, and reasons for use. *Int J Drug Policy*. 2013;24(6):511-516.
- Hager M. Experts predict surge of pot shops across Canada after Trudeau win. November 11, 2015. Accessed February 19, 2020. <https://www.theglobeandmail.com/news/british-columbia/experts-predict-a-surge-in-pot-shops-across-canada-after-trudeau-win/article27225385/>
- Cain P. Pot dispensaries are sprouting up all over Canada. Here's why. April 20, 2016. Accessed February 19, 2020. <https://globalnews.ca/news/2645660/in-canadas-illegal-pot-market-a-legalized-future-takes-shape/>
- BBC News. Toronto walls off illegal pot shops with concrete blocks. July 19, 2019. Accessed February 19, 2020. <https://www.bbc.com/news/world-us-canada-49024678>
- Smyth, M. BC Government's Pot Squad targets illegal cannabis shops. The Province. December 7, 2019. Accessed February 19, 2020. <https://theprovince.com/news/bc-politics/mike-smyth-b-c-governments-pot-squad-targets-illegal-cannabis-shops>
- Government of Canada. Cannabis Survey 2018 Summary. Accessed February 19, 2020. <https://www.canada.ca/en/services/health/publications/drugs-health-products/canadian-cannabis-survey-2018-summary.html>
- Government of British Columbia. Cannabis Control and Licensing Act. [SBC 2018] Chapter 29. May 31, 2018. Accessed February 19, 2020. <http://www.bclaws.ca/civix/document/id/complete/statreg/18029>
- Lab, N. Victoria becomes first Canadian city to back exemption for unlicensed dispensary. Mugglehead. January 10, 2020. Accessed February 19, 2020. <https://mugglehead.com/victoria-becomes-first-canadian-city-to-back-exemption-for-unlicensed-cannabis-dispensary>
- Government of Canada. A Framework for the Legalization and Regulation of Cannabis in Canada. Chapter 5: Medical Access. Accessed February 23, 2020. <https://www.canada.ca/en/health-canada/services/drugs-medication/cannabis/laws-regulations/task-force-cannabis-legalization-regulation/framework-legalization-regulation-cannabis-in-canada.html#a5>

Dr. Capler has no financial conflicts of interest to disclose.

**The American Journal of Endocannabinoid Medicine (AJEM) is a new peer-reviewed journal aimed at educating physicians on medical cannabis. AJEM provides readers with original research, as well as expert opinion on the latest evidence-based research studies.**

For article submission guidelines, email [drjahanmarcu@ajendomed.com](mailto:drjahanmarcu@ajendomed.com)

[ajendomed.com](http://ajendomed.com)