Time to reassess WV's medical pot commerce

I am not a fan of cannabis (THC) but admit there is little evidence it creates anymore societal harm than alcohol, tobacco and other legal substances – all with their negative and costly health manifestations. If it is going to be used "medically" we must make sure patients know its potential positive and negative health effects. If you are an advocate of its legalization to spur economic growth and increased tax revenues, do it smartly.

Over the last few years, we have learned a few things about cannabis consumption and commerce. First, its concomitant use with opioids does nothing to reduce opioid use. Second, its use during pregnancy is increasing and limited studies show it doubles the rate of preterm deliveries, costly conditions. Research continues regarding highway safety, neurological and other effects.

Another recent trend is the greatly increased use of THC and CBD cannabinoids by the elderly. THC availability depends on one's location but CBD is readily available everywhere in many forms, topical, food and drink (including beer). Its legality and regulation are murky and it lacks studies demonstrating efficacy and safety. Its proponents swear by its efficacy to reduce pain, anxiety, insomnia and other ailments.

FDA espouses CBD needs to be subjected to extensive research and regulated but that is likely to be years away. The question to raise is whether individuals, especially the elderly, are going to go through the hassle and expense of obtaining medical THC if CBD is abundantly available and works for them.

Commercial and tax revenues from THC have been far below projections in most jurisdictions. The black market remains very active, estimated at 50% of sales in California and 76% in Canada. The one billion dollars in tax revenue projected by California has been revised to $360 million for the 2019-2020 period. Cannabis stock prices have dropped with a return in the 3%-4% range.

The reason is simple; government cannabis costs about 80% more than that available on the open market. What it would cost the state in increased law enforcement to reduce black market sales – and how successful it would be – I have no idea. I also do not know what percentage of current user would switch to government pot at an 80% premium. California's and Canada's experiences are not encouraging in wealthier settings.

Although West Virginia's program limits legitimate sales to medical use, it is doubtful it can count on medical insurance revenues. Well over 50 % of the State's population rely on federal (Medicare-Medicaid, VA) and State (PEIA) government programs to pay for patient care services and drugs. They do not pay for cannabis. This will mean that the State will have to set up a special fund to pay for cannabis for over one-half of its population they approve medically to receive it or the patients will pay out of pocket. In that case, it is likely most will forego the treatment, use the black market or try CBD.

Administrative, training, certification and security costs of setting up a “medical” program for a relatively small, low income population, that largely relies on federal and State resource for medical care, need to be analyzed and a policy decision made as to how their “medical” cannabis care costs will be paid.

The main question is how many West Virginians will be approved for medical THC and have the resources to buy it at 80% over the market rate? Secondary questions include how much the State will pay setting up the medical program, subsidizing THC costs for the low income populations, controlling the black market versus receive in increased tax revenues? It’s time for a reassessment.

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