

**DRAFT**  
**STATEMENT OF BASIS AND PURPOSE**  
**AND SPECIFIC STATUTORY AUTHORITY FOR**  
**Proposed Amendments to Rules and Regulations Pertaining to**  
**Medical Use of Marijuana (5 CCR 1006-2), Regulation 7 – Determination of fees**  
**to pay for administrative costs of the medical use of marijuana program**  
August 18, 2010

**Basis and Purpose.**

The Colorado Department of Public Health and Environment (department) is the state health agency responsible for the administration of the medical marijuana registry. Pursuant to Article XVIII, Section 14 of the Colorado Constitution, the department is granted the authority to set a fee to recover the direct and indirect costs of administering the program. During the 2010 legislative session, the General Assembly enacted Senate Bill 10-109, which requires that the department promulgate rules allowing an individual to claim indigence, and for those who meet the indigent status, their application fee will be waived. These rules set the indigency standard as receipt of benefits through a means-tested program, including Colorado Medicaid, Food Assistance, or Supplemental Security Income (SSI) benefits. The rules may be expanded to include additional benefits programs, specifically the Colorado Indigent Care Program (CICP) and the Supplemental Nutrition Program for Women, Infants and Children (WIC).

**Specific Statutory Authority.**

These rules are promulgated pursuant to the following statutes:  
C.R.S. § 25-1.5-106 as amended by Senate Bill 10-109 and Colorado Constitution Article XVIII, section 14.

**Major Factual and Policy Issues Encountered.**

The department looked to other state medical marijuana programs to determine what indigency standards were already in use. Both the Oregon and Michigan medical marijuana programs contain standards for reducing an application fee based upon receipt of benefits from a means-tested program, including Medicaid, Food Assistance (Oregon only), and SSI. The department opted for this approach to an indigency fee premised on the fact that individuals who qualify have already been subject to a means-based test in another benefits program, thus demonstrating a reduced level of available income and/or resources. Additionally, acceptance of eligibility in another benefits program as proof of indigency allows the department to quickly implement the standard with little need for independent review of source documentation other than confirmation of the validity of the document purporting to indicate eligibility for the individual, which may ultimately be confirmed through electronic means. Without such a streamlined eligibility process, the department would likely need to spend additional time evaluating income and resource documentation for each applicant for an indigency waiver, which would add more time to the processing of each application.

**Alternative Rules Considered and Why Rejected.**

No alternative rules were considered.