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## Fwd: Department of Health Responds to Statement By Licensed Non-Profit Producer

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From: **New Mexico Department of Health** <[david.morgan@state.nm.us](mailto:david.morgan@state.nm.us)>

Date: Fri, Oct 18, 2019 at 5:36 PM

Subject: Department of Health Responds to Statement By Licensed Non-Profit Producer

To:

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### FOR IMMEDIATE RELEASE:

October 18, 2019

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### Department of Health Responds to Statement By Licensed Non-Profit Producer

**SANTA FE, NM** – Ultra Health, a licensed non-profit producer (LNPP) for the New Mexico Department of Health (NMDOH) Medical Cannabis Program, issued a press release today accusing the department of unfairly raising fees for both patients and LNPPs.

"The idea the NMDOH is trying to raise fees in a punitive manner or increase patient costs is misleading and incorrect," said Medical Cannabis Program Director Dominick Zurlo.

The Department of Health is committed to ensuring safe access to medical cannabis for patients, and in doing so has increased plant count for LNPPs by over 200%. Increasing plant count comes with increased regulatory overhead. As a result, the Medical Cannabis Program continues to expand and hire additional staff to improve patient application processes and time-frames while also increasing the ability to ensure products which are available to patients are safe to consume. This also includes working with producers to lower overall fees per plant, which allows them to reduce costs to the patient.

The New Mexico LLNPs grossed approximately \$115 million last year, and have the opportunity to make about 200% more in revenue than last year. The department's increase of fees equals \$3.8 million dollars – a tiny number in comparison to the \$200-300 million LNPPs can earn this year.

The current fee structure represents a significant decrease in the total average plant fee for all producers which will help to reduce costs for patients. It is more than a 50%

reduction of the fee paid per plant in 2018 when the total number of plants allowed at any one time is considered. This decrease in the costs per-plant has already allowed for more than double the amount of plants available under the 2018 regulatory structure and at a much lower price per plant average for the total plant count in the state. In 2018, producers paid an average of \$200.00 per plant fee. This new structure has resulted in a total per-plant average of \$96.40 for all licensed non-profit producers in New Mexico.

For a further breakdown: The previous cost per plant under the old fee structure was \$200.00 per plant. The current fee structure includes a graduated amount with the licensed non-profit producers who elect to grow fewer plants are paying \$80.00 per plant average and the producers who elected to utilize the maximum allowed pay \$102.86 per plant average.

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