

Seed to sale: Missouri DHSS releases proposed rules for dispensaries

The Missouri Department of Health and Senior Services (“DHSS”) released proposed rules regarding medical cannabis facilities on March 15, 2019. The newest set of proposed rules sets forth requirements for all medical cannabis facilities and also lays out specific rules for particular types of medical cannabis businesses, such as dispensaries, cultivation facilities, and infused product manufacturing facilities. The rules outline the application process, day-to-day operations, security protocols, and physical requirements for the facilities themselves. The proposed rules are subject to comment until early June, at which point the DHSS will finalize and promulgate the rules.

According to the proposed rules, the DHSS will provide electronic forms for applications. Applicants will need to submit detailed information about their corporate organization, business plan, and their proposed facility as well as background checks and fingerprint records for all the owners, directors, and officers of the dispensary. Moreover, no facility could begin operating until after DHSS performs a “commencement inspection” and approves the opening of the facility.

The rules require dispensaries to implement particular inventory control methods to follow the “seed to sale” tracking requirements of Amendment 2. The rules also mandate training for dispensary employees in privacy protocols under the Health Insurance Portability and Accountability Act, keeping with DHSS’s stated goal of ensuring that the Missouri medical cannabis program’s administration prioritizes health care for Missourians. Dispensaries are also expected to establish workflows that ensure medical cannabis and medical cannabis products are properly labeled and packaged, qualifying patients are educated about the products they purchase, and that any ingestible infused food products adhere to applicable food safety standards.

Dispensaries are required, under the proposed rules, to enact stringent safety and security protocols to protect patients and dispensary employees. Among the requirements are strict reporting standards for any thefts, breaches of security, and equipment malfunctions. Dispensaries must also designate a security director who would ensure that the dispensary’s security protocols are disseminated and followed by all dispensary employees. The proposed rules also contain specifications for the physical layout of dispensaries themselves, requiring waiting rooms, double fences, and restricted access areas. These design requirements, as well as the other detailed requirements in the proposed rules are complex and could significantly impact the business preparation plans of any prospective medical cannabis dispensary owner or operator.

Thompson Coburn attorneys are available to analyze proposed rules as they move through the comment period and become final.

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