



Eric Hauser, RPh., President Organic Remedies

Eric Hauser currently serves as President of Organic Remedies. Eric co-founded the company with Jaime and Mark Toigo in 2016. Under Hauser's leadership, Organic Remedies has become one of Pennsylvania's premier medical marijuana growers, processors, and dispensary operators.

Organic Remedies was among the first dispensaries to open in the state of Pennsylvania in February 2018. Hauser accurately anticipated the knowledge gap surrounding medical marijuana in Pennsylvania with respect to both traditional healthcare workers and patients. To address this, he coordinated an extensive community outreach effort that today is credited for educating thousands of Pennsylvania-based healthcare workers, healthcare students, law enforcement officers, patients, caregivers, and the general public.

Under Hauser's guidance, Organic Remedies adopted a high-touch clinical approach to treatment with medical marijuana that is outcomes-based. Patients are regularly referred to Organic Remedies by certifying physicians because they are familiar and comfortable with the high level of patient care provided by pharmacists and other patient-facing staff within Organic Remedies dispensaries.

Hauser has become the "go to" subject matter expert for many Pennsylvania based physicians, human resource professionals, law enforcement officers, universities, health care systems, patients and caregivers. As an example, Hauser and his team have hosted hundreds of educational events at various venues, including but not limited to universities, health care systems, physician groups and continuing educational seminars for pharmacists, attorneys, and human resource professionals.

Under Hauser's leadership, the Organic Remedies team, has helped more than 75,000 Pennsylvania-based patients and caregivers. The Organic Remedies team has established themselves as a leader in medical marijuana education, products, services and advice over the past 5 years.

Prior to serving as President of Organic Remedies, Eric served in many leadership roles within the pharmacy industry. He worked for Rite Aid Corporation for over 27 years holding roles of increasing responsibility, including student intern, pharmacist, pharmacy manager, district manager, manager of special projects, and manager of pharmacy operations. Hauser's last two roles within Rite Aid were leadership positions where he had responsibilities companywide involving over 3,000 stores nationwide.



Hauser is a lifelong resident of Pennsylvania and has spent his entire career in the pharmacy industry. In 1994, he graduated at the top of his class from Duquesne University School of Pharmacy and within a few months become a licensed pharmacist in Pennsylvania. Due to his early leadership roles within pharmacy, Hauser is also licensed as a pharmacist in West Virginia and Maryland.



ADULT USE FOR THE COMMONWEALTH- CLINICAL REGISTRANT PERSPECTIVE

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Based in Carlisle, PA., Organic Remedies cultivates, manufactures, and dispenses safe, effective medical marijuana products for certified PA patients. OR is advancing medical marijuana therapies through genetics, collaborative research, and superior patient care. Specially trained pharmacists and patient care consultants deliver a clinical approach for the utilization of medical marijuana that is patient-focused, collaborative and outcomes based. Dispensaries are located in Chambersburg, Enola, Paoli, N. Pittsburgh, S. Pittsburgh, and York.

INTRODUCTION

Hello, I'm Eric Hauser, President of Organic Remedies. It is an honor to speak with you today on an important topic for all Pennsylvania residents, especially existing medical marijuana patients and future marijuana consumers, should an adult use program be implemented in the Commonwealth.

- A little about Organic Remedies. OR is one of 9 clinical registrants in the state. As a state-approved clinical registrant, Organic Remedies is licensed to grow and process medical marijuana and operate medical marijuana dispensaries.
- Since 2020, OR and its academic partner, Pennsylvania College of Osteopathic Medicine has been conducting valuable research dedicated to increasing understanding of health outcomes involving cannabinoids and medical marijuana.
- We recognize that the cannabis research model established by Chapter 20 of Act 16 is at the forefront of cannabis science and is enabling Pennsylvania to become a leader in the field. We take this responsibility seriously and are proud of our research to date.
- I'd like to share with you some of the findings we have published thus far.

RESEARCH STUDIES

- Over the past four years, researchers at the Philadelphia College of Osteopathic Medicine have studied changes in quality of life and symptom severity in new Pennsylvania medical marijuana patients. This is one of the largest longitudinal studies of medical marijuana to date.
- Researchers followed more than 450 patients over the first year of their medical marijuana use for any of the 20+ approved medical conditions in PA.
 - The most common reasons people began medical marijuana in PA were for chronic pain and anxiety.
 - Across medical conditions, medical marijuana users reported rapid (first three months) and substantial improvements in their medical symptoms, but also in their quality of life (better physical and emotional functioning, less pain and fatigue, improved social lives).
 - For example, medical marijuana users with anxiety disorders reported a greater than 30% decrease in the severity of their anxiety after three months.
 - Their anxiety severity went from the "moderate" to the "mild" range.
 - In patients taking prescription medications for anxiety, including benzodiazepines that can have notable safety concerns, 32% reported that they were able to reduce or eliminate their prescription medication use for anxiety over three months of medical marijuana use.
 - Researchers have presented data at several international scientific conferences (American Public Health Association 2021; American Psychological Association 2023; Association for Behavioral and Cognitive Therapies 2022), and published data in peer-reviewed journals (*Journal of Affective Disorders Reports* 2023; *Journal of Cannabis Research* 2022; *Medical Cannabis and Cannabinoids* 2022).
 - Researchers are also collecting data on the potential negative social, occupational, physical, and personal consequences associated with medical marijuana use, as well concurrent use of other substances and legal involvement over the first year of use. While data collection is not yet complete, the overall rates of reported problems or adverse consequences are very low.

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- It is plausible that one of the reasons that these data indicate such positive outcomes in regards to symptom severity and quality of life, and very few adverse consequences, is because of the manner in which medical marijuana is dispensed in PA.
 - The medical marijuana product landscape is vast and complex, with different strains, dosing and routes of administration. Currently, medical marijuana users in PA work closely with dispensary pharmacists and trained dispensary retail staff to determine the best approach to address their medical needs while providing instructions for safe use and storage.
 - If adult use is made legal in PA, marijuana is likely to be sought for conditions currently approved by the medical marijuana program, as well as for sleep and relaxation. Dispensaries with trained pharmacists and staff are well-positioned to continue to address the needs of users (recreationally or medically), promote safe use and assist with research studies that monitor and report beneficial and adverse effects of marijuana.
- Additionally, research is expensive. We are currently funding 9 research studies with PCOM. Staffing and resources are costly. As we move to adult-use, the additional revenue will allow us to fund additional research studies. We can expand research into more areas, including specific disease state outcomes.

HEALTH AND PUBLIC SAFETY

- OR dispensaries are highly focused on patient health and public safety.
 - We have highly trained pharmacists in every dispensary as required by the PA Medical Marijuana program. Our pharmacists provide expert counseling to every patient the first time they visit, and many patients continue working with our pharmacists long-term as they work to improve their health conditions.
 - Not only are our pharmacists trained experts, but also our patient care consultants or sales staff (we call PCC's) have extensive training in proper consumption of our products. Most patients have limited experience and knowledge of the various forms of medical marijuana, dosing, onset, duration - our pharmacists and care consultants are there to answer their questions; provide expert advice so that patients get the best product for their individual healthcare concerns and understand how much to consume for the desired effects.
 - It is important to understand cannabis is a complex plant, with hundreds of various strains and plant components that react in individual patients differently. Finding the "sweet spot" for health improvement is critical. Our pharmacists and care consultants are passionate about helping patients live their best life with medical marijuana.
- It is important to maintain this dispensary model in an adult-use scenario. Many new consumers who visit will have questions about forms and dosing.
 - A prime example is edibles, for instance, gummies. Gummies do not deliver an immediate effect. Many consumers try a gummy and expect an immediate effect. When that effect does not happen immediately, they consume more. This can lead to strong effects that are unwanted. It is important for experts to advise consumers about the onset of effects and the proper amount to ingest, so that adverse effects do not occur. Consumers need to understand how to consume medical or adult use marijuana safely.
- Our medical marijuana program ensures the safety of our patients and will continue to provide a "safety net" in an adult use market, specifically in terms of regulating consumption by minors or pregnant women, which has not yet been established as safe.
 - Our pharmacists and care consultants remind existing patients and will remind adult use consumers of the potential risks to children, adolescents, and pregnant women.
 - Current medical marijuana regulations specify child-proof containers for medical marijuana products, and we maintain a strict adherence to those regulations. This will continue to be important in an adult use market.
- Our dispensary staff is the front line for safety in an adult use market.

TRANSITIONING TO ADULT USE

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- In an adult use market, many people will be visiting dispensaries, looking for answers to questions about the products, about health improvements. Who better to provide accurate advice than pharmacists and care consultants? We have the knowledge and the experience to provide the answers they need.
- We also have the infrastructure in place to make the transition to adult use quickly, within 90 days. Most of our neighboring states have implemented adult-use using the existing infrastructure. Some have done better than others, but in most states, using the existing infrastructure where medical marijuana dispensaries transition to sell both medical and adult use products has worked well. The result has been a seamless transition for the state, the consumers, and the cannabis industry.
- Here in PA, we have a strong medical marijuana program, recognized across the nation as one of the best state medical marijuana programs.
 - It stands to reason that using the current infrastructure to transition to adult use would expedite the transition:
 - Protecting consumer safety of those who today purchase marijuana from the illicit market, an untested marijuana with no quality controls thus an unsafe source of marijuana;
 - Benefiting our state by expediting tax revenue by reducing the runway for implementation;
 - Leveraging existing medical marijuana businesses, which have a vested business interest in the state industry.
- We can learn a lot from what has been done in other states. Some have done well, some not so well. I'll leave you with a document that gives a quick at-a-glance look at how other states have implemented adult use, and some of the learnings to date.
 - In general, those states which have done well— implemented their adult use program in 90 days and did not mandate specific products to be either medical or adult use. The difference being an increase in taxes on adult use products.
 - This allows the current infrastructure to roll out the transition in a timely manner and results in an immediate tax revenue stream without jeopardizing medical patients.
- History tells us that medical marijuana programs that transition to adult use almost immediately results in an increase of 3 to 5 times the number of consumers.
 - Here in PA, with more than 400,000 current medical card holders, that number could increase to 1.2 million to 2 million almost overnight.
 - The medical marijuana industry in PA is in a good position to meet that increase in demand. We have no shortages on product, and in fact, we have a glut in the market now, with plenty of product in the supply chain to meet the expected increase in consumer demand—if we use the current infrastructure.

UNDER-SERVED COMMUNITIES

- As you may know, the PA Dept. of Health has identified 13 rural counties as being underserved by the state's medical marijuana industry. Act 63, which goes into effect in mid-April may translate into less disparity for these counties, but I would strongly recommend this body to consider encouraging new dispensary permit holders that result from the passage of an adult use bill to locate in these underserved areas versus allowing liquor stores to serve these areas in light of many of the points I have already shared with you today, consumer safety being the top priority.

CLOSING

- In closing, I thank you for giving me and my fellow colleagues the opportunity to share our expertise and knowledge in this industry. As a clinical registrant, Organic Remedies is closely connected to our patients. We've cultivated strong relationships with many of our patients. They trust us to help them live a better quality of life. And we are looking forward to expansion of the industry in the Commonwealth so that many more individuals can easily access the safe products that we offer.
- Thank you. I'll now open the floor to your questions.



AT-A-GLANCE NEIGHBORING STATE ADULT USE IMPLEMENTATION

CONNECTICUT

- Connecticut began 2023 with the opening of the state's first adult-use marijuana stores in January.
- State regulators granted hybrid licenses to a number of existing medical marijuana providers to supply both markets.
- Ahead of the launch, officials issued an advisory to medical cannabis patients encouraging them to stock up in order to "avoid long lines and traffic that may develop around hybrid retailers."
- By November, however, regulators said the market had mostly stabilized, and the state doubled the adult-use purchase limit

NEW JERSEY

- Jan. 1, 2021 - Amendment to the state constitution legalized cannabis; enabling legislation and related bills signed into law by the governor on February 22, 2021
- New Jersey law makes a legal distinction between cannabis and marijuana. In short, cannabis refers to the regulated form of the plant (what is grown, bought, and sold by New Jersey state-licensed cannabis businesses) and marijuana refers to the unregulated form of the plant (what is grown, bought, and sold in the illicit market).
 - Residents 21 years and older.
 - 28.35 grams (1 ounce) of dried flower, or
 - 4 grams of solid cannabis concentrates or resin, or the equivalent of 4 grams of concentrate in liquid form (solution in milliliters), or
 - 4 grams of vaporized formulations (oil), or
 - 1000 mg of multiple ingestible cannabis-infused products (10 100 mg packages) like gummies
- April 2022- recreational cannabis market officially opened, with just 22 dispensaries largely owned by multi-state operators.
- 2023- First full year of legal cannabis sales
 - 57 dispensaries that opened in the Garden State this year, the first full year recreational cannabis has been legal in New Jersey.
 - Dec. 2023- 79 dispensaries opened in 18 counties, 40 of those are open to both medical and recreational. 9 are only open to medical users.
- Cannabis is some of the most expensive in the country, because of lack of competition.
- Cannabis officials confirmed there was an issue with the application process in 2022, which categorized some applications incorrectly and delayed processing.
- Two-thirds of municipalities across the state have banned cannabis dispensaries within their borders.
- Commission officials have said local officials limiting where dispensaries can open has prevented the industry from thriving statewide.

NEW YORK

- 2016- Medical Marijuana legalized
- March, 2021- Recreational marijuana legalized
 - Created Office of Cannabis Management (OCM) governed by a Cannabis Control Board to oversee and implement the law
 - Adults 21 years and older
 - Possess 3 ounces of cannabis or 24 grams of concentrated cannabis
 - Possess up to 5 pounds of cannabis at their personal residence or grounds
- New York's cannabis law specifies that the licensing process should "award (50) percent of adult-use cannabis licenses to social and economic equity applicants," including prioritizing "individuals from communities disproportionately impacted by the enforcement of cannabis prohibition," minority-owned businesses, women-owned businesses, distressed farmers and service-disabled veterans.
 - Launched sales by promising first retail licenses to people with past drug convictions, hoping to give people harmed by war on drugs a chance to succeed before competitors came into state.
- Delays in setting up a \$200 million social equity fund to jump-start entrepreneurs has hampered its rollout.
- Dec. 2022- First legal cannabis shop opens.

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- Nine months after sales started, only 24 dispensaries were open.
- Legal challenges over the state's permitting process left more than 400 licenses in limbo. Too few stores to sell.
- Illegal black-market sellers opened dispensaries without a license.
 - March 2023, officials calculated 1,400 unlicensed shops in the five boroughs.
 - Illegal shops undercut the legal stores, selling marijuana at much cheaper costs; but presents much larger safety issue, because the marijuana is not lab tested.
- Sept. 2023- NY State Cannabis Control Board voted to expand access to license applications; In October, the general public could apply.
- 2023- Generated \$150M in Sales; \$16.3M Tax revenue- far behind \$1.25B
- Jan. 2024- Nearly two years after the state legalized recreational marijuana, an estimated 1,500 illegal dispensaries have opened in New York City, while roughly 36,000 have opened statewide. Yet only nearly a dozen legal locations exist in the city, and fewer than 50 across the state have been approved for a license.

MARYLAND

- Maryland lawmakers worked swiftly in 2023 to pass a sales regulation bill just a few months before legalization in that state took effect, in July.
- By the start of July, nearly 100 existing medical marijuana dispensaries had been approved to start serving adults 21 and over.
- Within the first weekend of legal recreational sales, storefronts had sold more than \$10 million worth of products.
- In terms of state revenue, the Maryland Cannabis Administration said in December that the state collected more than \$12 million in marijuana tax revenue during the first three months of legal sales.

MISSOURI

- Missouri's first legal sale of marijuana for nonmedical use happened in February 2023, following voters' approval of a legalization initiative the November before.
- Less than two months after the market launch, the change had created thousands of new jobs.
- One CEO said the state came to be seen as the "darling" of the cannabis industry after hitting \$102.9 million in sales—\$72 million for recreational marijuana—during the market's first month of operation. By the next month, the combined sales figure had grown by nearly a quarter, to \$126 million overall.