

**Department of Health and Human Services (DHHS)
Advisory Committee on Problem Gambling (ACPG)
Program Concepts Workgroup Meeting**

September 19, 2016

DRAFT Meeting Minutes

Meeting Held via Teleconference

Physical Location: 1820 E Sahara Avenue Suite 208, Las Vegas NV

Members Present

Ryan Gerchman
Ted Hartwell
Dr. Jeff Marotta
Stephanie Pyle
Denise Quirk
Lana Robards
Sarah St. John
Laura Adair, Pat Petrie

Members Absent

Sydney Smith

Others Present

Lori Flores, The Problem Gambling Center
Laura Adair and Pat Petrie, DHHS Office of Community Partnerships and Grants

I. Call to Order, Welcome, Introductions and Announcements

Pat Petrie took roll call and a quorum was confirmed. Workgroup Chair Ted Hartwell welcomed the participants and asked if any members of the public were present on the call. Lori Flores of The Problem Gambling Center identified herself.

II. Public Comment

None

III. Approve Minutes of August 15, 2016 Workgroup Meeting

- Denise Quirk moved to approve the minutes of the August 15, 2016 Program Concepts Workgroup meeting as presented. The motion was seconded by Stephanie Pyle and carried unopposed.

IV. Review Draft Talking Points

Mr. Hartwell confirmed that everyone had received a copy of the revised Draft Legislative Talking Points dated 9/18/16. He asked Denise Quirk to lead the group through each item for purposes of discussion. He noted that the statements in red font were additions to the document provided by Dr. Marotta and asked the group to offer suggestions for editing, replacing or removing information in the document. His goal for this meeting was to refine the document into a final draft to present to the Legislative Workgroup.

Ms. Quirk led discussion through the Talking Points document (Attachment A). Changes and assigned tasks are noted below in bold font.

STATEMENT 1. Legislation that created the Revolving Account for the Prevention and Treatment of Problem Gambling needs to be updated to account for changes in the State's gaming industry.

- No comments, adjustments or assignments.

STATEMENT 2. Nevada ranks 2nd in the nation for gambling revenue per resident age 18 and above, yet ranks 15th in the nation for per capita problem gambling service funding.

- The group discussed whether to recommend \$1 per capita, or "a minimum of" \$1 per capita. Consensus was that they had previously decided on "a minimum of" \$1 per capita. Dr. Marotta noted that the suggestion of "one percent of gaming revenue" would result in a huge amount; based on 2015 revenue, it would come to \$100 million per year. Mr. Hartwell agreed that even one-tenth of one percent would be more than the group would want to ask for.
- Ms. Pyle suggested that it may be useful to capture, as Minnesota and Canada did, how much revenue is from gamblers with moderate to severe gambling problems. Dr. Marotta noted that the percentage differs depending on the study's methodology, and that much of Nevada's revenue comes from out-of-state gamblers. A disproportionate amount of revenue comes from problem gamblers, but it's difficult to determine how many of them are Nevadans. For purposes of presenting to the legislature, Ms. Quirk felt the group should focus on Nevada gamblers. Dr. Marotta agreed and suggested that instead of trying to determine the percentage of Nevadans, they provide a range and find a citation for that range.

Ms. Pyle to come up with a bullet point for that, with input from Ted and Lana.

- Mr. Hartwell asked whether it would be worthwhile, in terms of asking for additional dollars, to call attention to how significant the disproportion is. He quoted Alan Feldman and others as saying that the majority can gamble responsibly; the percentage that don't is relatively small. From the standpoint of maintaining industry relations and support, if we were able to treat all problem gamblers and take them out of the equation, it would be a 20 plus point hit to the industry. Ms. Quirk felt that even if all 20% were treated, not all are cured, and the industry will get their revenue one way or another. She likes the concept of gathering the data to be able to say we already made a dent of (x) number of people or (x) percentage of people manifesting a gambling problem and we just want to continue making a difference.
- Mr. Hartwell asked if a bullet should be added with that data – a statement to the effect that a disproportionate percentage of gaming revenue comes from problem gamblers. Ms. Pyle and Ms. Quirk quoted studies that showed percentage ranges, but Dr. Marotta felt those studies were outdated and the numbers have changed a lot, and suggested they find something specific to gaming revenue, rather than casino revenue, which includes restaurants, hotel rooms, etc. He felt it should be kept vague – "a disproportionate amount of gambling revenue comes from problem gambling" and if the group wanted to include a number, they would need to find something specific to gaming revenues and not casino revenues.

Mr. Hartwell added that as a bullet point.

STATEMENT 3. Throughout Nevada's recent internet gambling legalization process, problem gambling was a central and important policy concern.

- Dr. Marotta confirmed that these statements are from a few years ago, and while they are not quite as relevant as they were, they are still accurate.

He recommended deleting "recent" from the "recent internet gambling process" and change the wording to the past tense.

- Ms. Quirk asked about the impact of fantasy football and whether that should be considered. Dr. Marotta thought the impact would be minimal. Sarah St. John stated that the survey does not include anything related to fantasy sports as a preselected option, but could be cited as a write-in option. Internet is listed an option, but not fantasy sports. Ms. Quirk suggested adding that question to the next version of the survey. Her clients almost always indicate that as their second or third choice. They participate mostly at home or with buddies or in a club, rather than in a casino. Lana Robards noted that a patent has been written so sports books can take part in fantasy sports, and that will be coming on the market in the next year or two. She also commented that one of the downtown casinos has added an e-lounge. Ms. Quirk suggested they might state that we are monitoring this aspect of the industry and taking it into consideration.

Mr. Hartwell will add another bullet about the rise in popularity and uncertainty about e-sports and fantasy sports.

STATEMENT 4. Nevada needs to focus on population health, and to do so takes a larger investment in problem gambling prevention and health promotion than the current annual investment in problem gambling services allows.

- The group discussed whether it would be advantageous to include a dollar amount. It could be useful if the question comes up as to how the increased dollars would be spent. Ms. Quirk cited Rachel Volberg's quote of \$1-1.5 million for a prevalence study. Mr. Hartwell agreed it would be useful to cite the prevalence study so those dollars would be separate from the annual ask. Dr. Marotta commented that the cost could range between \$100,000 and \$3 million, depending on the methodology used, but because Dr. Volberg conducted our last study and is familiar with its deficiencies, as well as the fact that she has done more of these than anyone else in the world, he would be prone to using her estimate over anyone else's. He suggested that if they do use her quote of \$1.5 million, they should also directly cite her.

Ms. Quirk offered to contact Dr. Volberg for her okay.

- The group next discussed a dollar figure for an effective prevention campaign and who could provide a quote for that. Dr. Marotta suggested contacting a marketing agency. He knew of two states with impressive campaigns, Ohio and Oregon. Their marketing campaign budget and treatment numbers could be cited, but on the surface, the math looks unbalanced. Oregon spent \$1.5 million and saw an additional 1,000 enter treatment, for an overall total of 15-16,000 clients being treated. Mr. Hartwell responded that comes to \$1,500 per person to get someone into treatment, and if we spend that or less in treatment, the savings in dollars, never mind the lives saved from debt, is a great return. If we can attract another 1,000 people into the system, that would be huge. Ms. Robards noted it would almost double the number of people currently being treated in the program.

Ms. Quirk, with help from Ms. Pyle and Dr. Marotta, will work on a bullet point around that issue, citing Oregon's numbers, what they use, and the additional people they attract into the program, and tie that into State costs of criminal justice, litigation system, etc., highlighting the differences between Nevada and Oregon, and how we could double our numbers.

STATEMENT 5. Problem gambling directly impacts tens of thousands of Nevadans.

- The group discussed use of the terms disordered, pathological, and problem gambling. Dr. Marotta noted that the data is specific to a study that used the criteria for pathological gambling. Ms. Quirk thought the study collected data for all three, and leans towards the broader net, which would result in a much higher number to support the argument for funding. Dr. Marotta was hesitant because that number was highly criticized and felt to be too high. When he did the prevention report, he was asked not to include a specific number because it was so controversial.

**Upon further discussion, it was decided to use 6.4% of the population.
Dr. Marotta will check the current population census data.**

STATEMENT 6. Treating problem and pathological gamblers saves Nevada taxpayer dollars.

**To simply the statement, the group agreed to remove "and pathological" so it would read:
"Treating problem gamblers saves ..."**

- The group discussed the suggested sub-bullet in red font, with a generic statement that problem gambling costs the State "hundreds of millions of dollars annually". Ms. Pyle wasn't convinced the statement would have much impact on the legislators. Dr. Marotta thought the dollar amount sounded too high.

The group decided to leave the comment in as a discussion point for the ACPG.

STATEMENT 7. Treatment is effective and inexpensive.

- The group discussed whether the 3,000 Nevadans quoted is a current number, going back to 2006.

**Sarah St. John will confirm numbers through the fee-for-service system, going back to 2011.
She also agreed to look into numbers going back to 2006.**

- Mr. Hartwell asked about the significant decrease in the average treatment cost between FY16 and 2014. It was determined that the data covers outpatient treatment only, which should be clarified in the sub-bullet.

**Ms. St. John will double-check the dollar amount of average treatment cost per case.
Mr. Petrie will search for inpatient treatment costs to be added to the sub-bullet.**

- Mr. Hartwell asked if a comment should be included regarding the increase in reimbursement rates as additional support for a funding increase. Dr. Marotta felt the legislature would be most interested in how many are served, rather than how much clinics are being reimbursed and suggested focusing on the need to treat more people.

Delete this comment from the talking points, but save it as backup.

STATEMENT 8. Funding for prevention, workforce development, and research is needed.

- The group discussed the first sub-bullet in red font, which was put together from Sarah's comment at the last meeting, and felt it needed wordsmithing. Ms. Quirk stated that in Washoe County alone there are 25,000 people who are not accessing treatment, and when people do find her clinic, they say they didn't know about the program. She thought that should somehow be included in the statement. Mr. Hartwell agreed, adding that we don't want to imply we always have trouble spending out funds; this last quarter was unique.

The last part of the statement needs work. Mr. Hartwell suggested Tony Cabot rewrite that part.

- The second sub-bullet in red font pertained to the lack of interns. Mr. Hartwell asked if the group wanted to include data from providers outside system, adding that he received data from Sydney, who saw 46 clients in the first two quarters of this calendar year. Ms. Quirk thought that this sub-bullet dealt with two different concepts and perhaps should be split into two sub-bullets.

Mr. Hartwell will work on this and send to Ms. Quirk for further work.

Ms. Quirk also suggested adding State-funded incentives to grow the internship program. Ms. Robards agreed; in order to turn out the best certified problem gambling counselor, it takes additional funding to get them the education and clinical supervision they need.

Ms. Robards and Ms. Quirk to wordsmith the internship piece further.

STATEMENT 9. Nevada should play a leadership role in problem gambling prevention and treatment.

- No comments, additions or assignments.

GRAPH ON FINAL PAGE

- Dr. Marotta commented that this graph shows per capita allocations based on 2013. Statement 2 includes per capita data from 2016, and there is a discrepancy between the two. He will have an updated chart for 2016 in about three months, hopefully in time to include in the final document.

Dr. Marotta suggested taking out the old information, or leaving it as a placeholder until we can determine whether the new data supports the cause.

Mr. Hartwell did not see a need to meet again if the workgroup members trusted him to revise the draft and forward it to the Legislative Workgroup without further review. The group agreed and asked for a timeframe to get their assignments to him; Mr. Harwell asked the group to get their information to him by Friday, September 30. This would allow him time to put together a new draft. Since the Legislative Workgroup does not have another meeting scheduled, Mr. Petrie volunteered to forward it to Tony Cabot and ask how he would like to proceed, perhaps presenting it at the November 17 ACPG meeting.

V. Approve Talking Points

Tabled

VI. Public Comment

None

VII. Schedule Next Meeting or Designate Member to Approve Final Meeting Minutes

The group had previously decided not to schedule another meeting.

VIII. Additional Announcements and Adjournment

There were no additional announcements. Mr. Hartwell entertained a motion to adjourn, and the meeting ended at 1:30 PM.

DRAFT

Increase Funding for Problem Gambling Services 2017 Legislative Session Talking Points

DRAFT Version 9/18/16

Legislation that created the Revolving Account for the Prevention and Treatment of Problem Gambling needs to be updated to account for changes in the State's gaming industry

- Funding for DHHS problem gambling services rely exclusively on the \$2 per slot machine fee that was first enabled over a decade ago (NRS 458A).
- While the problem gambling service system has developed over the past decade, along with gambling treatment demand, funding for that system has decreased from \$1,700,000 in 2008 to approximately \$1,315,000 for SFY 2016 and 2017.
- There has been a trend in Nevada's gaming industry away from slot machines with a concurrent trend towards increased revenue from remote/internet gaming and table gaming.

Nevada ranks 2nd in the nation for gambling revenue per resident age 18 and aboveⁱ yet ranks 15th in nation for per capita problem gambling service fundingⁱⁱ

- Nevada invested \$0.60 per resident age 18+ toward problem gambling services in 2016.
- Nevada gambling revenue per resident age 18 and above was \$418.20 in 2015.
- **The National Council on Problem Gambling has recommended an (minimum?) investment of at least \$1 per capita to address the issue of problem gambling. The**

Throughout Nevada's recent internet gambling legalization process, problem gambling was a central and important policy concern

- Nevada's Gaming Policy Committee and Gaming Control Board heard testimony from gaming industry experts that a strong problem gambling system must accompany this expansion of gambling in the state – a perspective that was met with enthusiasm from both entities.
- We need to invest in and develop a robust, effective, and efficient problem gambling system in order to be prepared for these needs in the not too distant future.

Nevada needs to focus on population health and to do so takes a larger investment in problem gambling prevention and health promotion than the current annual investment in problem gambling services allow

- We need good data to develop good health promotion programs. The only statewide problem gambling survey conducted is now more than 15 years old. We need sufficient funds to sponsor a new survey.
- In SFY 2016 about \$250,000 was invested in problem gambling prevention. This amount is not sufficient to deliver problem gambling prevention services throughout the state or finance an effective public awareness campaign.

Problem gambling directly impacts tens of thousands of Nevadans

- About 68,000 adult Nevadans are estimated to meet the criteria for pathological (should we change references to disordered gambling throughout? Or still relay on "problem" and "pathological" in our descriptions?) gambling.ⁱⁱⁱ
- In addition, this disorder affects countless other family members, children, businesses, and communities.

Treating problem and pathological gamblers saves Nevada taxpayer dollars

- Problem gamblers report high rates of bankruptcy, divorce, civil and criminal judicial system involvement.^{iv}
- Problem gamblers manifest high rates of mental health problems^v and suicide attempts.^{vii}

- Problem gambling is associated with loss of productivity due to problems on the job, absences, and workplace disruptions.^{viii}
- (Can we make any sort of generic statement about PG costing the state hundreds of millions of dollars annually, or are we on a slippery slope with such statements?)

Treatment is effective and inexpensive

- Gambling treatment saves lives, preserves families, and improves our communities.
- More than 3,000 adult Nevadans have received state-funded treatment since the program originated in 2006.
- UNLV research finds that treatment works for nearly all Nevadans (92%) who receive treatment – 52% quit gambling and 40% reduce their gambling.^{ix}
- Nevada’s treatment recipients also report improvements in their financial, housing, family, school, and work lives.
- The average treatment cost per case for FY16 was only \$1,052.98 (Is it really that big a drop from \$1440 reported in 2014?)
- Do we need a bullet here (or somewhere?) to express imminent cost increases because of pay rate changes?

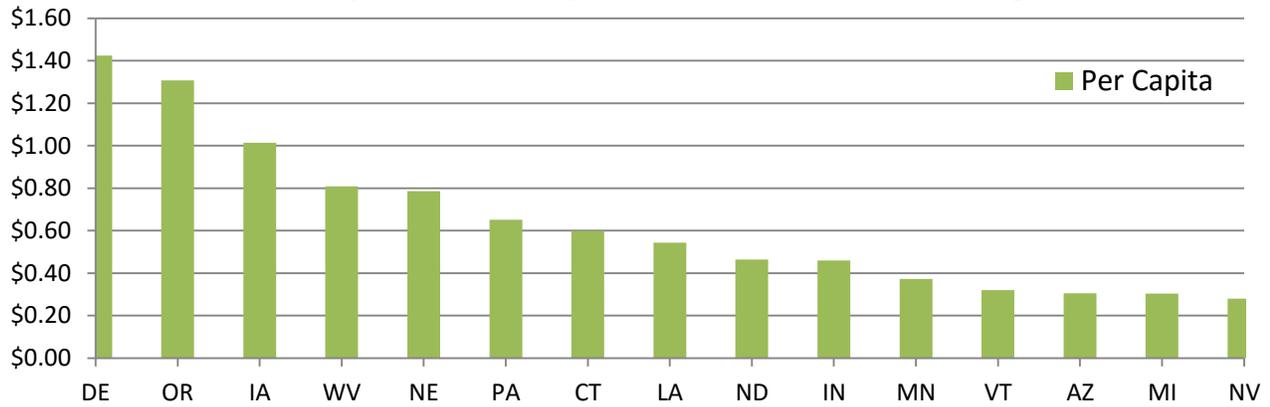
Funding for prevention, workforce development, and research is needed

- The greatest and most cost-effective impacts will be achieved by funding all components of the service system – treatment, prevention, outreach, workforce education, and research.
- The Governor-appointed Advisory Committee on Problem Gambling developed a “Three Year Strategic Plan for Problem Gambling Treatment Services within the State of Nevada: Fiscal Years 2017 – 2019” to cover all the components of the system. However, the current funding formula for problem gambling services will not result in sufficient funds to fully implement this plan. Investing in the implementation of this plan will save millions in future social costs.
- Recent decreased spending for treatment by grant recipients is likely indicative of large-scale problems faced by the overall system in place to address problem gambling prevention, education, and treatment. With the entire system starved of resources over several fiscal years, prevention and education efforts have not been able to properly address workforce development or raise awareness in the community that state-funded treatment exists. Without funded prevention and education efforts which bring people into treatment and keep a workforce there to meet their needs, treatment grantees are likely to continue having trouble spending their grants in full (not sure we want to word it quite this way...suggestions?).
- The lack of interns and the expense of training them has resulted in a catch-22 wherein the number of certified providers cannot increase to meet current and future demand (do we want to include evidence from providers outside the state system here? E.g., RISE = 46 clients for first two quarters of calendar year 2016).

Nevada should play a leadership role in problem gambling prevention and treatment

- As a “states’ rights” issue, the federal government stays out of gambling regulation – and out of problem gambling services. As such, the federal government provides no direct support for state problem gambling services, and nearly all problem gambling services in the U.S. are state-funded.
- States with far fewer gaming revenues spend many times more on problem gambling services.
- Problem gambling is a public health issue, and systemic changes that facilitate and promote the inclusion of problem gambling prevention, workforce development, and research are critical to fulfilling the principles of Nevada strategic plan.
- Nevada is a leader in the global gaming industry, and its problem gambling programs should reflect this leadership status.

2013 Per Capita Allocation by U.S. States on Problem Gambling Services



Note: Includes only funds line itemed for problem gambling services and passing through a state agency.

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- ⁱ Dadayan, L. (2016). *State Revenues From Gambling*. The Nelson A. Rockefeller Institute of Government.
- ⁱⁱ Marotta, J., Bahan, M., Reynolds, A., Vander Linden, M., & Whyte, K. (2014). *2013 National Survey of Problem Gambling Services*. Washington DC: National Council on Problem Gambling
- ⁱⁱⁱ Volberg, R (2002). *Gambling and Problem Gambling in Nevada: Report to the Nevada Department of Human Resources*. Northampton, MA: Gemini Research, LTD.
- ^{iv} Campbell, C. & Marshall, D. (2007). *Gambling and Crime*. In G. Smith, D. Hodgins, and R. Williams (Eds), *Research and Measurement Issues in Gambling Studies* (541-566). Burlington, MA: Elsevier
- ^v Petry, N. & Weinstock, J. (2007). *Comorbidity and Mental Illness*. In G. Smith, D. Hodgins, and R. Williams (Eds), *Research and Measurement Issues in Gambling Studies* (305-322). Burlington, MA: Elsevier
- ^{vi} Penney, A., Mazmanian, D., Jamieson, J. & Black, N. (2012). Factors associated with recent suicide attempts in clients presenting for addiction treatment. *Int J Ment Health Addiction*. 10:132-140.
- ^{vii} Phillips, D. P., Welty, W. R., & Smith, M. M. (1997). Elevated suicide levels associated with legalized gambling. *Suicide and Life-threatening Behavior*, 27(4), 373.
- ^{viii} Ladouceur, R., Boisvert, J., Pépin, M., Loranger, M., & Sylvain, C. (1994). Social cost of pathological gambling. *Journal of Gambling Studies*, 10: 4, 399-409.
- ^{ix} Bernhard, B. et.al. (2010). *The Nevada Problem Gambling Project: Follow-up Research*. University of Nevada Las Vegas, International Gaming Institute.