

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

**DRAFT Minutes**

**Special-Called Meeting April 19, 2018**

**Meeting Location**

Held via teleconference with physical location at ADSD, 1820 E Sahara Avenue, Suite 208, Las Vegas NV

**Members Present**

Tony Cabot  
Alan Feldman  
Ted Hartwell  
Connie Jones  
Carolene Layugan  
Carol O'Hare  
Denise Quirk

**Members Absent**

Ryan Gerchman  
Don Yorgason

**Others Present**

Cindy Smith, Chief, Office of Community Partnerships and Grants (OCPG), DHHS  
Pat Petrie, Nevada Problem Gambling Program Coordinator, OCPG  
Cathy Council, Administrative Assistant, OCPG  
Dr. Jeff Marotta, Problem Gambling Solutions  
Lana Robards, New Frontier Treatment Center  
Merle Sexton, Bridge Counseling Associates  
Diane Springborn, Bristlecone Family Resources

**I. Call to Order, Welcome, Introductions and Announcements**

Denise Quirk, Chair of the Advisory Committee on Problem Gambling (ACPG), called the meeting to order at 2:30 PM. Pat Petrie, OCPG, took roll call and confirmed a quorum of members present on the call. Members of the public participating on the call also introduced themselves.

**II. Public Comment**

None

**III. Legislative Workgroup Report on Legislative Talking Points**

Tony Cabot, Chair of the ACPG Legislative Workgroup, explained that the workgroup developed several items to present to the full ACPG for approval. He noted that the proposed legislation was missing from the agenda.

Mr. Cabot reported that the [Legislative Talking Points](#) document, initially prepared by Ted Hartwell and Dr. Jeff Marotta, was reviewed and refined by the workgroup over the course of four meetings. It was then reviewed by Mike Alonso, who lobbied on behalf of the ACPG during the last legislative session. This version is the final draft being presented for approval. Ms. Quirk opened the floor for discussion.

- A few formatting issues were identified.
  - Section II contains a “point B” with no accompanying language, but probably refers to the section that begins “while the problem gambling system...”
  - There is a change in typeface in the second half of that paragraph in Section II.

- Section V and VI have some uneven tab spacing.
- A notation at the end of Section II B – “add comparison of # of slot machines in 2008 vs 2017” indicates missing information. Mr. Cabot had read those figures into the minutes of the last legislative workgroup meeting, and will add them to the document.

There were no other comments regarding the Talking Points. Mr. Cabot stated that the workgroup also developed a one-page summary of the Talking Points. There was some miscommunication as to who would record all the changes and because the meeting minutes are not available, those changes have not yet been made. His concern was having it available for the meetings which need to begin soon. Ms. O’Hare suggested it would not need formal approval, because the one page summary is a condensed version of the four-page document with no new information. There being no further comments, Ms. Quirk moved to Item IV.

#### **IV. Approval of Legislative Talking Points**

- Alan Feldman moved to approve the four-page Legislative Talking Points document with the changes as noted. The motion was seconded by Connie Jones. There being no further discussion, the motion carried unopposed with no abstentions.

#### **V. Legislative Workgroup Report on Action Plan**

Mr. Cabot referred to the [Proposed Action Plan](#) created by the Legislative Workgroup. Of the 13 items in the plan, the first three have been completed: completion of the talking points, the proposed statutory changes, and the action plan. Item four, “refer Action Plan and how to deal with surpluses”, is being addressed at today’s meeting. After today’s discussion on the use of surplus funds, the workgroup will prepare responses to questions regarding the surplus (item five), and schedule meetings in preparation to have the legislation introduced and considered in the legislative session (items six through thirteen).

The first meeting should be with the DHHS Director to get his concurrence; then Governor Sandoval to get a placeholder in his budget, assuming he agrees with the direction in which we are going. Next, Senator Cancela, to seek sponsorship and her recommendations for bipartisan support, and Senator Joyce Woodhouse, Chair of the Senate Judiciary Committee, where the bill will go. The plan also includes meetings with relevant stakeholders, including Virginia Valentine, President of the Nevada Resort Association; Beckie Harris, Chair of the Gaming Control Board, who has been a supporter in the past; and Tony Alamo, Chair of the Nevada Gaming Commission, who is also a physician and should understand the issue quite well. The last item is to meet with other Republican senators to try and get bipartisan support after they have been identified.

There were no questions or comments on the proposed Action Plan.

#### **VI. Approval of Legislative Action Plan**

- Ted Hartwell motioned to approve the ACPG Legislative Workgroup’s proposed Action Plan as presented. The motion was seconded by Carol O’Hare, and there being no further discussion, the motion carried unopposed with no abstentions.

#### **VII. Discussion on Plan to Expand Problem Gambling Programming**

Ms. Quirk explained that during the last legislative session, the supporters of SB120 had difficulty explaining what appeared to be a surplus of unspent funds. In preparation for the next legislative session, an action plan is needed for spending down the excess funds. It is not a large amount of money

and will not be permanent. She asked the committee members if they had questions or ideas for use of the surplus, and opened the floor for discussion.

Mr. Petrie explained how revenue in the Revolving Account to Support Programs for the Prevention and Treatment of Problem Gambling (the Problem Gambling Fund) is budgeted to the program. No matter how much revenue is in the Account, we only have authority to spend the amount in the legislatively approved budget. The budget is developed using actual expenditures from the previous even-numbered year, called the “base-budget year”. Any unbudgeted funds remain in reserves, and can only be accessed by submitting a work order to the Interim Finance Committee (IFC) to get authority to spend it. At the last ACPG meeting, Budd Milazzo, from Fiscal Management in the Director’s Office, explained they like to keep two- to three-months’ reserves in that account, about \$2-3-\$400,000, for cash flow purposes.

Group discussion brought up the following points:

- The excess funds should not be referred to as “surplus”; because the Department does not have authority to spend those funds, they cannot be considered surplus.
- It was not made clear by the Department whether the three months’ reserve is a required amount, or a recommended amount. In February, the amount in reserves was identified as \$548,000.
- The legislature needs to be made aware of the programmatic gaps that are not being addressed due to a lack of funding. The couple hundred thousand available in reserves will not cover all the things that we should be doing. One glaring omission from the state plan is a broad-based public awareness campaign directed at treatment and at responsible gaming to make sure people stay healthy and safe.
- Any recommendations made by the ACPG today will need approval from the Director, and if approved, a work order will need to be submitted to the IFC for authority to spend, which will take several months. Even though activities will not have been completed, it will move the funds from “reserves” to “obligated”.

Discussion focused on the treatment provider grants. The current fee-for-service model only reimburses for clinical treatment units of service, and a treatment program can’t function with just clinical staff. Administrative support is needed to answer the phone, fill out paperwork, bill Medicaid, and conduct community outreach to bring in clients.

- The current reimbursement rates are lower than those of Medicaid and are not enough to cover the full cost of the program.
- One recommendation was to add a nonclinical reimbursement category to the existing fee-for-service structure and increase the grant awards by a certain amount. This would require a rate study to determine the cost per service unit for a skilled administrative support person.
- Dr. Marotta agreed with the comments that the current rate structure is insufficient to support the program, but rather than add a nonclinical reimbursement category, an easier solution would be to increase the existing reimbursement rates. Fee-for-service is designed to cover the full cost of doing business, including overhead and administrative support in addition to clinical time, and if the reimbursement rates are not doing that, then these rates are just too low and need to be changed.
- Ms. Quirk stated that all the providers have expressed the need for administrative support for more than a year; however, as Mr. Petrie mentioned, a permanent change would need

legislation to pass. She asked if this was something the committee could take action on today with regard to the use of surplus funds. Mr. Petrie stated that an analysis would be needed to determine where we stand and what our fee-for-service rates need to be, including a comparison with similar programs in different states. If it turns out the rates need to be much higher than they are at present, we would need more funding.

- Another recommendation was to award treatment providers a supplemental grant to fund administrative support. The grants awards would be based on a category budget similar to the program enhancement grants that were awarded in SFY 2015/2016.

A recommendation was made for the Department to move forward on submitting a work program to authorize funding for supplemental grants for the treatment grantees for personnel support for their clinical program. Department staff were asked how the process would work, and what would be needed to move forward. The ACPG also asked that the Department provide an update on progress at the May ACPG meeting so they would be able to take any necessary action required to move forward.

Cindy Smith, OCPG Chief, stated she can act on a motion from the ACPG. She offered to write up the request on Department letterhead, send it to Ms. Quirk for her review and signature on behalf of the ACPG, and forward it to DHHS Director Richard Whitley. If the Director approves the recommendation, projections and financial details will need to be compiled and included before sending it to the IFC. The IFC's budget analyst will ask questions which will need to be answered between then and the time the IFC meets. The Department may be able to provide some answers, but the ACPG probably will need to answer others. The next IFC meeting is in June, and you probably won't make it by June. They meet quarterly.

Ms. Smith continued that this funding will not be permanent because the revenue is going to flux. The ACPG will need to make a request every year depending on how much money is available. Before it goes to the IFC, we will need specific projections from each clinic; how much for administrative support and what that looks like, and whether they will be hiring directly or going through Manpower. Because each clinic is different, the specifics will be different for each provider. Once we have the exact amounts needed from each agency, that will be attached to the recommendation and sent to the IFC.

#### **VIII. Approval of Proposed Expansion of Problem Gambling Programming**

A recommendation was formulated to "Approve a recommendation that up to \$250,000 be moved from reserves to be approved through a work program to be granted out to the current treatment providers to provide adequate administrative support through State Fiscal Year 2019."

- Carol O'Hare moved to approve the recommendation as stated. The motion was seconded by Carolene Layugan. Discussion included Dr. Marotta's comment that because we had heard from only one treatment provider, it may be prudent to provide more flexibility in the use of funds, rather than staff support specifically. Ms. O'Hare stated that she had spoken with the treatment providers and was convinced it is a real need for all. The language in the motion remained at "adequate administrative support". There being no further discussion, the motion carried unopposed with no abstentions.

#### **IX. Public Comment**

- Merle Sexton of Bridge Counseling shared his appreciation for the great work of the committee.

- Lana Robards of New Frontier stated there seems to be a trend away from fee-for-service reimbursement and towards reimbursement based on the total cost of doing business. Actual cost varies considerably between providers and any increase or support for administrative support is always appreciated. Also, she has wondered about the money left on the table and never able to formulate a good defense on why so much is being held back in reserves. She was glad to see the ACPG moving on this and thanked them for working on behalf of the providers.

#### **X. Additional Announcements and Adjourn**

Ms. Quirk asked staff to add the following topics to the May ACPG meeting agenda: increasing the fee-for-service reimbursement rates and comprehensive public awareness campaigns.

- Ms. O'Hare motioned to adjourn and Mr. Feldman seconded the motion. The meeting adjourned at 3:56 PM.