

Governor's Report on Compulsive Gambling

A Report to the Minnesota Legislature

February 2009

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I. EXECUTIVE SUMMARY

The Minnesota Legislature requires the Governor to prepare a report addressing compulsive gambling. It is due every odd numbered year and covers the nature and extent of gambling and gambling addiction in Minnesota, resources available to prevent or treat addiction and recommendations for future policy direction.

A COMPULSIVE GAMBLER is a person who is chronically and progressively preoccupied with gambling, and with the urge to gamble to the extent that the gambling behavior compromises, disrupts, or damages personal, family or vocational pursuits.

Minnesota Statutes 2006, section 245.98, subdivision 1
Compulsive Gambling Treatment Program

The allure of gambling dates back to prehistoric times. The Egyptians shaped the first dice and the Chinese invented playing cards. Gambling is a socially acceptable recreational activity. Most people see the amount of money gambled as the cost of entertainment. Gambling for many individuals is a harmless recreational activity, but some people develop a problem and need to get help.

Through the 24/7/365 Helpline, individuals experiencing problems related to gambling activities are told they are not alone. *'Problem gambling is treatable. Recovery is possible. Help is available.'* The sooner the problem gambler engages in the process, the sooner the denial of a problem is reduced.

Scientific research has expanded the understanding of gambling disorders. This research may lead to reclassification of the definition of pathological gambling, which would impact both diagnosis and treatment. More research is also needed to determine empirically-supported, evidence-based treatment standards

Gambling for some youth is considered a new “rite of passage” into adulthood. Here as elsewhere in the country, tech-savvy youth gamble free on the Internet as an activity for its novelty and high level of stimulation. The gradual and consistent decline of youth gambling reported in the Minnesota Student Survey is consistent with other state surveys and the Annual National Annenberg Survey. Government and non-profit organizations worldwide are promoting information and resources to assist youth in making healthy decisions about their gambling behavior.

Economists nationally and internationally have discussed the social and economic impact of gambling. There is no consensus due to lack of good quality research and some disagreement of what constitutes a social cost. Future research should be a multidisciplinary team approach.

Minnesota has had a compulsive gambling program in place since 1990 when the State Lottery began operations. Most of the funds for the program that includes a helpline, public

awareness/education and treatment components come from the Lottery Prize funds. The program is administered through the Department of Human Services

Treatment Options

The field is still relatively new and treatment is considered by many third party payers as experimental and therefore, not reimbursable.

Currently, Minnesota residents have a choice of 102 state approved outpatient gambling treatment providers and a variety of treatment modalities. Treatment providers help gambling clients with education, behavior modification and relapse prevention needed to live a healthier life. One inpatient facility serves individuals who have a compulsive gambling disorder and/or co-occurring gambling and another behavioral health disorder. There continues to be a shortage of providers in the northwest and southern counties of the state.

Funding from the Department of Human Services is available to providers who treat persons with compulsive/problem gambling and their families who have no other source of reimbursement for treatment. In FY07 and FY08, state funding supported 1,738 individuals served as outpatients and 337 in the inpatient setting. These numbers do not reflect those for whom there were other sources of reimbursement.

Helpline

The State funds a free, confidential 24-hour service that is available by calling the Minnesota Problem Gambling Helpline (800) 333-HOPE. In FY 08, the Helpline received an average of 334 calls per month with 120 of them requesting information or referrals to treatment services. The number of calls to the Helpline has decreased from FY 07. This trend is not unique to Minnesota and may be reflective of the current economy.

Public Awareness

Public awareness efforts have focused on a range of prevention and intervention strategies, including collaborative initiatives to address the diverse and ever changing Minnesota population. Over the past four years, attention has also focused on young adults (www.beatthebet.com) in high school as they enter a college or university. The DHS program website (www.nojudgment.com) provides tools for gambling treatment providers to bring awareness to their communities. Other national and international organizations also promote public awareness and education.

Research

In the last year, the University of Minnesota completed a research study to identify and explore issues related to gambling. There remains a need for greater clarity around how and why individuals develop gambling problems. It is unknown as to which approach is best for which client.

In response to the 2007 legislature requirement, the Department of Human Services (DHS) in consultation with the Northstar Problem Gambling Alliance, stakeholders and licensed vendors prepared a report that provide a set of recommendations for a process and funding mechanism to study social and economic costs of compulsive gambling.

In SFY 2008, the Department of Human Services engaged the Compulsive/Problem Gambling Advisory Committee in a discussion seeking recommendations for short and long range goals and strategies. The following represents the recommendations from the Committee:

Long Range Goals of the compulsive/problem gambling program

- Help problem gamblers and their families become self-sufficient
- Reduce the negative consequences of problem gambling on families, employers, and the community at large
- Inform the general public about the warning signs of problem gambling to intercept the progression of many problem gamblers to pathological states
- Expand the knowledge base regarding problem gambling

II. INTRODUCTION

This report is being submitted pursuant to Laws of Minnesota 1994, Chapter 633, Article 8, Section I which states: "The governor shall report to the legislature by February 1 of each odd-numbered year on the state's progress in addressing the problem of compulsive gambling. The report must include:

- (1) A summary of available data describing the extent of the problem in Minnesota;
- (2) A summary of programs, both governmental and private, that
 - (i) provide diagnosis and treatment for compulsive gambling;
 - (ii) enhance public awareness of the problem and the availability of compulsive gambling services;
 - (iii) are designed to prevent compulsive gambling and other problem gambling by elementary and secondary school students and vulnerable adults; and
 - (iv) offer professional training in the identification, referral, and treatment of compulsive gamblers.
- (3) The likely impact on compulsive gambling of each form of gambling; and
- (4) Budget recommendations for state-level compulsive gambling programs and activities.

This report begins by describing the overall extent of gambling in Minnesota (Section III). Private and governmental programs to address compulsive gambling and to provide a range of treatment services, public awareness, and preventive efforts within the state are described in Section IV. National efforts to address compulsive/problem gambling appear in Section V. Short and long term goals and strategies for the compulsive gambling program managed by the Department of Human Services, a description of the problem gambling advisory committee and budget recommendations for the 2010-2011 biennium are located in Sections VI through VIII.

III. EXTENT OF GAMBLING IN MINNESOTA

A. INDUSTRY PROFILES

Individuals can legally gambling in Minnesota at a number of venues. Each is governed by state or federal statutes and has agencies or commissions that are responsible for oversight of their operations. Of note, proceeds for reporting gambling revenues with the exception of the lottery were reduced from annual totals in FY 2006. A brief summary of each follows:

Charitable gambling opportunities include pull-tabs, raffles, bingo, paddlewheels and tipboards. During FY 2008, there were 1,363 licensed organizations at 3,409 permitted premises authorized to provide charitable gambling. Total revenues in FY 2008 totaled \$1,141,443,000. After payout for prizes, the remaining \$207,852,000 in receipts was distributed in the following fashion: \$49,620,000 for charitable contributions; \$42,691,000 (after tax refund) for state taxes and \$115,541,000 for allowable expenses directly related to the conduct of lawful gambling. (Gambling Control Board Annual Report, FY08)

The **Gambling Control Board** was established in 1984 with the following charge: “to regulate the lawful gambling.... To prevent its commercialization, to ensure the integrity of operations, and provide for the lawful use of net profits” (Minnesota Section 349.11). (www.gcb.state.mn.us)

2. The **Canterbury Park Holding Corporation** is a publicly traded corporation that operates a Class A horseracing track in Shakopee. Canterbury Park conducted 68 days of live racing for thoroughbreds and quarter horses this during the summer of 2007 from May 5 through September 3. There is year round Tele-racing. In calendar year 2007, \$69.2 million was wagered in horse racing. (Minnesota Racing Commission Annual Report, FY07)

In 1999, the Legislature passed language that allows a Class B license to conduct Card Club activities at a Class A racetrack. Fifty card tables opened in April 2000 and are available on a 24-hour, 365 day basis. The Card Club generated a total of \$28.6 million in calendar year 2007.

During 2007, the Racing Commission continued its regulatory oversight regarding the construction and pre-opening activities of the Anoka County track, Running Aces Harness Park that commenced operation in April 2008. From April to December 2008, the handle figures are \$4.99 million. Running Aces Harness Park card room has 50 tables – 25 poker tables and 25 casino games.

The **Minnesota Racing Commission** was established in 1983 and regulates horse racing by enforcing laws and rules, issuing licenses, supervising wagering, collecting and distributing taxes imposed upon racetrack receipts and conducting investigations and inquires. (www.mnrace.commission.state.mn.us)

3. The **Minnesota Lottery** began selling tickets in April 1990. For FY 08, \$461.5

million was wagered on lottery tickets, an increase of approximately \$39 million from FY 07.

Approximately 92 percent of the lottery funds are returned to Minnesotans in the form of prize money, retailer commissions and contributions to the state for environmental projects, public services and the problem gambling treatment and public awareness programs. (www.lottery.state.mn.us)

Nationwide, instant and daily lottery revenues have been on the rise since 2004, according to U.S. Census Bureau data. More than half of all states with lotteries have reported rising sales over the past six months.

A Rockefeller Institute of Government study released in June 2008, says that lottery revenue is at an all-time high. The Rockefeller study found nationwide total lottery revenue has climbed steadily since 1992, rising to \$17.4 billion in 2007, the most recent year for which data were available. Lottery revenue increased most rapidly over that 15-year period during the 2001 recession, according to the study. Some researchers see a correlation between economic difficulties and the popularity of lotteries. (MSNBC, January 11, 2009)

4. The federal **Indian Gaming Regulatory Act (IGRA)** was enacted by Congress in 1988 to create three classes of gaming in Indian Country and to provide for regulation of gaming by Tribal Governments. The IGRA authorizes the use of gaming revenues only for the following purposes: infrastructure improvements, education, health care, social services and economic and diversification initiatives.

Compact agreements between tribes and states were negotiated in 1989 under the IGRA. There are 34 tribal casinos in Minnesota operating under a combination of state law, tribal ordinance, and tribal-state compacts. (American Gaming Association, State of the State, 2008) There is no actual information on total revenues generated by these casinos. The National Indian Gaming Commission is the federal agency that oversees tribal gambling.

5. As part of its broader responsibilities, the **Gambling Enforcement Division, of the Minnesota Department of Public Safety** is responsible for conducting background and criminal investigations related to legalize gambling activities as well as inspections of tribal casinos. (www.dps.state.mn.us)

In 2007, the Minnesota Fraud Enforcement Partnership was created. Fraudulent lottery and sweepstakes scams account for at least \$30 million in losses each year in Minnesota. The “MnScams”, a new educational outreach campaign to enhance ongoing enforcement activities, emphasizes the importance of recognizing frauds and taking action to cut off communication with scammers.

6. **Texas hold'em** is an increasingly popular form of poker in which each player is dealt two cards and there are five common cards. To participate in a Texas hold'em tournament, a player must be at least 18 years old. The Alcohol and Gambling Enforcement Division (AGED), Minnesota Department of Public Safety, in conjunction with local law enforcement authorities, has jurisdiction over Texas hold'em tournaments
7. The use of the **Internet** for sports and simulated casino games appears to be a growing industry both nationally and internationally. The legality of online gaming varies around the world. Many jurisdictions have legalized and regulated the industry. Minnesotans who engage in Internet gaming are subject to fines, jail sentences and confiscation of property. In addition, sport betting remains an illegal activity in Minnesota. There is no worldwide regulatory system that controls or standardizes the websites.

B. GAMBLING PATTERNS

All forms of gambling contain the following three key elements:

- Consideration: it must cost to play;
- Chance: the game must be based predominately on chance; and
- Prize: the player must be able to obtain something worth value if s/he wins.

The vast majorities of individuals who gamble do so for pleasure and do not experience any negative consequences in doing so. For those who gamble and exhibit symptoms of pathological gambling, the gambler usually experiences the following three phases:

- Adventurous phase: an increasing desire to gamble as excitement that often includes a big win that the gambler sees as a result of their personal abilities;
- Losing phase: the gambler bets increasing amounts of money “chasing” the money they have lost;
- Desperation phase: gambling becomes a full time obsession; the individual increasingly gambles on credit and takes greater and greater risks.

These phases do not necessarily represent an inevitable progression. Most of those who seek gambling treatment have passed through the first two and have reached the desperation phase which often negatively impacts their personal relationships, employment and quality of life.

The Minnesota State Lottery contracted with St. Cloud State University and surveyed 2,016 Minnesotans age 18 and older about participation in 16 gambling activities. Survey calls were completed between February 12 and March 11, 2008.

Some of the key findings about participation over the **past twelve months** include:

- 75 percent participated in at least one of the gambling activities;
- 50 percent purchased lottery tickets (no big Powerball during survey)

- 41 percent purchased raffle tickets
- 31 percent visited a casino, and
- 22 percent purchased pull tabs.

The survey also found that 91 percent of Minnesota adults have participated in at least one gambling activity **during their lifetime**. At some point in their life:

- 64 percent purchased a Minnesota State Lottery ticket
- 66 percent purchased a raffle ticket
- 57 percent visited an Indian casino, and
- 45 percent purchased a pull tab.

A comparison of the findings from the 2006 and 2008 surveys of the same number of respondents indicates an overall reduction in participation in all forms of gambling.

The next section describes utilization of the Helpline and treatment approaches managed by the Department of Human Services. This data does not reflect private providers or services reimbursed by third party payers. The Department of Human Services does not have access to that data.

IV. Summary of Governmental and Private Programs to Address Compulsive/Problem Gambling

A. Public Programs Administered Through the Department of Humans Services, Compulsive/Problem Gambling Services

1. Minnesota Problem Gambling Helpline

The helpline is a free, confidential twenty-four hour service that is available statewide by calling 1-800-333-HOPE. The Department contracts with a privately owned professional services company to provide this service. The helpline is staffed with trained mental health professionals who guide callers to the appropriate referral services.

The main purpose of the Helpline is to ensure that when an individual makes the decision to call, they are able to speak to a person. Without this immediate response, a caller may lose the motivation to address their gambling. This information is also of benefit to family members and significant others who are concerned about a loved one's gambling.

During FY 2008, the Minnesota Problem Gambling Helpline (800-333-HOPE) received an average of 334 calls per month. Of these, 120 calls were requests for referral or specific information about treatment services. Of this number:

- 40.6 percent were between the ages of 35 – 50 years old
- Callers were distributed between men (44%) and women (56%)
- 54.6 percent resided in the seven county metropolitan area
- 59 percent indicated that casino slots were the source of their problem

2. Compulsive/Problem Gambling Treatment Options

a. Fee-for-Service Outpatient Treatment

On July 1, 2000, outpatient treatment shifted from a grant funded to a fee-for-service payment system. This shift was enacted by the legislature to expand the availability and location of gambling treatment providers across the state and to be more comparable with other methods of payment for behavioral health service delivery.

The Department of Human Services has established statewide provider eligibility criteria and a fee schedule. Current and potential providers are advised through written and verbal communications of the operating guidelines, criteria and rate schedule.

As of December 2008, there are 102 qualified providers approved by the Department of Human Services to provide outpatient gambling treatment in 89 locations throughout the state. Providers who serve communities of color are included in the total.

Since 2006 there has been a reduction in the number of providers in large measure due to providers not renewing due to lack of referrals. The northwestern and southern parts of the state continue to have a shortage of qualified outpatient providers.

Both the outpatient providers and inpatient facility have experienced a decrease in problem gambling treatment services. Minnesota like other states, attribute the reduction of clients to effective statewide awareness campaigns.

The total number of individuals seeking outpatient treatment who were reimbursed under the fee-for-service method has declined in FY 2008 in comparison to the past two years:

FY 2006	FY 2007	FY 2008
965	964	774

This total does not include individuals for whom the provider received reimbursement from third party payers. Starting in January 2001, Minnesota family members and/or significant others affected by the negative consequences of the problem gamblers activities can also access the family component of the fee-for-service treatment services even if the gambler is unwilling to participate in treatment.

b. Inpatient Treatment Services

There is one inpatient program in Minnesota, located in the southwestern region of the state. Clients served by this program are those with long histories of gambling problems, those who have not succeeded in outpatient treatment and individuals with co-occurring compulsive gambling and/or mental illness and chemical dependency. The number of clients who received inpatient treatment was:

FY 2006	FY 2007	FY 2008
186	173	164

As is the case with outpatient, the numbers requiring inpatient treatment has declined slightly over the past three years.

c. Assessment of Felons

Minnesota Statutes 2006, section 609.115, subdivision 9 mandates screening for compulsive gambling of persons pleading guilty to or found guilty of theft, embezzlement of public funds or forgery.

The 1998 Legislature broadened the definition of those who must be screened by deleting “felony” from the statute to allow for misdemeanors. Administration is the responsibility of the Department of Human Service with implementation carried out by probation officers under either the Department of Corrections or

County Community Corrections. The number of assessments requiring reimbursement by the Department of Human Services continues to be small possibly due to the turnover in probation officers. Statewide training opportunities to retrain the workforce will take place over the next year. The Rule 82 assessments completed over the past three years were:

FY 2006	FY 2007	FY 2008
51	37	55

3. Public Awareness Efforts

The Department of Human Services contracts with a public relations/advertising firm to promote the recognition of problem gambling behavior awareness; to inform the general public of the signs and symptoms of compulsive/problem gambling; and to identify resources available for problem gambling assessment, treatment and aftercare support. All materials created are available on the web site www.nojudgment.com

Key products for the current contract include but are not limited to:

- Brochures and posters are available on the website. Providers can easily reproduce and customize materials within their offices. In 2008, a number of materials was distributed by DHS free of charge to all the treatment providers.
- Public service advertising placed to generate inquiries to the Helpline (800-333-Hope). The campaign runs statewide at select times.
- Adult Problem gambling intervention video designed to help treatment providers and affected others address a potential gambling problem on a one-to-one basis. The video in DVD format includes five brief vignettes of possible encounters. Distribution is to all treatment providers and available to the public, as needed.
- Colleges/universities on-campus gambling awareness campaign “Beat the Bet” – PowerPoint and creative materials are audience appropriate.
- High school curriculum was developed, tested and revised. A complete kit inclusive of the poster, teacher’s guide and lesson materials was sent to all private and public schools. All treatment providers were given a PowerPoint and speaker’s guide to use as a teacher in-service.
- The microsite www.BeattheBet.com provides relevant information to the high school and college audiences. ‘Beat the Odds’ multimedia competition is designed to increase awareness among high school students and their teachers.
- Extranet – password protected web site with information about problem gambling created to enhance communication and awareness efforts among state approved treatment providers and Advisory Committee members

4. Special Legislative Appropriations

- a. The 2007 legislature directed the Commissioner of the Department of Human Services to prepare a report that “identified the process and funding availability for a study on the **social and economic impact of gambling**.”

The Department of Human Services (DHS) convened a series of three half-day meetings in collaboration with the Northstar Problem Gambling Alliance that included sixteen key stakeholders representing the full spectrum of interest in this area.

The DHS staff initially conducted an extensive literature search for papers published regarding this topic. A review of the literature found that there were inconclusive findings about the social and economic impact of gambling and a paucity of research designs to study the issue.

These research findings as well as efforts underway in other states and countries were shared with a workgroup of key stakeholders. The workgroup recommend the following action:

1. There was a consensus among the workgroup that the scope of a broad study of social and economic factors and their impact on gambling required a broader audience. Since the report is directed to legislative committees with oversight over problem gambling, the workgroup chose to narrow its focus to problem gambling.
2. A proposed study format was developed and agreed upon by the members with the caveat that other national and international studies resulted in inconclusive findings.
3. Costs of comparable studies in the United States and Canada were \$700,000 or more. Workgroup members did not feel they had resources to contribute to such a broad study.
4. The workgroup recommended a multidisciplinary team approach to the design. The study needs to be analytical, factual, and objective, using credible and justifiable methods to provide a better understanding of the nature and extent of the social and economic impacts that gambling activity may or may not have on the citizens of Minnesota.
5. The workgroup was unable to recommend any funding mechanism for a social and economic impact study in Minnesota due to the current projected costs of comparable studies and the inability of stakeholders to contribute.

- b. **Northstar Problem Gambling Alliance, Inc (NPGA)**, a nonprofit organization, was established in September 2002. The NPGA was formed due to a concern that a gambling neutral entity was needed to address concerns of those with a stake in gambling including stakeholders, gatekeepers, and providers serving problem gamblers and those harmed by problem gambling.

The 2008 legislature appropriated \$225,000 each fiscal year to NPGA from the Lottery Prize Fund. Of this appropriation, \$100,000 each fiscal year is contingent on the contribution of non-state matching funds. A sample of activities the funding will support include:

- Establish the website: www.northstarproblemgambling.org as the state affiliate recognized by the National Council on Problem Gambling

- Continuation of initiatives with the faith and legal communities to enhance awareness and knowledge of problem gambling
 - Training and education to a variety of key stakeholders including American Indians, older adult organizations, and substance abuse providers regarding problem gambling
 - Provision of a statewide conference to gambling treatment providers on current research and prevention
 - Conduct Rule 82, Felony Assessments training in coordination with the Department of Corrections
 - Develop and pilot a “Rural Assessment and Treatment Provider Training” for licensed Mental Health Professionals and LADC’s in rural communities
- c. The 2008 legislature also appropriated \$100,000 for fiscal year 2008 to develop programs and services for problem gambling treatment, prevention and education in immigrant communities. The Asian Gambling Consortium (APGC) was awarded this funding to develop and implement compulsive gambling prevention and awareness strategies for the Lao, Hmong, Cambodian, Vietnamese, and Korean communities

5. Training of Professionals

The availability of gambling specific training programs for licensed mental health professionals, mental health practitioners, and certified addiction counselors is essential to assuring that service providers are skilled in treating persons with gambling problems.

The North American Training Institute (NATI) provides online training to interested providers. The NATI organization is accredited by national certification agencies. The Department of Human Services provides partial scholarships to individuals who then commit to serving individuals funded through the DHS Compulsive Gambling Program. Completion of the gambling specific training education may allow participants to become eligible as a referral source for the Minnesota Problem Gambling Helpline (800) 333-HOPE.

6. Research

- a. The Department of Psychiatry, University of Minnesota Medical School was awarded a contract to conduct an evaluation of the State approved inpatient and outpatient gambling treatment services.

This report describes the treatment outcome evaluation of eleven state-supported – 10 outpatient and one residential - gambling treatment programs/providers who treat Minnesota residents. The eleven providers offer multiple treatment methods including individual and family counseling, group counseling, education, Gamblers Anonymous (GA) twelve-step work.

The research design included clients recruited from the eleven providers between

January 2006 and September 2007. The study employed a pretreatment-posttreatment design with multidimensional assessments administered at admission, discharge, six-months and twelve-months post-discharge.

Characteristics of the client sample indicated:

- Vast majority are Caucasian;
- Equally divided by gender;
- 64 percent are employed full time and reported they missed work in the past year to gamble; and
- 54 percent had previously received professional treatment for their gambling problem.

The results of the study show relatively high rates of improvement among clients for the multiple outcome measures employed, including gambling frequency, gambling problem severity, mental health, financial problems, and illegal activity.

In spite of showing greater gambling and mental health problem severity, residential clients had better treatment completion rates and similar outcomes as outpatient clients.

Responses were also evaluated from family members and significant others of the individual with problem gambling included a desire for more communication between the treatment provider and family; extend treatment duration; a desire for individual treatment options; and the need for specific types of help, such as financial counseling.

Recommendations for future research include developing methods to improve screening, referral, and client retention.

- b. The Minnesota Institute of Public Health was awarded a contract to assess the current awareness in three professional gatekeeper organizations – judges/judicial system, financial institutions, and the faith communities – about issues related to problem gambling.

The purpose of this study was to obtain more knowledge about how the three specific gatekeeper communities could recognize signs of problem gambling and make appropriate referrals.

Judges believe that they are not the best audience within the judicial system to target in order to communicate information about problem gambling. By the time judges are aware of a gambling problem, a problem gambler has already committed crimes related to his/her gambling. The judges reported relying on input from other court services staff regarding the wisdom of including treatment for problem gambling as part of the sentence.

While representatives of the financial community may regularly observe signs of

problem gambling among their customers, they are limited by regulation and standard business practices in how they can be helpful to customers or their families experiencing a gambling problem.

Faith community representatives believe that gambling opportunities and subsequently, problem gambling are growing in their communities. The most common sign of a potential gambling problem for representatives of the faith community is family problems.

The study recommends that before working to create messages likely to reach the judiciary and financial communities; it may be wise to consider other professional communities that may be more able to provide timely and useful information to Minnesota residents about problem gambling.

- c. The Northstar Problem Gambling Alliance commissioned Dr. Randy Stinchfield, Department of Psychiatry, University of Minnesota Medical School to prepare a report on *Gambling among Minnesota Public School Students*. The purpose of this study was to:
 - (1).measure the prevalence of gambling among public school students and compare rates between boys and girls, young and older youth and between racial/ethnic groups;
 - (2).measure rates of underage gambling;
 - (3).compare rates of gambling and underage gambling from 1992 to 2007; and
 - (4).identify demographic, psychosocial and behavioral variables that may serve as risk and protective factors associated with frequent youth gambling.

Minnesota public school students enrolled in the 9th and 12th grades in 2007 were administered the Minnesota Student Survey, a 126-item, anonymous, self-administered, paper-and-pencil questionnaire that inquires about multiple health-related content domains, including gambling behavior. The 2007 was about equally divided by gender.

The results indicated that boys gambled more than girls and older students gambled more than younger students. Racial/ethnic minority students, with the exception of Asian Americans, exhibit higher rates of frequent gambling than white students.

There is a small segment of underage youth, who report playing the lottery, gambling in a casino, and gambling online. Gambling participation has shown a gradual and consistent decline from 1992 to 2007 for both boys and girls.

B. Private Programs in Minnesota that Address Compulsive/Problem Gambling

1. The University of Minnesota, School of Medicine is one of several research institutions that are experimenting with pharmacologic treatment for compulsive gambling and other addictive disorders. (www.mmf.umn.edu/)

Dr. Jon Grant has achieved promising results in treating pathological gambling with a new medication, Nalmefene. Nalmefene is an opioid antagonist that negates the rush associated with gambling and curbs the craving to gamble. The study was published in the February 2006 issue of the *American Journal of Psychiatry*.

In a series of studies, Dr. S. W. Kim has shown that Naltrexone is highly effective in the treatment of uncontrolled cravings that are triggered by a potential reward—such as winning at a casino. The FDA has approved naltrexone for treatment of alcoholism and opiate addiction, but not problem gambling.

2. Gamblers Anonymous (GA) was established in 1957 as a fellowship of men and women who share their experience, strength and hope with each other to solve their common problem and help others to recover from a gambling problem. GA helps the compulsive gambler in the following five significant areas: identification, acceptance, pressure-relief group meeting, the Twelve Steps of Recovery, and peer support. Professionals who work with compulsive gamblers understand the importance of encouraging their clients to join Gamblers Anonymous. Professional treatment is generally short term while Gamblers Anonymous offers a lifetime support group for the recovering gambler. There are presently 80 (47 of which are outside the metro area) Gamblers Anonymous groups in Minnesota. The Minnesota GA website is www.minnesotaga.org.
3. Gam-Anon is a group of men and women who are husbands, wives, relatives, or close friends of compulsive gamblers. Their goal is to seek a solution for living with this problem by changing their own lives. Gam-Anon members are cautioned not to expect that their actions will cause the problem gambler to seek treatment, although this is sometimes the fortunate results. In Minnesota, there are currently 15 (8 of which are outside the metro area) Gam-Anon groups. Their website is www.gam-anon.org/gamanon/index.htm
4. Minnesota Indian Gaming Association (MIGA) was established in 1993. The Minnesota tribes have approached the problem of gambling addiction in various ways. MIGA has participated in a number of awareness and education efforts including sponsorship of conferences, casino-based training programs and scholarships for gambling specific training.

Some Minnesota tribes are taking a proactive approach to help employees, patrons and communities alike by contributing towards printing costs for responsible gambling awareness brochures and posters.

5. Many of the providers who offer compulsive/problem gambling treatment services through the state funded fee-for-service system also provide treatment to individuals covered by private insurance or through an employer's Employee Assistance Program. Many third party insurers continue to be unwilling to reimburse for treatment which is viewed as experimental.

V. National Efforts to Address Compulsive/Problem Gambling

A. Treatment Options

1. Motivational Interviewing is a client-centered and directive therapy style that may enhance motivation to change. A highly successful treatment approach developed by Dr. William R. Miller, Motivational Interviewing techniques have been established as an effective means of helping individuals recognize present and potential problems, while creating an openness to the concept of change. It was developed in the addictions field, and is complementary to the Stages of Change model. (www.motivationalinterview.org).

The Department of Human Services, Chemical & Mental Health Services (CMHS) in partnership with the Metropolitan State University, Minneapolis Community & Technical College, and Prairielands Addiction Technology Transfer Center are working together on a train-the-trainer program that will provide an opportunity to over 2,000 mental health providers and chemical dependency counselors to learn basic training in motivational interviewing. This training is also applied to compulsive gambling treatment providers.

2. Several organizations have explored the feasibility of a voluntary self-exclusion approach for a subset of individuals who are problem gamblers. The voluntary self-exclusion process involves an individual enrolling and signing documents acknowledging that they have a history of compulsive behavior and are subject to arrest if caught gambling. It is a voluntary program, offered as a service, and places the responsibility on the customer to stay out of gaming sites. If caught, any winnings are turned over to groups that treat compulsive gambling. A state-based self-exclusion program was developed in Missouri in 1996, and has been implemented in six other states. (American Gaming Association, *Responsible Gaming Quarterly*, Winter 2003, Self-exclusion 101)

The Responsible Gambling Council published a review *From Enforcement to Assistance: Evolving Best Practices in Self-Exclusion*. The report recommends a change of focus from the enforcement-based model to an emphasis on assisting individuals to achieve their goals. The review included a literature review, focus groups and an expert forum. (Responsible Gambling Council, *Newslink*, Spring/Summer 2008)

3. An option of a gambling treatment residential facility is now available in three states including Minnesota for those who repeatedly fail outpatient settings. Typical inpatient treatment is 30 days with an emphasis in program components to help maintain abstinence from gambling. The treatment centers are generally supported with state funds.

B. Public Awareness/Prevention Efforts

1. The National Council on Problem Gambling (NCPG) mission is to increase public awareness of pathological gambling, ensure the widespread availability of treatment for problem gamblers and their families, and to encourage research and programs for prevention and education. A list of the state affiliates, resources, counselor certification and problem gambling signs are on the NCPG web site at (www.ncpgambling.com).
2. The Association of Problem Gambling Service Administrators (APGSA) was formed in October 2000. Minnesota is a member state. This association is committed to the facilitation of information dissemination among its membership and the creation of a strong, unified voice to support the development of state-of-the-art publicly funded problem gambling services. The National Council on Problem Gambling and the APGSA organize the National Problem Gambling Awareness campaigns..

The APGSA web site (www.apgsa.org) provides an overview of the status of publicly funded programs in the United States. The site includes a member state map, detailed program information and contacts for each state.

3. The Responsible Gambling Council (RGC), Ontario, Canada, is an independent, non-profit organization committed to problem gambling prevention. Through the RGC, the Centre for the Advancement of Best Practices promotes the identification and adoption of best practices to reduce the incidence of problem gambling. The Centre undertakes analysis of best practices in responsible gambling, prevention and risk reduction measures. Its awareness programs provide people with the tools to make informed choices and offers resources for those affected by problem gambling.

People looking for comprehensive, reliable and timely information on a wide range of gambling related issues can search the *Online Library*, a collection of articles, reports and documents. *Newscan* is a free weekly digest summarizing problem gambling/responsible gambling news from around the world. *Newslink* covers new developments, emerging issues and research articles. It is mailed three times a year and published on-line. The Council's website is: (www.responsiblegambling.org).

C. Training of Professionals

1. The National Gambling Counselor Certification Board and the American Compulsive Gambling Certification Board were the first national organizations to certify treatment providers who completed 60 classroom hours of gambling specific training.

Following completion of the training program, counselors are ready to assess, screen and evaluate for gambling problems among those who present for care. They will be ready to intervene in crisis, assist in preparation of restitution plans, refer clients for

appropriate levels of care and begin the treatment planning process, using an array of clinical strategies focusing on impulse control and self-regulation interventions in the treatment of gambling problems.

2. The Addiction Technology Transfer Center of New England, funded by the Substance Abuse and Mental Health Services Administration (SAMHSA), Center for Substance Abuse Treatment (CSAT) offer online courses including - *Problem and Compulsive Gambling: An Overview*. Additional information can be located on the internet: <http://www.attc-ne.org/education/>.
3. Hazelden Center expanded their Distance Learning Center for Addiction Studies to include courses about problem gambling. The Center has produced a video *Gambling – It's Not about Money*, which won Time Incorporated Freddie Award for behavioral diseases.
4. Project Turnabout/Vanguard *Residents in Training* is an onsite weeklong professional development program for both counselors and others working with gamblers.
5. The University of Minnesota offers a class on problem gambling as part of elective classes in the addiction curriculum.
6. The North American Training Institute (NATI) offer their training to providers in the private sector as well as individuals receiving scholarships through the Department of Human Services funding. NATI offers their 60 hour training electronically.

D. Research

1. The National Center for Responsible Gaming (NCRG) is the only national organization exclusively devoted to funding research to increase understanding of pathological and youth gambling. Founded in 1996, the NCRG's mission is to help individuals and families affected by gambling disorders by supporting peer-reviewed, scientific research into pathological gambling; encouraging the application of new research findings to improve prevention, diagnostic, intervention and treatment strategies; and advancing public education about gambling disorders and responsible gaming. The casino gaming industry and related businesses have committed funds to this effort. The NCRG is the American Gaming Association's (AGA) affiliated charity. The National Center for Responsible Gaming website is: (www.ncrg.org)

The NCRG published online "Increasing the Odds" a series of public health issues related to gambling and "Gambling and the Public Health" research on pathological gambling prevalence rates, the demographic characteristics of youth gamblers and the effects of increased exposure to gambling. (www.ncrg.org/resources/mongraphs.cfm)

In November 2008, the 9th Annual NCRG Conference on Gambling and Addiction focused on *The Changing Landscape of Treatment, Responsible Gaming and Public Policy*. Research may suggest the need for a revised clinical definition of

pathological gambling in the upcoming Diagnostic Statistical Manual widely used by providers, funders and others. It was also noted that nearly all pathological gamblers are affected by an additional psychiatric condition, such as mood, anxiety, impulse-control and substance abuse disorders.

2. The Institute for Research on Pathological Gambling and Related Disorders was established in 2000 with a multi-million dollar contract from the NCRG to the Division on Addictions, Cambridge Health Alliance, a teaching affiliate of Harvard Medical School. The Institute awards research grants on a competitive basis to institutions worldwide and supports research conducted internally by Harvard Medical School faculty led by Howard Shaffer.

The Institute also supports the NCRG's education mission through the dissemination of research through the BASIS (Brief Addictions Science Information Source Online), EMERGE (Executive, Management, and Employee Responsible Gaming Education) and the annual NCRG Conference on Gambling and Addiction. (www.divisononaddictions.org/). The BASIS online publishes the "Wager" a newsletter addressing problem gambling and treatment (www.basionline.org).

For three years, Harvard has been working with Bwin, an online sports betting company based in Austria, to analyze customer data. The project has been extended another five years. In establishing a scientific foundation, it will be capable of identifying risk patterns associated with gambling disorders. (www.responsiblegambling.org December 2008).

4. The Alberta Gaming Research Institute is a consortium of the University of Alberta, University of Calgary, and the University of Lethbridge. Its primary purpose is to support and promote research into gaming and gambling in the Province of Alberta. The Alberta Gaming Research Institute and the University of Lethbridge are co-sponsoring the eighth in a series of special interest conferences in the area of gambling studies. The March 2009 conference will discuss the latest research on the prevalence and patterns of online gambling around the world; regulatory structures used in different countries; problem gambling and online treatment; player protection strategies; and professional online gambling. The Alberta Gaming Research Institute website is: (www.abgaminginstitute.ualberta.ca).
4. The Ontario Problem Gambling Research Centre (OPGRC) offers a conceptual overview of problem gambling. The OPGRC Framework adopts an integrative perspective on gambling and problem gambling, suggesting there is no line or clear transition point between the two, and we are not dealing with discrete populations. Rather, it portrays a single population, comprised of non-gamblers, problem-free gamblers, and problem gamblers, all of whom are in constant movement in relation to risk exposure and the presence of problems. The OPGRC website is (www.gamblingresearch.org).

The OPGRC supports the International Gambling Journal (IGS). The IGS is a peer reviewed interdisciplinary journal in gambling studies. The IGS adopts a transnational and comparative approach to the challenges posed by global expansion of gambling. The journal website is: (<http://www.tandf.co.uk/journals>)

5. The latest Annual National Annenberg Survey of Youth Ages 14 to 22 by the Annenberg Public Policy Center of the University of Pennsylvania found that card playing for money on the Internet has remained at the same low level among both high school and college-age males. Access to Internet gambling sites remains open to those youth who are able to bypass the law by using third-party payment systems. Following passage of the 2006 Unlawful Internet Gambling Enforcement Act (UIGEA) there has been a significant decrease in weekly use of Internet sites for gambling. The Annenberg Adolescent Risk Communication Institute recommends continued efforts to educate young people about the hazards of Internet gambling.

The long-term trend in weekly gambling since the survey started in 2002 has been downward for both males and females. Symptoms of problem gambling for males tend to parallel card-playing trends. Gambling rates and problems are lower in young women. The Annenberg Public Policy Center website: (<http://www.annenbergpublicpolicycenter.org>)

E. Federal Legislation

1. The Safe Accountability for Every Port Act of 2006 was passed and included an unrelated ban on credit card and other payment methods being used to pay for offshore gambling.

The act targets Internet service providers, banks, and credit card companies and will punish those who allow transactions to take place. The act makes exceptions for state-run lotteries and horse racing, which operate some online sites.

2. In 2006, the Unlawful Internet Gambling Enforcement Act (UIGEA) was introduced. The act required that the Treasury Department and Federal Reserve Board, in consultation with the Department of Justice, enact regulations requiring financial institutions to identify unlawful Internet gambling that violated a federal, state or tribal law. The Act prohibits gambling businesses from knowingly accepting payments in connection with unlawful Internet gambling, including payments made through credit cards, electronic funds transfers, and checks. The final UIGEA regulations could take effect in January 2009. Compliance with the rule is required by December 1, 2009. (Federal Register: HP-1266, U.S. Department of the Treasury).

VI. FUNDING - FY 2007-08

State base level biennial funding for FY 2007-2008 totaled \$2,980,000.

The 2006 –2007 Health and Human Services bill appropriated

Funding was appropriated by the legislature from the Lottery prize fund.

Major Program Components Allocated Funds:	ACTUAL FY07	ACTUAL FY08
1. Helpline – Statewide, toll-free, 24/7	\$150,000	\$55,214
2. Outpatient Treatment: Fee-for-Service Providers	\$779,512	\$730,816
3. Inpatient Treatment – Project Turnabout (per diem)	\$500,000	\$516,857
4. Assessment of Felons (Rule 82)	\$4,300	\$11,200
5. General Public Awareness & Education	\$250,000	\$305,370
6. Gambling Professional Training	\$2,370	\$1,170
7. Research – Professional Communities	\$30,000	
8. Research – Treatment Evaluation	\$94,959	\$167,261
9. Special Appropriation – Northstar Problem Gambling Alliance	\$173,816	\$204,683
10. Special Appropriation – Lao Assistance of MN		\$13,000
11. Business Expenses	\$7,716	\$5,831
12. Administrative Costs	\$148,000	\$152,000
TOTAL Expenditures *	\$2,140,673	\$2,163,402

*Note: Total Expenditures may exceed the biennial funding due to carryover funds from the prior years.

VII. Compulsive/Problem Gambling Advisory Committee

The mission of the Department of Human Services (DHS) Advisory Committee on Compulsive/Problem Gambling is to provide advice and direction to the Department of Human Services to ensure that a comprehensive continuum of services is available to all Minnesota residents. This continuum of services includes: 1) providing assistance to individuals and families affected by gambling problems; 2) developing prevention strategies, including education and awareness that would lessen the occurrence of gambling problems and promote positive and healthy life styles.

The Advisory Committee on Compulsive/Problem Gambling has 15 members appointed by the Commissioner of Human Services for a two year term. Other state agencies involved with gambling have standing positions on the committee.

In making appointments, consideration is given to achieving geographic, age, gender and cultural balance on the committee as well as persons in recovery and applicant's areas of interest, broad knowledge of the economic and social impacts of gambling and knowledge of the state's Compulsive/Problem Gambling Services Program.

The committee, which meets bimonthly, is charged with advising the Department of Human Services on policy, programs and funding that will enhance the department's ability to meet its statutory obligation as defined in Minnesota Statutes, section 245.98. Committee members can be reimbursed for limited travel, food and lodging expenses. Per Diems are not allowed by statute.

VIII. FUTURE POLICY DIRECTIONS

Over the past several years, the Department of Human Services and the Advisory Committee on Compulsive/Problem Gambling have developed long-term goals and strategies for a comprehensive, unified approach to advance the program components. In SFY 2008, the DHS engaged the Advisory Committee in a discussion seeking recommendations for short and long-range goals and strategies. The following represent the recommendations from the Committee:

Long Range Goals:

- Help problem gamblers and their families become self-sufficient
- Reduce the negative consequences of problem gambling on families, employers, and the community at large
- Inform the general public about the warning signs of problem gambling to intercept the progression of many problem gamblers to pathological states
- Expand the knowledge base regarding problem gambling

Strategies:

Access to Treatment

1. Expand treatment options for gamblers and families
2. Explore and develop ways to use the internet and new technology in increasing access to treatment
3. Enhance the Helpline by adding online capacity in order to encourage support for callers
4. Increase and support service provider availability, capacity and quality

Public Awareness, Education, and Prevention

1. Accelerate public awareness efforts using new research information
2. Expand education for current and new gatekeepers and professionals

Research

1. Expand and continue research in order to enhance treatment
2. Evaluate the effectiveness of programmatic activities
3. Expand research to measure the cost of gambling to society

IX. Budget Recommendation for FY 2010-2011

The Governor recommends continuation of the current base level of funding for compulsive gambling, which is \$3,330,000 for the 2010-2011 biennium.

X. References

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