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June 10, 2013

2013 Session Joint Committee on Ways and Means

Trans/Econ Dev Subcommittee Exhibit #:

OREGON COUNCIL The Honorable Senator Betsy Johnson, Co-Chair

The Honorable Representative Bob Jenson, Co-Chair ON PROBLEM GAMBLING

Joint Committee on Ways and Means

Subcommittee on Transportation and Economic Development

Oregon State Capitol

900 Court Street NE, Room H-174

Salem, Oregon 97301

Dear Co-Chairs and Committee Members:

Thank you for this opportunity to provide testimony supporting HB2163 A.

The Oregon Council on Problem Gambling supports clarification to the terminology "commensurate with the public good" of the Oregon Lottery charter.

Specifically, The Council supports the Oregon Lottery's continuing efforts to minimize harm to those suffering from, or susceptible to, disordered gambling and the need to ensure efforts are effective and consistent with known best practices into the future.

Based on studies commissioned by the Council, approximately 2.7% of the adult population suffers from disordered gambling – about 80,000 Oregonians. The rate for Oregon teens is approximately 4%.

Disordered gambling is not selective based on age, gender, education, or income although there is mounting evidence that some minorities gamble more than Caucasians. About 90% of those entering treatment identify video line games, video poker, or slot machines as their primary game of choice. The average gambling related debt last year was \$26,739 – several reporting debt of over \$250,000. On an individualized basis, debt averaged 150% of the annual household income.

Disorder gamblers reported elevated rates of suicidal ideation (30%); bankruptcy (10%); relationship problems (47%); and problems on the job (16%). The estimated social cost in Oregon is estimated at \$508 million.

Treatment is available and effective. On average, Oregonians wait less than five days for an appointment. The average cost for treatment is \$2,089. At 12 month post discharge approximately 60% report abstinence. Satisfaction with the services was very high with 93% strongly recommending it to others.

Sincerely.

Executive Director Thomas L. Moore, PhD

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The Oregon Affiliate of the National Council on Problem Gambling

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THE OREGON COUNCIL ON PROBLEM GAMBLING

The Oregon Gambling Addiction Treatment Foundation was established as a 501 (c) 3 Corporation in the State of Oregon in 1996. It petitioned, and became an Affiliate of the National Council on Problem Gambling in 1998 and in 2008 changed its name to the Oregon Council on Problem Gambling.

The founding membership included senior management representatives from gambling treatment including State program managers, community mental health providers, county government, Ecumenical Ministries of Oregon, and the industry (including The Oregon Lottery, tribal gaming, and pari-mutuel gaming). The initial purpose of the Council was to develop a research and education institution to support effective, efficient, and sustainable treatment and prevention of problem gambling in Oregon; to ensure empirical evidence was available to the public to create an impetus for statewide, evidence-based strategic planning to better ensure adequate allocation of resources for prevention, identification, referral, and treatment of disordered gamblers and their families; and, to help ensure the public's understanding

The current Board has expanded so that today there are three members representing treatment, prevention, and the consumers' perspective; three members representing the gaming industry; two members representing research and policy development; and one representing the Counties' perspective.

The formal purpose of the Council is to promote the health of Oregonians by supporting efforts to minimize gambling related harm. To this end, the Council continues to strive to be the trusted and recognized resource for information and expertise on problem gambling; to continue to promote and support problem gambling treatment and prevention services; evidenced based best practices for responsible gambling; and, to promote public education.

The Council sponsored six critical studies of problem gambling in Oregon. The first was a baseline study of the prevalence of problem and pathological gambling by adults in 1997. This was followed in 1998ⁱⁱ by one of the first adolescent studies in the U.S. estimating the prevalence of disordered gambling among Oregon youth and the final baseline study in 2001ⁱⁱⁱ estimated the prevalence of disordered gambling in older adult Oregonians.

Also in 2001, iv, v the first replication of the 1997 adult study was conducted to document any changes in the prevalence of disordered gambling and gambling behavior in the adult population since publication of that study. Again, in 2006 in another replication adult prevalence study was commissioned. The timing of this study was driven by the fact that the State Lottery was adding line games to the existing video lottery terminals (VLTs) distributed throughout the state that were previously only offering video poker games.

Importantly, in 2002^{vii} the Council commissioned a pilot study, one of the first in the U.S., that investigated the potential causal implications relating to the onset of pathological gambling.

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Findings from these studies indicated that the combined rate of pathological and problem gambling among adults in Oregon ranged from 3.3% in 1997 to 2.3% in 2001. The 2006 replication study found that rate had come back up to 2.7%. Using current adult population estimates for Oregon^{viii} and the 2006 prevalence estimates^{ix} there are between 57,400 and 97,573 adults in Oregon who might benefit from a treatment intervention. It is the Council's desire that everyone who has problems associated with gambling has the opportunity to receive timely, appropriate assistance.

Over the years there have been several occasions where funding to the Problem Gambling Services have been cut or seriously reduced. Each time, Board members have been instrumental in providing educational opportunities for legislators to defend, and re-instate, critical funding.

Council members regularly present their ongoing and planned activities to the Board for discussion. This includes treatment and prevention, responsible gambling, tribal, retailer, and Lottery activities.

ⁱ Volberg, R. (1997). Gambling and problem gambling in Oregon. Salem: OR Oregon Gambling Addiction Treatment Foundation

ii Carlson, M. and Moore, T. (1998). Adolescent gambling in Oregon. Salem: OR Oregon Gambling Addiction Treatment Foundation

iii Moore, T. (2001). Older adult gambling in Oregon. Salem: OR Oregon Gambling Addiction Treatment Foundation

^{iv} Volberg, R. (2001). Changes in gambling and problem gambling in Oregon: results from a replication study, 1997 to 2000. Salem: OR Oregon Gambling Addiction Treatment Foundation

^v Moore, T. (2001). The prevalence of disordered gambling among adults in Oregon: a secondary analysis of data. Salem: OR Oregon Gambling Addiction Treatment Foundation

vi Moore, T., (2006). The prevalence of disordered gambling among adults in Oregon: a replication study. Salem: OR Oregon Gambling Addiction Treatment Foundation

vii Moore, T., Jadlos, T. (2002). The etiology of pathological gambling: a study to enhance understanding of causal pathways as a set towards improving prevention and treatment. Wilsonville: OR. Oregon Gambling Addiction Treatment Foundation

viii Portland State University. (December 2010). Preliminary Oregon population estimates. Available: http://www.pdx.edu/prc/

ix The margin of error from the 2006 study was \pm 0.7%.

OREGON PROBLEM GAMBLING TREATMENT EXECUTIVE SUMMARY ANNUAL REPORT FY 11-12ⁱ

This is the annual report of the statewide problem gambling services for Fiscal Year 2011-2012 (FY11-12). Program gambling services have been funded statewide through proceeds from Oregon Lottery since 1995 and are currently coordinated through the Problem Gambling Services (PGS) that is part of the Addictions and Mental Health Division (AMD) of the Oregon Health Authority (OHA). Services included 34 typical outpatient treatment programs, one residential program and a home-based minimal intervention program. During the report period, six clients were authorized short-term respite care at an approved facility.

- Based on previous prevalence studies discussed in the report, utilization projections for gamblers enrolling in treatment were set at approximately 2,100 for the year.
 - Gambler enrollments were 1,321, up approximately 9.3% over FY10-11 after falling 40% from FY07-08 to FY10-11
 - Family client enrollments were 179, up approximately 23.0% over FY10-11 after falling 59% from FY07-08 to FY10-11.

Treatment Access:

- 34.4% of the gambler clients reported obtaining the treating agency's contact information from the Helpline and 14.2% from current or previous clients similar to previous years.
- 35.2% of the gamblers reported getting the Helpline number from placards placed in the gambling venue or one the machine. This is up from 25.1 % reported in 2008 the year with the highest number of enrollees. TV ads were reported 16.0% of the time, down from 21.6% in 2008. Slightly over 20.2% reported getting the number from the Web/Internet up from 16.7% reported in 2008. Interestingly, Yellow Pages dropped from 15% in 2008 to only 6.0% this year.
- Total calls for assistance to the Helpline numbered 1,114 down from 1,836 reported in 2008.
- 27.9% of family clients acquired the agency contact information from a family member or friend and another 26.8% from the Helpline.

Treatment Availability:

- Treatment was readily available across the state with the average time between initial call and first available appointment of only 4.8 calendar days, or 4.2 work days.
- Of the total enrollments, 64 were for residential treatment, six for short-stay respite care, and 48 for home-based distance care.

Treatment Output:

(F)

- The average time enrolled was 118.6 days with females remaining in treatment significant longer (134.1 days) than males (102.2 days).
- Adjusted successful treatment completions rate was 45.7% and the average number of service hours per client was 20.9 hours. For program completers that average was 40.4 service hours. Average case cost for program completers was \$2,089.80

Demographic Characteristics:

- Females comprised 51.4% of the gambler clients and the average age was 47.6 years with females being significantly older (49.2 years).
- Ethnicity was similar to previous years with 85.5% White, 4.4% Hispanic, 3.4% Asian, 3.3% Black/African American and 1.5% Native American.
- Married clients comprised 31.5% of the gambler enrollments followed by 28.7% divorced; and 23.8% never married.
- 89.6% reported machine-based gambling as their primary preference followed distantly by cards 4.1%. Females preferred slot/line games and males preferred video poker and cards.
- 76.2% reported their primary gambling venue was at video lottery retailers followed distantly by casinos (13.0%).
- The average gambling debt, for those reporting a debt, was \$26,738.

Treatment Outcomes:

- At six-month follow-up 55.9% of the sample reported no gambling and 62.0% of the 12-month sample reported abstinence. For those who left treatment early, 38.5% reported abstinence at six-month follow-up.
- Statistically significant improvements were document across a wide spectrum of key quality of life indicators (e.g., overall quality of life in general, physical health, emotional well-being, relationships, accomplishing responsibilities at home, paying bills on time.

Client Satisfaction;

96.2% of the completers at six-month follow-up and 93% of those at 12-month follow-up indicated strong endorsement regarding recommending the program to others. Even 83.8% of those who dropped out of treatment early indicated willingness to recommend the program.

¹ Moore, T. (2012). Oregon gambling treatment programs evaluation update 2012. Salem, OR: Oregon Health Authority, Addictions and Mental Health Division