

# MSA Funding in Pennsylvania

## What does the MSA do?

In 1998, Pennsylvania and 45 other states entered into a Master Settlement Agreement (MSA) with the tobacco industry in which the companies agreed to pay, in perpetuity, annual payments to compensate states for some of the medical costs of caring for persons with smoking-related illnesses; Pennsylvania was allotted an estimated \$11 billion dollars to be disbursed in the first 25 years of the agreement. In 2001, Pennsylvania passed Act 77, which allocated MSA funds to support various health-related initiatives, including 12% for tobacco prevention and cessation. Since 2001, legal rulings and legislation have eroded MSA funding for tobacco control.

In fiscal year 2017, less than 5% of Pennsylvania's MSA funds were allocated to tobacco control, and **Pennsylvania's tobacco control budget** totaled only **12% of the \$140 million recommended by the CDC**. MSA-supported initiatives include:

- integration of tobacco control and cessation programming with other chronic disease programming
- elimination of secondhand smoke in outdoor spaces, such as parks
- tobacco-free schools and worksites
- cessation resources, such as free counseling and Nicotine Replacement Therapy (NRT)

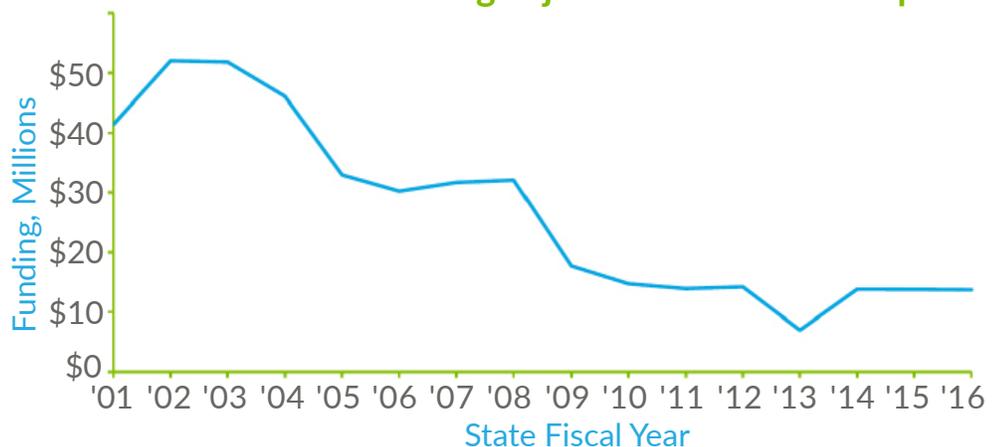
## Why does the MSA matter?

The MSA is the largest source of tobacco control funds in Pennsylvania. Tobacco control programs are important to reducing the burden of tobacco-related illness for users and non-users alike.

Tobacco control is also a cost-saving investment, reducing tobacco-related health care costs and productivity losses that total more than \$14 billion annually in Pennsylvania.

The MSA was meant to compensate the states for the harm caused by tobacco use, yet less than 5% of MSA funds go to tobacco prevention and cessation.

**Current MSA funding is just 25% of its 2002 peak.**



**RECOMMENDATION: Allocate funding for comprehensive tobacco control at the levels recommended by the CDC to meet the needs of Pennsylvanians (\$140 million annually).**

### Sources:

Pennsylvania Alliance to Control Tobacco.  
*Tobacco Control in PA 2017*. (2017).

