
HB 2128

Relating to the Master Settlement Agreement

House Committee on Judiciary
February 14, 2023

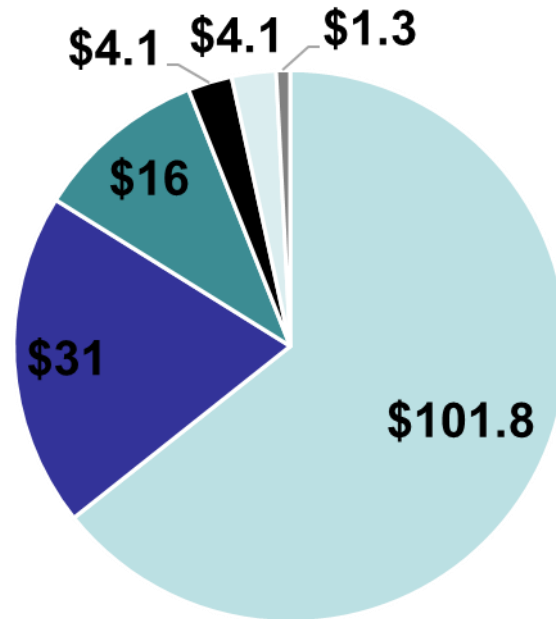


What is the Tobacco Master Settlement Agreement (MSA)?

- The Tobacco Master Settlement Agreement was reached in 1998 between the state Attorneys General of 46 states, five U.S territories, D.C and the four largest cigarette manufacturers in the United States to compensate states for costs associated with illness and harm caused by cigarette smoking.
- The MSA does not specify an amount of money required to be spent on tobacco control and prevention efforts.
- **Oregon is expecting to receive \$136 million from the MSA in 2023-25.**
- Historically, MSA funding is allocated to:
 - Oregon Health Plan
 - Oregon Health and Sciences University Bonds fund
 - Oregon Health Authority, community mental health grants
 - Department of Education, physical education grants
- In 2013-15 and 2015-17, the Oregon Health Authority – Public Health Division received approximately \$4 million for tobacco prevention and cessation.

Tobacco MSA Funding for 2015-2017

2015-2017: \$158M



- Oregon Health Plan (\$101.8M)
- Oregon Health and Science University Bond Fund (\$31M)
- OHA - Community mental health grants (\$16M)
- Department of Education - Physical Education grants (\$4.1M)
- OHA (Public Health Division) - TURA/TPEP (\$4.1M)
- DOJ - Enforcement (\$1.3M)

- **Oregon received \$158 million** from the Tobacco MSA for the 2015 - 2017 biennium.
- These funds were distributed to Oregon Health Authority, Oregon Department of Education, Oregon Department of Justice, and Oregon Health and Science University.
- **Oregon Health Authority** distributed funds to the Health Systems Division for the Oregon Health Plan, the Behavioral Health Division for Community Mental Health Grants, and the Public Health Division for tobacco prevention and cessation.

Tobacco MSA and the Tobacco Prevention Education Program

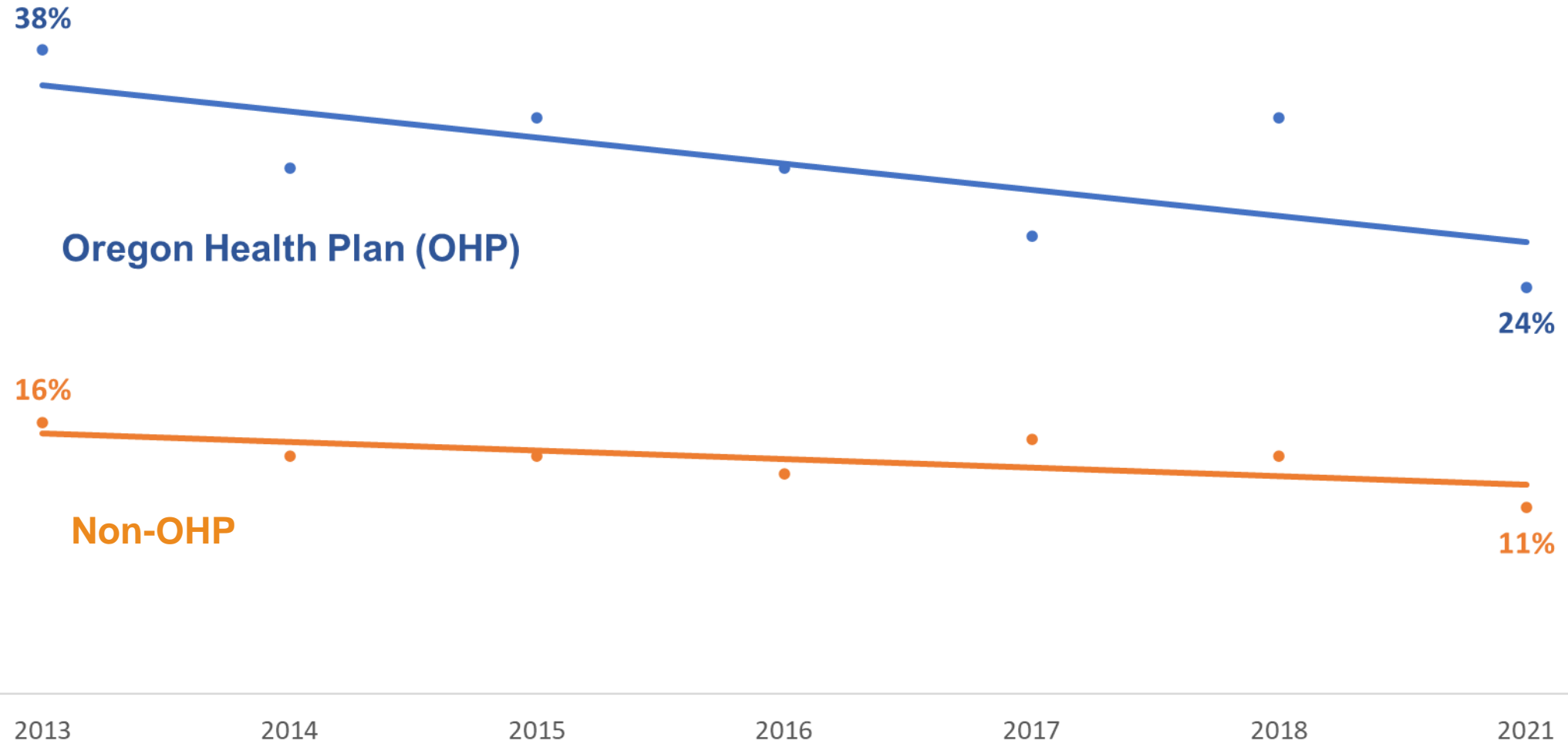
The Public Health Division Tobacco Prevention and Education Program received \$4.1 million from the Tobacco MSA for the 2015 – 2017 biennium. These funds were used for:

- **Community-Level Interventions to address tobacco use (\$1.7 million)**
 - **Local Public Health Authorities** used these funds to implement policy, systems, and environmental change including Tobacco Retail Licensing, Tobacco 21, and Indoor Clean Air Act expansion. These initiatives were funded through two grant opportunities – Sustainable Relationships for Community Health (SRCH) and Strategies for Policy and Environmental Change, Tobacco-Free (SPArC).
 - **Regional Health Equity Coalitions** to address chronic disease risk factors.
- **State-Level Infrastructure and Interventions to address tobacco use (\$2.4 million)** through tobacco-related health communications, cessation, surveillance and evaluation, and administration and management.
- **Following the 2015-17 biennium, the Public Health Division has not received any funding allocated from the MSA.**
 - [HB5039](#) directs MSA funding for the 2023-25 biennium to previous recipients: Oregon Health and Science University Bond Fund, Oregon Health Plan, Oregon Health Authority community mental health programs, Department of Education physical activity grants, and Department of Justice for enforcement.

Annual Oregon Tobacco-Related Harms

- **7,300** Emergency Room visits for conditions linked to tobacco use
- **4,800** hospital visits for conditions related to tobacco use
- **\$238 Million** hospital and ER expenditures due to tobacco-related illness
- **\$5.5 Billion** lost productivity from mortality and morbidity due to tobacco use

Oregon Cigarette Smoking Rates



Questions?