Pennsylvania Master Settlement Agreement Fund Fact Sheet

Tobacco control programs play a crucial role in the prevention of many chronic conditions such as respiratory illness, cancer, and heart disease. Comprehensive tobacco prevention and cessation programs prevent kids from starting to smoke, help adult smokers quit and educate the public, media and policymakers.

In 1998, Pennsylvania, along with 45 other states, entered into a Master Settlement Agreement (MSA) with the tobacco industry. Over the next 25 years, Pennsylvania will receive an estimated $206 billion (the payments are in perpetuity).

In 2001, Pennsylvania passed legislation, known as ACT 77, to allocate the MSA funds as follows:
- Insurance for uninsured adults = 30%
- Health-related research = 19%
- Home and community-based care for seniors = 13%
- Tobacco prevention and cessation = 12%
- Hospital charity care = 10%
- Prescription drug assistance for seniors (PACENET) = 8%
- Endowment for future health care programming = 8%

In 2005, the MSA Tobacco Prevention and Cessation Funds were redirected. Twenty-five percent of the funding went to other health care initiatives. The redirection process has continued.

Policy makers should remember to keep the promise made in 1998, and spend the money for tobacco prevention and cessation. Pennsylvania needs to invest in programs to protect children from tobacco companies’ efforts to addict them. Tobacco prevention works, it is a proven solution. Tobacco prevention also saves money and most importantly, lives.

Pennsylvania knows what the problem is – young people are smoking and people are dying. We know the solution – there are programs in Pennsylvania that are working, and working well. We have the money – from Act 77 and the extra dollars coming into the Commonwealth – to expand tobacco prevention and cessation programs throughout PA. Now we need the political will.

If Pennsylvania continues to redirect funds and does not invest the 12% of funds legislated, the state has failed its constituents and its public. This means more people will become addicted to nicotine (particularly our youth), more people will get sick and more people will die prematurely.

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