

Spend tobacco settlement money on health programs: Guest opinion

Print (http://blog.oregonlive.com/opinion_impact/print.html?entry=2013/02/spend_tobacco_settlement_money.html)



(<http://connect.oregonlive.com/staff/oliveguestop/index.html>) By Guest Columnist

(<http://connect.oregonlive.com/staff/oliveguestop/posts.html>)

Follow on Twitter (<http://twitter.com/oregonian>)

on February 23, 2013 at 5:00 AM, updated April 16, 2013 at 5:44 PM

By **Hardy Myers**

In 1998, during my tenure as Oregon's attorney general, 46 states negotiated the Master Settlement Agreement with the major tobacco companies to recover states' tobacco-related health care costs incurred for decades and to control marketing practices, especially those targeting youth. Since then Oregon has received more than \$1 billion in MSA payments and has spent the bulk of that revenue on retiring debt or on nontobacco-related services. With the debt retirement now having occurred, Oregon must turn anew to fulfilling the MSA's objectives: preventing and reducing tobacco use, especially among children, and lessening the financial toll of tobacco on states.

When the MSA payments to Oregon began in 2000, 85 percent of Oregonians supported spending those funds on tobacco prevention/cessation. Despite the fact that none of Oregon's MSA payments has been used for that purpose, Oregonians remain resolute in their beliefs 12 years later: 85 percent of voters still support dedicating at least 10 percent of Oregon's MSA funds to tobacco prevention programs (Riley Research Associates poll, August 2012).

This session, the Oregon Legislature has a new opportunity to align public policy with MSA goals by dedicating the \$120 million in MSA funds available for the 2013-15 biennium to health and prevention initiatives. A coalition of leading health organizations, which I support, has proposed that Oregon's MSA funds lead the way to a healthier Oregon with three investments: an additional \$12 million in the state's tobacco prevention, education and cessation efforts; \$35 million in child health and obesity prevention through increased access to physical education and the expansion of school-based health centers; and, building on Oregon's unique role as a leader in health reform, an investment in proven prevention strategies within coordinated care organizations.

Tobacco use has a huge public financial cost each year apart from other costs, including individual and family suffering. In 2009, Oregon's Medicaid costs alone for treating smoking-attributable diseases were \$290 million ("State-Level Medicaid Expenditures Attributable to Smoking," *Preventing Chronic Disease Journal*, July 2009). These costs, of course, can be significantly decreased from a reduction in tobacco use if prevention/cessation programs are more strongly funded. Since Oregon's Tobacco Prevention and Education Program began in 1997, Oregon has 182,000 fewer adult smokers; however, an estimated 38,000 Oregon youths under age 18 are smoking (2011 Oregon Tobacco Facts and Laws report) and 4,200 youths are projected to start smoking each year (Campaign for Tobacco-Free Kids). The future health of this new generation of Oregonians is perhaps the most crucial issue at stake in the current decisions about use of Oregon's MSA funds.

I urge our state policymakers to marshal the political will to harness those funds for strengthened tobacco prevention/cessation and the other health initiatives noted above.

Hardy Myers was Oregon attorney general from 1997 to 2009.

MASTER SETTLEMENT AGREEMENT

MASTER SETTLEMENT AGREEMENT

This Master Settlement Agreement is made by the undersigned Settling State officials (on behalf of their respective Settling States) and the undersigned Participating Manufacturers to settle and resolve with finality all Released Claims against the Participating Manufacturers and related entities as set forth herein. This Agreement constitutes the documentation effecting this settlement with respect to each Settling State, and is intended to and shall be binding upon each Settling State and each Participating Manufacturer in accordance with the terms hereof.

I. RECITALS

WHEREAS, more than 40 States have commenced litigation asserting various claims for monetary, equitable and injunctive relief against certain tobacco product manufacturers and others as defendants, and the States that have not filed suit can potentially assert similar claims;

WHEREAS, the Settling States that have commenced litigation have sought to obtain equitable relief and damages under state laws, including consumer protection and/or antitrust laws, in order to further the Settling States' policies regarding public health, including policies adopted to achieve a significant reduction in smoking by Youth;

WHEREAS, defendants have denied each and every one of the Settling States' allegations of unlawful conduct or wrongdoing and have asserted a number of defenses to the Settling States' claims, which defenses have been contested by the Settling States;

WHEREAS, the Settling States and the Participating Manufacturers are committed to reducing underage tobacco use by discouraging such use and by preventing Youth access to Tobacco Products;

WHEREAS, the Participating Manufacturers recognize the concern of the tobacco grower community that it may be adversely affected by the potential reduction in tobacco consumption resulting from this settlement, reaffirm their commitment to work cooperatively to address concerns about the potential adverse economic impact on such community, and will, within 30 days after the MSA Execution Date, meet with the political leadership of States with grower communities to address these economic concerns;

WHEREAS, the undersigned Settling State officials believe that entry into this Agreement and uniform consent decrees with the tobacco industry is necessary in order to further the Settling States' policies designed to reduce Youth smoking, to promote the public health and to secure monetary payments to the Settling States; and

WHEREAS, the Settling States and the Participating Manufacturers wish to avoid the further expense, delay, inconvenience, burden and uncertainty of continued litigation (including appeals from any verdicts), and, therefore, have agreed to settle their respective lawsuits and potential claims pursuant to terms which will achieve for the Settling States and their citizens significant funding for the advancement of public health, the implementation of important tobacco-related public health measures, including the enforcement of the mandates and restrictions related to such measures, as well as funding for a national Foundation dedicated to significantly reducing the use of Tobacco Products by Youth;

NOW, THEREFORE, BE IT KNOWN THAT, in consideration of the implementation of tobacco-related health measures and the payments to be made by the Participating Manufacturers, the release and discharge of all claims by the Settling States, and such other consideration as described herein, the sufficiency of which is hereby acknowledged, the Settling States and the Participating Manufacturers, acting by and through their authorized agents, memorialize and agree as follows: