

# TOBACCO MASTER SETTLEMENT AGREEMENT

THE FUND FOR A HEALTHY NEVADA

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# MSA - A BRIEF HISTORY

- The Tobacco Master Settlement Agreement was reached in 1998.
- The purpose of the litigation was to recover Medicaid and other costs the states incurred in treating sick and dying cigarette smokers.
- Parties included the Attorneys General of 46 states, 5 U.S. territories, the District of Columbia and the five largest tobacco companies in America.
- The original participating manufacturers were Philip Morris, R.J. Reynolds, Lorillard, and Brown & Williamson but 40 other manufacturers have since signed on.
- Companies that are not parties to the MSA still have to comply with regulations, track sales and make deposits into an escrow account.



# MSA - TERMS

Among its many provisions, the MSA:

- Forbids participating cigarette manufacturers from directly or indirectly targeting youth;
- Imposes significant prohibitions or restrictions on advertising, marketing and promotional programs or activities; and
- Bans or restricts cartoons, transit advertising, most forms of outdoor advertising, including billboards, product placement in media, branded merchandise, free product samples (except in adult-only facilities), and most sponsorships.

Annual payments from the manufacturers have been about \$8 billion and are expected to continue in perpetuity.



# MSA - IN NEVADA

- The settlement does not require states to spend the funds in any particular way.
- Each state legislature is responsible for determining how to best utilize their share of the settlement money.
- Nevada receives 0.6% share of the MSA payment each year, or roughly \$40 million.
- 40% goes to fund the Millennium Scholarship program.
- 60% goes to the Fund for a Healthy Nevada.



# FUND FOR A HEALTHY NEVADA – THEN

Originally the FHN funds were distributed to certain programs through a statutory funding formula – NRS 439.630. Only the Director’s Office of DHHS and the Aging and Disability Services Division granted out the funds.

- Senior Rx – 30%
- Disability Rx – 5%
- Independent Living for Seniors – 30%
- Children’s Health – 10%
- Tobacco Use Prevention/Cessation – 15%
- Services for Persons with Disabilities – 10%
- Assisted Living – \$200,000



# FUND FOR A HEALTHY NEVADA – NOW

The 2009 Legislature transferred funds for Tobacco Use Prevention/ Cessation from the DHHS Director's Office to the Division of Public and Behavioral Health and created a distribution plan. Funds must be allocated to:

- The district board of health in each county whose population is 100,000 or more;
- For programs in counties whose population is less than 100,000; and
- For statewide programs for and for statewide evaluation of programs.



# FUND FOR A HEALTHY NEVADA – NOW

The 2011 Legislature removed the allocation formula from the statute to allow funds to be expended where the greatest need exists. In addition, the Children's Health provision was broadened to include any program that improves the health and well-being of Nevadans.

To determine a biennial spending plan, needs assessments must be conducted every two years by the:

- Grants Management Advisory Committee;
- The Commission on Aging; and
- The Commission on Services for Persons with Disabilities.

These committees must make funding priority recommendations to the DHHS Director by June 30<sup>th</sup> of even-numbered years. The Director uses the information to help build the next budget.



# FUND FOR A HEALTHY NEVADA - NOW

While building the Agency Request Budget, the Director not only considers the advisory committee recommendations but also must:

1. Ensure that money expended from the FHN is not used to supplant existing methods of funding available to public agencies; and
2. Consider how the funds may be used to maximize federal and other resources.

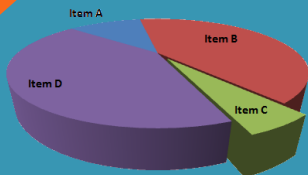
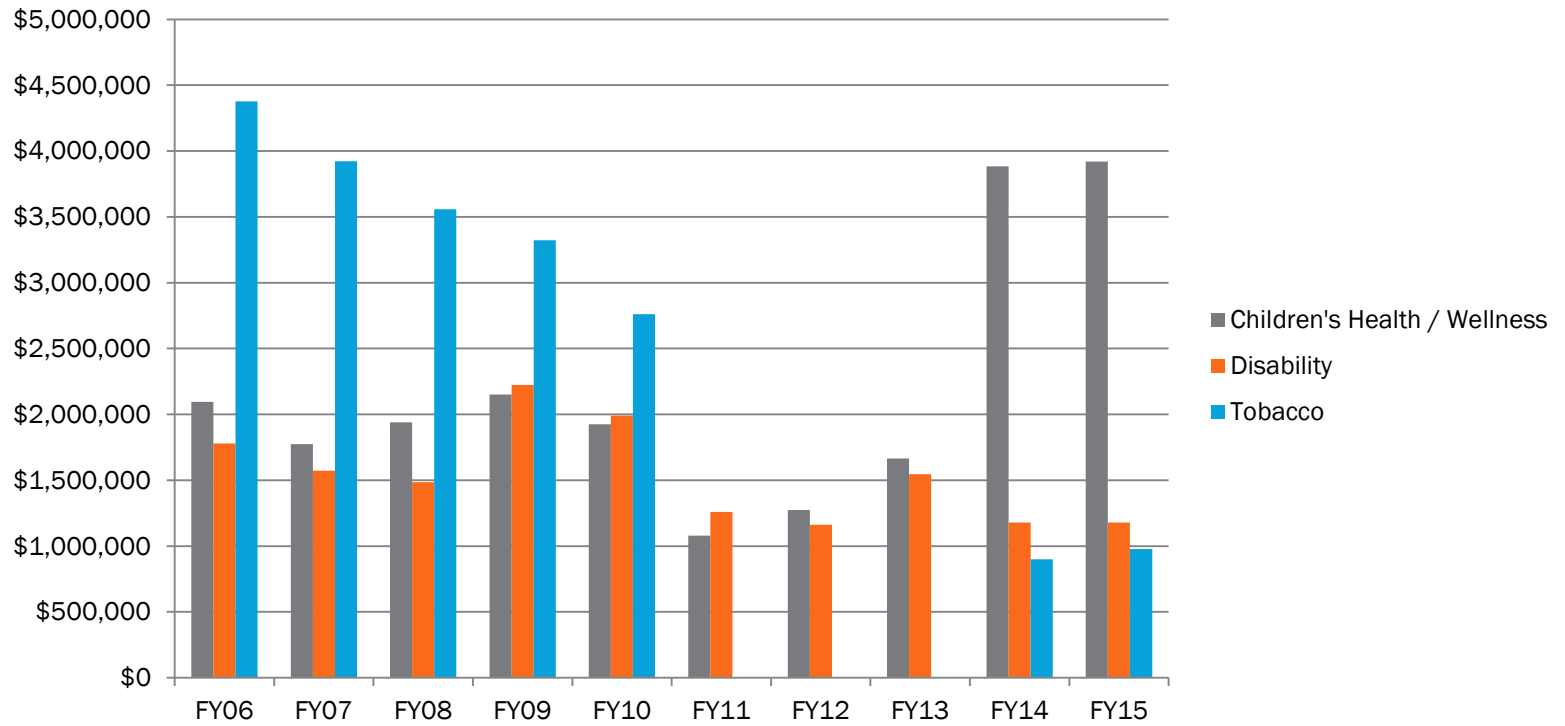
The last two steps in the process are:

3. The Governor's Recommended Budget; and
4. The Legislatively Approved Budget.





# FHN FUNDING – DISABILITY, TOBACCO, WELLNESS



# FUND FOR A HEALTHY NEVADA – PRIORITIES

## FY16-17 Priority Recommendations

- Grants Management Advisory Committee
  - Health and Mental Health Care
  - Family Support
  - Hunger / Food Security
  - Support for Persons with Disabilities and their Caregivers
- Commission on Aging
  - Case Management for Seniors
  - Transportation
  - Home Care
- Commission on Services for Persons with Disabilities
  - Equal Funding for Independent Living, Positive Behavior Support and Respite Care



# FUND FOR A HEALTHY NEVADA – FY16-17

<b>FHN - Legislatively Approved Spending Plan</b>	<b>SFY16</b>	<b>SFY17</b>
Senior Rx	2,542,884	2,542,884
Disability Rx	605,581	605,581
Senior Independent Living	5,763,970	5,763,970
Assisted Living	200,000	200,000
Tobacco Use Prevention/Cessation	1,000,000	1,000,000
<b>WELLNESS</b>		
Office of Suicide Prevention	400,000	400,000
Hunger / Food Security	2,300,001	2,300,001
Immunization	400,000	300,000
Nevada 2-1-1	700,000	700,000
Differential Response	1,420,000	1,420,000
Family Resource Centers	1,437,334	1,437,334
Office of Consumer Health Assistance	180,000	180,000
Division of Public and Behavioral Health - Mental Health Programs	3,105,042	2,371,734
Division of Child and Family Services - Mobile Crisis Units	2,451,740	2,451,740
<b>DISABILITY SERVICES</b>		
Respite for Caregivers of Persons with Disabilities	675,000	675,000
Positive Behavior Support	340,000	340,000
Independent Living	579,672	579,672
Aging and Disability Services -- TBI, Alzheimer's Taskforce	4,371,446	4,121,446
Support, Autism, Autism Taskforce Support, Taxi Assistance,		
Family Preservation		
<b>TOTALS</b>	<b>28,472,670</b>	<b>27,389,362</b>



# FUND FOR A HEALTHY NEVADA - SUCCESSES

**Tobacco Use Prevention/Cessation:** The Southern Nevada Health District won the 2005 National Association of City and County Health Officials Promising Practice Award and a seat on the National Centers for Disease Control Young Adult Expert Panel for their Urban Fuel campaign. *(From FY06 Annual Report)*

**Disability Services – Independent Living:** A woman with a Traumatic Brain Injury living in a transitional housing environment persistently ran out of money before the end of each month. After enrolling in a Life Skills program, she was able to move into permanent housing, obtained Medicare and Social Security, received physical and occupational therapy, and began functioning independently. *(From FY09 Annual Report)*

**Hunger / Food Security:** After connecting with a Hunger One-Stop Shop in Northern Nevada, the mother of two small children was able to participate in a workforce development program. The One-Stop Shop and its partner pantry continued to help her with food while she attended classes to become a Certified Nursing Assistant. *(From FY15 Annual Report)*

