

# North Carolina's Experience

## Master Settlement Agreement and Tobacco Use Prevention and Cessation

### 2001-2012



CHILD FATALITY TASK FORCE  
OCTOBER 22, 2012

SALLY HERNDON, MPH  
HEAD, TOBACCO PREVENTION AND  
CONTROL BRANCH  
NC DIVISION OF PUBLIC HEALTH

## Today's Presentation in 3 Brief Parts



- Brief History regarding the Master Settlement Agreement (MSA) and its purpose, especially related to the leading preventable cause of death in NC and the nation
- How NC's MSA funds invested 2003 - 12 were successful:
  - in keeping young people from starting to use tobacco and
  - In preventing tobacco use among women of childbearing age/pregnant women
  - In helping all tobacco users who want to quit
- Data on the ongoing costs of tobacco addiction, disease and death in NC

# Brief History of MSA

IN NORTH CAROLINA  
AS IT RELATES TO TOBACCO PREVENTION  
AND CESSATION

**NEWS & OBSERVER**

TUESDAY, AUGUST 24, 1999

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## Youth smoking up in N.C.

**A new CDC report says that 35.8 percent of teens use cigarettes. Another study suggests the state needs to spend more on prevention.**

BY JON W. CHAMBERLAIN  
STAFF WRITER

The smoking rate among high school students in North Carolina has increased by about 22 percent in six years, the U.S. Centers for Disease Control and Prevention reported Monday.

The CDC report shows that 35.8 percent, more than one out of three North Carolina high school students, smoked occasionally or regularly in 1997, the latest year for which data were available.

Experts worry that the overall rate will rise as these students grow into adult smokers. Some blame "smoking chic" emanating from Hollywood and easy access to cigarettes.

A related CDC report also suggests that North Carolina may be spending only a small fraction of the money needed to be effective in combatting smoking among all segments of the population.

"It's a serious problem. ... The rates of smoking among youth in North Carolina have been increasing similar to the rest of the nation," said Terry Pechacek, associate director for science at the CDC Office on Smoking and Health in Atlanta. "We are estimating that even if the youth smoking rates level off, 166,000 youths in North Carolina now under

### Young smokers

Youth smoking continues to rise, even as adult rates have hit a plateau.

■ N.C. high school smokers\*  
■ N.C. adult smokers

Year	N.C. high school smokers*	N.C. adult smokers
1993	29.3%	26.7%
1995	31.3%	25.8%
1997	35.8%	25.8%

\*Percentage of students in grades 9 to 12 who said they had smoked in the past 30 days.  
Source: U.S. Centers for Disease Control and Prevention

SEE SMOKING, PAGE 8A

FRANK MEDLIN / The News & Observer

## A Brief History of the MSA in NC

as it relates to tobacco prevention and cessation and the health and economic burden of tobacco use



The 1998 State Tobacco Settlement, also known as the Master Settlement Agreement (MSA), provides NC a historic opportunity to:

- Save Lives
- **Protect Children**
- Drive Down the Taxpayer Health Care Costs

## Did you Know?

MSA Calls for States to Invest Tobacco Settlement Funds to Prevent and Reduce Tobacco Use



- In 1998, the Master Settlement Agreement (MSA) settled the states' Medicaid lawsuits against the major tobacco companies for recovery of their tobacco-related health-care costs
- As part of the MSA, the companies agreed to curtail or cease certain marketing practices (transit ads, billboards, cartoon characters)
- Tobacco companies also agreed to pay, in perpetuity, various annual payments to the states for compensation related to smoking-related illnesses
  - Every April, approximately \$140 million in MSA payments come to NC
- MSA contains explicit language that shows the parties to MSA expected and intended that the payments to the states would be used to prevent and reduce tobacco use, especially among children

## Excerpts from MSA

...the undersigned Settling State officials believe that entry into this agreement ... 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;

the Settling States and the Participating Manufacturers . . . 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...**

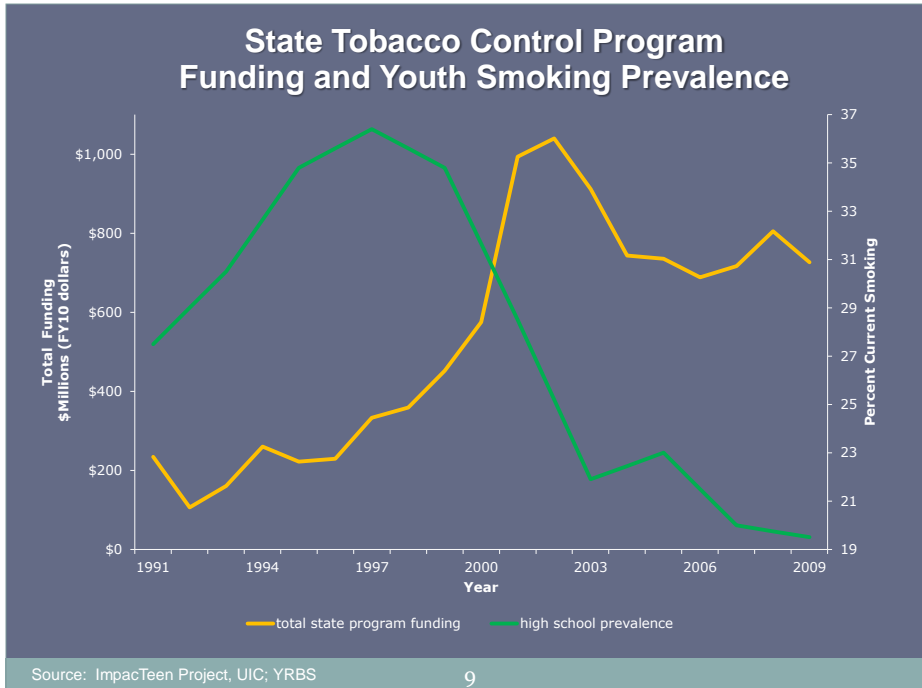
## NC MSA Allocation History:

### Did you Know?

- Every April, approximately \$140 million in MSA payments come to NC
- 25 % went to the Health and Wellness Trust Fund 2001-2012.
  - Investments in tobacco prevention and cessation increased from \$6.2m to \$19.2 m (08-09) for tobacco prevention and cessation.
  - 2004, NCGA scheduled \$350m for HWTF to pay in bonds that the state issued for capital construction unrelated to prevention and cessation services
  - This debt service reduced the amount available for tobacco prevention and cessation to about \$15 million in 2009-10.
  - HWTF was abolished in 11-12, with the remainder of funds coming to NC DPH to complete the tobacco prevention and cessation obligations for the year.

#### Other Components of NC's MSA:

- 50 % goes to the Golden Leaf Foundation (per the consent decree) for community economic development in tobacco dependent communities. <http://www.goldenleaf.org/>
- 25% goes to the Tobacco Trust Fund Commission <http://www.tobaccotrustfund.org/>
- Phase II funds provided a "buy out" for tobacco farmers, ending the federal tobacco program and providing reimbursement for Quota Owners and Growers. [http://www.cals.ncsu.edu/advancement/tobaccobuyout/buyoutbkgd\\_new.htm](http://www.cals.ncsu.edu/advancement/tobaccobuyout/buyoutbkgd_new.htm)



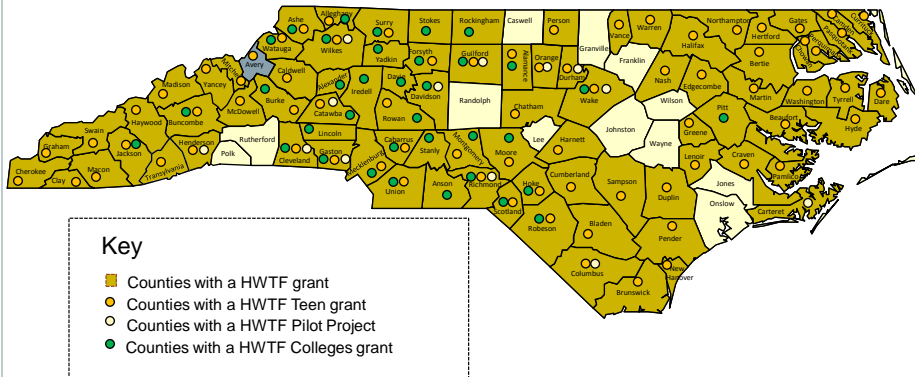
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## SUCCESSSES in NC

COME FROM MSA INVESTMENTS IN  
EVIDENCE BASED TOBACCO PREVENTION  
AND CESSATION  
2003-12

## NC's FUNDED COMMUNITY BASED INITIATIVES

*Full time staff working with teens across NC*  
*Youth Empowerment and Community Education*  
**2009-2011**



*updated 2009-9-22*

## Media Campaigns Combined With Community Interventions Work

- Terrie Hall, North Carolinian, is featured in the CDC Tips from Former Smokers Campaign

<http://www.youtube.com/watch?v=Qubbx-Cgfkik>

TRU: Stars

www.realityunfiltered.com/TruStars.aspx

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What's TRU | Faces of TRU | TRU in Action | Tobacco Facts | Cool Stuff | Quit

TRU Stars • Local TRU Groups

8182 MEMBERS

→ MEET THE PEOPLE WHO ARE TAKING A STAND.

YOUTH IN ACTION AGAINST TOBACCO COUNCIL (YJAATC)

Chowan Regional Healthcare Foundation

Vance County TRU-SWAT

Ashante Spruill

Add your voice to the movement for a healthier North Carolina.

SHARE

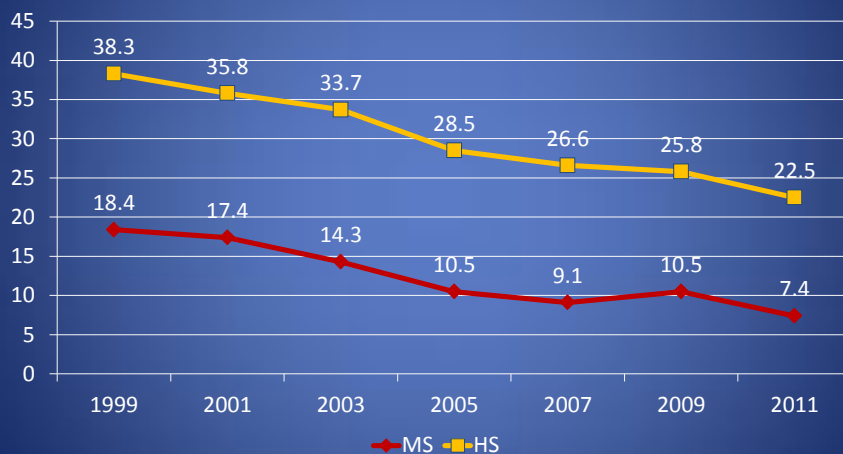
Want your friends to know just how important this is? Let them see for themselves.

PLEDGE

Commit to staying tobacco-free. No, we can't hold you to it, but something tells us we don't have to.

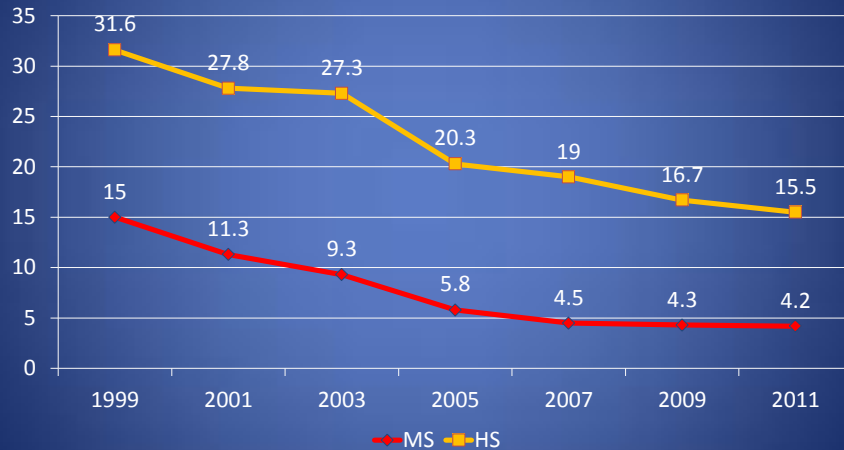
BECOME A WALKING

Percentage of **middle and high school students** who report **current use\*** of any tobacco product: NC YTS 1999-2011



\*Current use defined as use on one or more of the past 30 days

## Percentage of **middle and high school students** who are **current smokers**: NC YTS 1999-2011



\*Current use defined as use on one or more of the past 30 days

## www.YouQuitTwoQuit.com



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### life.

**For Women.** We are here to support you in making healthy choices that fit your life. Read on for facts and tips about how it benefits you to quit smoking. [Learn more.](#)

[Benefits of Quitting Smoking](#)  
[Facts About Quitting](#)  
[Getting Support When Trying to Quit](#)  
[Plan to Quit Smoking](#)

### health.

**Pregnant & New Mothers.** Your baby's health is a delicate and fragile balance. Quitting smoking now is one of the best things you can do to preserve it. [Learn more.](#)

[The Benefits of Quitting Smoking and Staying Quit](#)  
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[Getting Support When Trying to Quit](#)  
[Plan to Quit Smoking](#)



### support.

**Friends & Family.** By making the decision to quit, you've taken the first step to ensuring your good health. But you don't have to take the journey alone. Invite your friends and family to walk with you. [Learn more.](#)

**Health Care Professionals.** Your doctors have a vested interest in the well-being of you and your baby: they'll do everything they can to ease your

### headlines.

- NEW You Quit Two Quit Practice Bulletin
- Free 3 credit CME from ACOG on Perinatal Smoking Cessation

### Did you know?

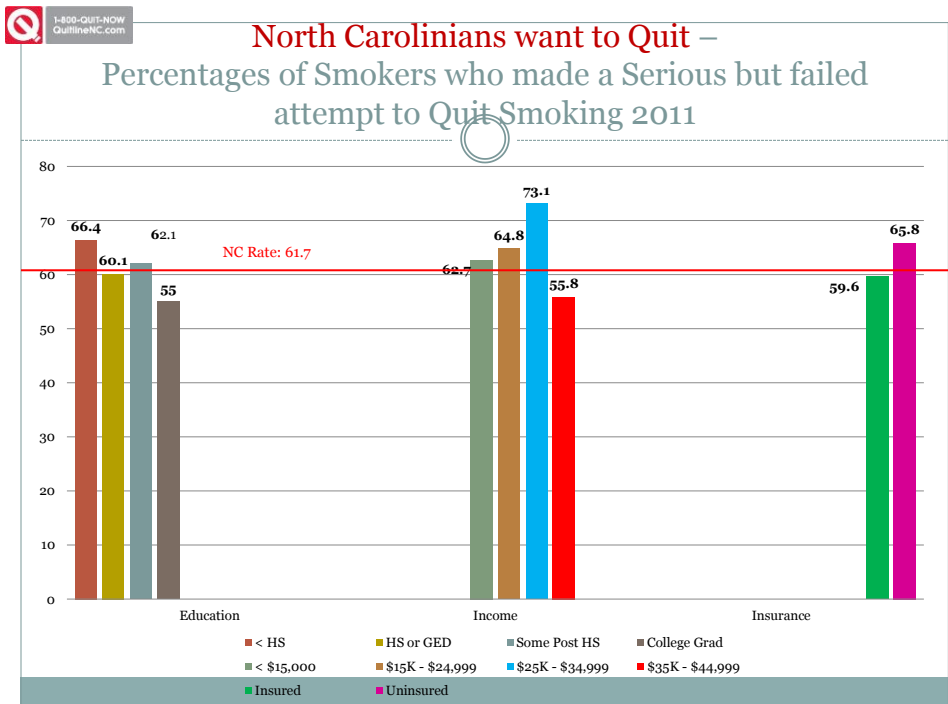
Quitting smoking gives you more energy and helps you breathe more easily.



## NC's Tobacco Prevention and Cessation Return on Investment

The NC MSA investment in the Teen Tobacco Prevention and Cessation Initiative, showed a strong return on investment of \$8.35 for every \$1.00 spent on the initiative.

-- Chenoweth & Associates, Inc.  
2011



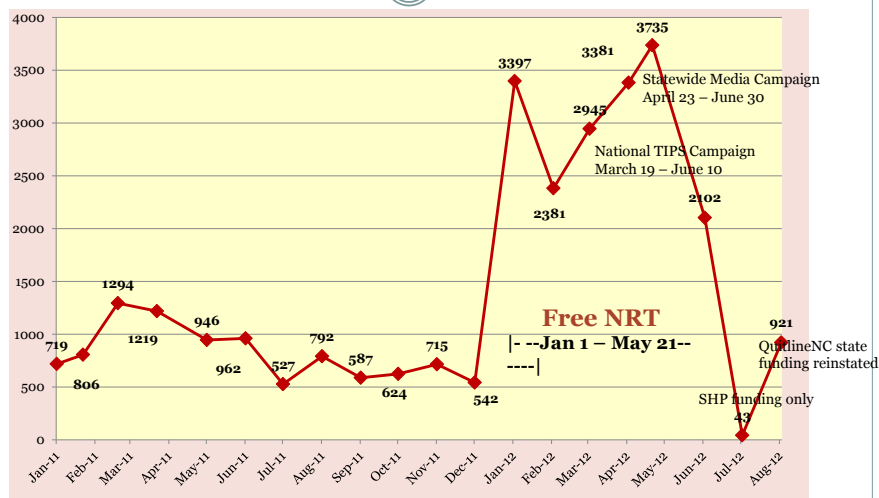


**1-800-QUIT-NOW**  
1 - 8 0 0 - 7 8 4 - 8 6 6 9

- ❖ An evidence-based telephone tobacco treatment service
- ❖ Consists of four treatment sessions
- ❖ **Special protocol for pregnant women includes 10 treatment sessions**
- ❖ Highly trained, professional Quit Coaches
- ❖ Available free to all North Carolina residents
- ❖ Accessible 24 hours a day, 7 days a week



## QuitlineNC Enrollments January 2011 – August 2012



# North Carolina's Ongoing Costs

OF TOBACCO ADDICTION, DISEASE AND  
DEATH IN NC

## Despite Progress Made Tobacco Use Still a Threat to North Carolinians

- Tobacco use remains the leading preventable cause of death in North Carolina.
- More than one million people in North Carolina still use tobacco, which is responsible for **one in five deaths** in the state. **For each death, there are 20 more people who are sick or disabled because of tobacco use.**
- North Carolina's smoking-attributable direct medical care costs are conservatively estimated at **\$2.4 billion** annually with a cost of **\$769 million for Medicaid.**
- In addition, excess medical care costs from exposure to secondhand smoke in North Carolina are estimated to be **\$293.3 million** per year.

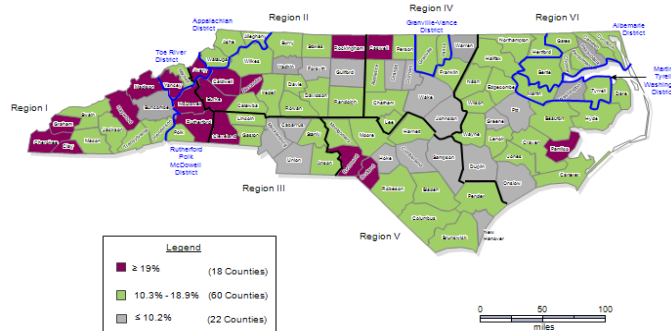
## Need and Opportunity Exists across NC to improve birth outcomes and lower costs

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Percentage of Live Births to Women Who Smoked During Pregnancy  
2009 NC Birth Certificate Data  
(NC Statewide Average = 10.2%)

**More than 1 of 10 babies** in NC are born to women reporting tobacco use during pregnancy.

In some counties **over 30%** of babies are born to women who smoked.



Sources: North Carolina Selected Vital Statistics Vol 1 - 2009, State Center for Health Statistics  
Produced By: Erin McCann, MA, MPH, "You Quit, They Quit" [www.youquittheyquit.com](http://www.youquittheyquit.com)

## What Will it Take? to Keep our Kids and Grandkids and Women of Childbearing age Tobacco-free?

- Most tobacco users start at ages 11-14.
- Each year at least 100,000 students enter sixth grade in North Carolina.
- At this age, they become more vulnerable to tobacco marketing and other messages supporting tobacco use.
- Tobacco use tends to rise steadily from sixth through 12<sup>th</sup> grade.
- Data from other states show that, with no prevention or cessation programs, or a diminished ones, the risk to each new class of teens will grow, as will tobacco attributable health care costs.

## Healthy NC 2020: Tobacco Use Objectives

- Decrease percent adults currently smoking (key performance indicator)
  - Target: **13.0%** (Baseline [2009] 20.3%)
- Decrease percent high school youth using any tobacco
  - Target: **15.0%** (Baseline [2009] 25.8%)
- Decrease percent workers reporting SHS in workplace
  - Target: **0%** (Baseline [2008] 14.6%)
- Reduce percentage of women who smoke during pregnancy
  - Target: **6.8%** Baseline [2008] 10.4%



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## Thank you!



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- [www.tobaccopreventionandcontrol.ncdhhs.gov](http://www.tobaccopreventionandcontrol.ncdhhs.gov)
- [www.smokefree.nc.gov](http://www.smokefree.nc.gov)
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