CALIFORNIA HEALTHY BEVERAGE INITIATIVE

This brief summarizes a CDPH-CHOICES Project Learning Collaborative Partnership model examining the California Healthy Beverage Initiative, which would phase out the use of state funds to procure, serve, or sell sugar-sweetened beverages in support of California's efforts to limit harms from ultra-processed foods.

The Issue

Sugar-sweetened beverages (SSBs), which contain added caloric sweeteners, are often ultra-processed and linked to weight gain, chronic disease, oral health issues, and higher healthcare costs.[1-3] The public health burden of chronic conditions and associated health care costs[4] reinforces the need for prevention strategies.

California has over 200,000 state civil service employees,[5] many working in facilities with cafeterias, vending machines, or catered events, as well as state contractors serving employees in settings where beverage sales are governed by state contracts. Policies limiting SSB procurement, sale, and service in these settings provide employees and visitors with healthier options while reducing SSB-related harms.

While this would be the first statewide effort of this scale in the U.S., similar initiatives have been successfully implemented locally in California, including San Francisco's 2015 policy prohibiting city funds for purchasing, selling, or distributing SSBs[6] and Santa Clara County's 2012 countywide nutrition standards.[7]

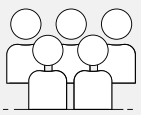
About the California Healthy Beverage Initiative

The California Healthy Beverage Initiative would phase out the use of state funds to procure, serve, or sell sugar-sweetened beverages, building on existing procurement systems as contracts expire. Start-up activities include staff notification, training, and materials development. Incorporated into vendor contracts via the California State Contracts Register and administrative manuals, the policy would define SSBs and outline implementation and compliance steps. The Department of General Services would update the State Contracting Manual and notify procurement contacts. The California Department of Public Health would develop guidelines, materials, technical assistance resources, workshops, and vendor outreach tools, and assess compliance. Staff overseeing new contracts, including in programs like the Department of Rehabilitation Business Enterprises Program, would issue compliant bids and monitor adherence, while vendors receive website access, written materials, and technical assistance.

Comparing Costs and Outcomes

CHOICES cost-effectiveness analysis compared the costs and outcomes over a 10-year time horizon (2027-2036) of implementing California's Healthy Beverage Initiative with the costs and outcomes associated with not implementing the strategy.

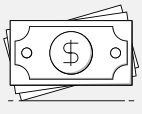
Implementing California's Healthy Beverage Initiative is a COST SAVING STRATEGY that would lead to health benefits and health care cost savings for California employees. By the end of 2036:



216,000
EMPLOYEES REACHED
over 10 years



4 Million
FEWER SSBs CONSUMED
in the first year



$4.64
HEALTH CARE COSTS SAVED
per 1$ INVESTED



$10 Million
HEALTH CARE COSTS SAVED
over 10 years

Conclusions and Implications

Implementing the California Healthy Beverage strategy is projected to be cost-saving, yielding more in health care cost savings for California's more than 200,000 employees than it would cost to implement. Average annual implementation costs total $223,000, or $1.03 per California employee who would benefit from healthier workplace beverage environments. For every dollar invested in implementation, $4.64 in health care costs would be saved, making this evidence-based procurement policy one that improves the health of state employees while delivering more than $10 million in health care cost savings over 10 years.

Evidence shows that improving access to healthier beverage options through setting-specific strategies can reduce SSB consumption, especially among high consumers, who are at higher risk of chronic disease.[8] Implementation would be gradual through a phased approach, allowing for better planning, inventory adjustments, and staff training to help maintain sales volume and revenue. Once implemented, California's state employees would drink over 4 million fewer SSBs in the first year—a 9% decrease—boosting oral health and reducing chronic disease risk. The strategy could prevent over 4,000 cases of dental decay, saving $186,000 in related treatment costs over 10 years, and help prevent diabetes.



Beyond state employees, millions of visitors to public services, parks, and cultural sites would encounter healthier drink choices. The California Healthy Beverage Initiative strategy aims to offer healthier options, protect against harmful products, support healthier workplaces, reduce healthcare costs, and align with California's public health goals. This strategy could advance California's commitment to limit the harms of ultra-processed foods and promote the health and wellbeing of its state employees, residents, and visitors.

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