Removing Sugar-Sweetened Beverages from Allowable SNAP Purchases in New York City

A Two-Year Demonstration Project
Overview of Proposal

• Two-year demonstration project in NYC to remove sugar-sweetened beverages from list of products eligible for purchase with SNAP benefits
• Coordinated implementation plan (NYC and NYS) that includes retailer outreach and participant education
• Rigorous evaluation component to determine impact on purchasing behavior and consumption
Rationale

• Recognizes sugar-sweetened beverages as major contributor to obesity epidemic
• Makes program consistent with stated goal of raising nutrition levels of low-income Americans
• Conforms SNAP to other Federal nutrition program standards, including WIC and the National School Lunch/School Breakfast Program
• Provides opportunity to evaluate and compare alternative and innovative approaches to improving nutrition
Goals of Demonstration Project

• Improve nutrition of and promote healthier eating among SNAP participants
• Complement New York State and City’s broad range of innovative public health initiatives and nutrition education efforts
• Fight spread of obesity and related illnesses as well as associated health care costs
• Evaluate for potential national policy implications
NYC Nutrition Initiatives
Education

• Eat Smart New York
  – 20,000 adults and > 50,000 children reached each year through this free SNAP-Ed program

• Calorie posting at chain restaurants
  – Point of purchase calorie information to help consumers make more informed choices

• Mass media campaigns
  – Highlight adverse affects of sugar-sweetened beverage consumption
Increasing Access to Healthy Foods

• Health Bucks
  – $2 coupon for fresh produce for every $5 spent with EBT at farmers markets
  – EBT sales **double** at markets that offer

• Green Carts
  – Special mobile food vendors that sell only fresh fruits and vegetables in underserved neighborhoods
  – Pilot program underway to put EBT on 10% of carts

• Healthy Bodegas
  – Outreach to >1,000 bodegas in underserved communities

• FRESH
  – Zoning and financial incentives for new supermarkets in underserved areas
Reducing Sugar-Sweetened Beverages

• Public agencies
  – Nutrition standards for 225 million meals and snacks per year include prohibiting high calorie sugary drinks

• Vending machines
  – Only low/no calorie drinks in schools

• Daycare centers
  – Nutrition standards apply to 2,000 day care centers serving more than 130,000 children
  – Restricts beverages with added sweeteners and whole milk

• Sugar-sweetened beverage tax
Scope of the Problem
Adult Obesity and Diabetes on Steady Rise in New York City

Sources: Behavioral Risk Factor Surveillance System (BRFSS), Centers for Disease Control and Prevention, 1994-2001; Community Health Survey (CHS), New York City Department of Health and Mental Hygiene, 2002-2008; New York City Health and Nutrition Examination Survey (NYCHANES), 2004. Adults defined as age 18 and older for BRFSS and CHS, age 20 and older for NYCHANES.

Body Mass Index is calculated based on respondents’ self-reported height and weight (BRFSS, CHS) or on measured height and weight (NYCHANES). Obesity defined as Body Mass Index of 30 or greater.
Nearly 40% of NYC School Children are Overweight or Obese

Source: NYC FITNESSGRAM reports from the 2007-08 school year. More than 60,000 students in grades K-12 were assessed. Egger, JR, Bartley, KF, Benson, L, Bellino, D, Kerker B. Childhood Obesity is a Serious Concern in New York City: Higher Levels of Fitness Associated with Better Academic Performance. NYC Vital Signs 2009, 8(1): 1-4.
Sugar-Sweetened Beverages are Driving the Obesity Epidemic

• Americans consume 200-300 more calories per day than 30 years ago, with the largest single increase due to sugar-sweetened drinks. ¹

• SSBs contain enough calories that daily additional intake of 12-oz serving could increase weight by 15 pounds a year. ²

• Observational studies show an association between SSB consumption and obesity or weight gain
  – Each additional 12 oz. soft drink consumed per day by children increases their odds of becoming obese by 60%. ³

• Randomized controlled trials show that decreasing SSB consumption reduces weight or weight gain
  – Students who reduced their sugar-sweetened beverage consumption had 7.7% lower incidence of overweight. ⁴

Calorie Intake From SSBs Has Nearly Tripled

Consuming Sugar-Sweetened Beverages Has Been Shown to Increase Diabetes

- **Cohort study**: Women who consume 1+ SSB per day have an 83% increased risk of type 2 diabetes.¹

- **Meta-analysis**: People who consume 1+ SSB per day have a 26% greater risk of developing type 2 diabetes.²

Obesity, SSB consumption, and SNAP recipients

Each year in NYC, an estimated $75-$135 million of SNAP benefits is spent on SSBs.

Drinks one or more SSB per day

Obesity

Diabetes Hospitalizations, 2006-2008

Diabetes (Primary Dx ICD9 250) Hospitalizations by United Hospital Fund (UHF) Neighborhood: Crude Rate*, Adults Ages 18+
New York City, 2006-2008*

Hospitalizations per 100,000
- 99.29 to 188.4 (11)
- 188.5 to 282.2 (8)
- 282.3 to 467.7 (12)
- 467.8 to 704.4 (8)
- 704.5 to 818.0 (3)

* NOTE: * Rates are calculated using 2007 population data
- SOURCE: NYS Hospital Discharge Data (SPARCS)
Health and Economic Costs of Obesity and Diabetes are High

• Each year in NYC alone, diabetes causes:1,2,3
  – 20,000 hospitalizations
  – 3,000 amputations
  – 4,700 deaths

• In New York State, billions of dollars are spent by Medicaid and Medicare on obesity and diabetes 3,4
  – Obesity: $10.2 billion
  – Diabetes: $7.2 billion
    • $3,378 in Medicaid costs per recipient each year

SNAP in NY and Proposed Implementation Plan
NY Initiatives to Ease Access And Increase SNAP Participation

- Providing transitional benefits to households leaving cash assistance
- Automatically enrolling SSI applicants
- Working Families Food Stamp Initiative
- Using phone interviews at both application and recertification for most households not receiving cash assistance
- Expanded categorical eligibility
- HEAP/SUA maximization
NY Initiatives to Ease Access And Increase SNAP Participation

• **myBenefits.ny.gov**
  - Statewide screening tool
  - Facilitated food stamp/SNAP online application
  - Public online application statewide December 2010
  - myWorkspace provides support to local districts processing applications
Retailer Outreach
Prior to Implementation

• Public information / education campaign will inform all retailers of changes
  – Outreach through the Food Industry Alliance, Bodega Association, and other trade groups
  – Multiple media sources (websites, radio, press releases, posters)
• Meetings with retailers to discuss changes
  – Food Industry Alliance and Bodega Association members will be invited to a series of meetings in all five boroughs
• Direct mailing to 9,221 NYC SNAP retailers
  – Outline the change, goals of the change, provide instructions on how to implement, and a description and list of non-eligible items
Retailer Implementation

- Retailers receive monthly list of eligible items from USDA to program their scanning systems; list revised for NYC
- Retailers with scanning systems will reprogram systems to reflect updated list (currently done on regular basis)
  - 80% of SNAP redemptions (and 60% of transactions) involve large retailers that do $25,000 or more in monthly SNAP sales
  - Likely that these large retailers have scanning systems
- Retailers without scanning systems will be provided easy-to-use materials to educate register employees
  - Sweetened beverages will be added to their current process of identifying ineligible items
- Compliance will be monitored through the evaluation
Participant Outreach
Prior to Implementation

- Direct mailing to SNAP recipients from HRA informing them of the change
- Information provided directly to applicants and recipients at HRA SNAP offices
- Pamphlets, posters, and decals will be provided to retailers to inform customers and staff
  - Informational materials also made available at City facilities
- Targeted education campaign to minimize uncertainty around eligible products at the register
  - Through multiple media sources (websites, radio, press, posters, community-based organizations, etc.)
Participant Implementation

- No change to participant benefit amount
- No change in ability to use EBT for eligible purchases
- No change in ability to use cash or other form of payment for ineligible items
- Minimal change in customer-retailer dynamics
- Issue of interoperability (participants going to stores outside NYC to purchase items) will be assessed through the evaluation
Evaluation
Evaluation Objectives

• Key areas of study
  – Implementation by SNAP retailers
  – Impact on SNAP participants’ purchase and consumption of:
    • Sugar-sweetened beverages
    • Other foods
  – Stigma

• Independent evaluators will be engaged for certain evaluation components
Implementation by SNAP Retailers

• Interviews with state and local officials
  – Efforts to notify retailers and public of the new restrictions
  – Technical and system-related processes necessary to implement

• Interviews with food retailers in NYC
  – Process used to implement the restriction
  – Perspectives on impact on operations

• “Secret Shoppers”
  – Assess compliance among a random sample of small retailers
Impact on Purchases and Consumption

• Multi-method approach with three primary data sources
  – **Retail sales data** from sample of SNAP retailers in NYC and neighboring areas
  – **Planned telephone survey** with questions on SSBs
  – **Repeated cross-sectional surveys** with a sample of NYC SNAP participants (treatment group) and a sample of unaffected SNAP participants in other jurisdiction (comparison group)
Changes in Food Purchases: Retail Sales Data

• Cash register data from sample of SNAP retailers
  – Include transactions in which EBT used
  – Measure sales of SSBs and other foods, by payment type (e.g., cash, EBT, credit, debit, etc.)
  – Several large retailers and suppliers will assist or provide data; outreach ongoing
  – Analysis: pre- vs. post-implementation purchases of SSBs and other foods in NYC and comparison areas
Changes in Purchases and Consumption: Planned Telephone Survey

- Telephone survey of 2,000 low-income New Yorkers (1/3 SNAP participants) regarding SSBs
- January 2011 and post-implementation
- Questions include:
  - Purchases of SSBs
    - With EBT
    - With cash
  - Consumption of SSBs
  - Stigma
Changes in Purchases and Consumption: Repeated Cross-Sectional Surveys

• Telephone surveys of SNAP participants in NYC and neighboring areas
• Baseline: 2 waves (i.e., January & June 2011)
• Follow-up: 2 waves per year (i.e., January and June 2012 and 2013)
• 400-1,000 households per group per wave
• Measures
  – Purchase of SSBs with cash and EBT
  – Purchase of selected other foods
  – Consumption by food frequency questionnaire (1-week recall)
    • By respondent
    • By child in household (if any)
Projected Impact on Health Outcomes and Healthcare Costs in NYC

- Conservatively, 9% reduction in SSB calorie consumption, assuming:
  - 80% of current EBT SSB purchases shifts to cash
  - 5% of current EBT SSB purchases made with EBT (noncompliance)
  - 40% of SSB calories avoided replaced with calories from other foods/beverages
- Over 10 years, a 9% reduction in SSB consumption among SNAP recipients would:
  - Prevent 7,916 adults from becoming obese
  - Prevent 1,782 new cases of diabetes
  - Save more than $160 million in healthcare costs associated with obesity and diabetes
- A 20% reduction in consumption would:
  - Prevent 17,592 adults from becoming obese
  - Prevent 3,960 new cases of diabetes
  - Save more than $350 million in healthcare costs associated with obesity and diabetes

Calculated for NYC DOHMH by Y. Claire Wang, MD, Assistant Professor of Health Policy & Management, Mailman School of Public Health, Columbia University; October 2010
Twin Epidemics of Obesity & Diabetes Demand Innovative Approaches

- Obesity and diabetes have reached epidemic levels
- Disproportionately affect low-income populations
- Sugar-sweetened beverages are the single largest contributor

This demonstration project provides a valuable opportunity to evaluate and compare alternative approaches to improving nutrition
Supporters to Date