

## COVID-19: THE FEDERAL RESPONSE AND OHIO

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Wendy Patton

Everyone wants assurance that if they or their loved ones get sick, they'll get the care they need. We want to know that even during tough times, we can still pay the rent and put dinner on the table. Part of the reason we pool our resources in the form of taxes is so the government can protect us in a time of crisis, whether it's in our personal lives or a shared emergency. Faced now by the COVID-19 pandemic, we look to government to take extraordinary measures to protect and preserve life and limit threats.

The federal government has started to provide resources states will need to protect public health, treat people who are sick and bolster the economy. In the first week of March, Congress passed a bill to provide \$8.3 billion in new funding to support vaccine research and development, assist state and local governments in their disease prevention and public health efforts, support small businesses and fund other key preparedness efforts. Ohio received \$15.6 million for local public health agencies to prepare to handle the virus, and can apply for more. This was the first step. Congress and the Trump Administration will have to do far more, given the rapid spread of the virus and serious economic impact.

Congress is now taking a second step with the "Families First Coronavirus Response Act" (H.R. 6210). The House passed the bill last week. It has the support of the Trump Administration. It is still under debate in the Senate. This bill provides a limited set of policies to address some immediate needs of families and communities. It boosts the federal government's share of Medicaid costs, covers testing and lab work for individuals and removes barriers to some safety net services. It provides some workers with family leave and paid sick days. The Joint Committee on Taxation estimates the cost over 10 years will be \$104 billion.

### **Paid sick time and unemployment compensation**

Public health officials are working to stem the virus by limiting its person-to-person spread. People are losing work by the thousands across Ohio with the closure of restaurants, bars, movie theaters, sporting events and other activities. Ohio Department of Job and Family Services reported 12,000 applied for unemployment compensation on Sunday, March 15; a week before, just 562 people applied. Another 36,000 applied on Monday. The Coronavirus Response Bill provides \$1 billion among the states to bolster overstrained unemployment compensation administration.

Those who can are working from home to avoid spreading the illness, but many people can't telecommute, like cashiers, Uber drivers, food service workers, stock clerks and material movers. Many of these are jobs in Ohio's biggest occupational categories, and many don't offer paid sick days. An estimated 1.3 million Ohio workers lack paid sick days. These workers are always at risk. Just three days of unpaid sick days can equal the cost of a month's utility or health insurance payment. Studies have found half come to work sick because they can't afford to go without pay. This is a health threat to them and to the customers they serve.

The Coronavirus Response Act mandates employers with less than 500 workers provide 10 days of paid sick leave for full-time employees and prorated sick days for part-timers; companies of less than 50 employees can ask for an exemption. Non-refundable tax credits taken against payroll taxes will reimburse firms for the cost of the sick leave. The measure also gives paid family and medical leave to care for a child under 18 years of age only if school is closed or day care is unavailable because of a public health emergency.

The bill passed by the House leaves out many working people. Employers of health care workers and emergency responders can elect to exclude such employees from these leave provisions. Self-employed people, whether they are actually self-employed or misclassified as such, are really without clear help. All told, an estimated 20 million workers lacking sick days are not covered by this bill, and this is just counting those who work for employers with more than 500 workers or for firms with less than 50 workers, who may ask for an exemption.

### **More federal Medicaid dollars for the states**

Medicaid plays a central role in helping states and localities respond to disasters and public health emergencies. The Corona Response Act provides roughly \$35 billion to hike the share of Medicaid cost paid by the federal government, like prior economic stimulus packages under both Democratic and Republican administrations. The Center on Budget and Policy Priorities estimates that Ohio would get \$1.2 billion in additional federal Medicaid funds. Medicaid not only saves lives; it is also one of the best ways to stimulate the economy. In Ohio, the Medicaid expansion alone supports an estimated 54,000 jobs: Health care employs thousands in every county of the state, no matter how rural. Far more federal aid for Medicaid will be needed as people are laid off, lose their incomes, and get sick.

The Corona Response Act waives existing rules to allow the cost of COVID-19 testing to be covered by insurance and federal government programs, including Medicare part B and Medicare Advantage Plans. In other words, through various programs ranging from the National Disaster Medical System to Veterans Assistance and Medicaid, there will be no cost nor co-pay for testing or related laboratory services.

### **The federal government will have to do more**

The Coronavirus Response Act will help people put dinner on the table as the crisis unfolds. In states like Ohio that have closed schools, families with children who would otherwise get free or reduced-price meals can get additional dollars added to their Supplemental Nutrition Assistance Program (SNAP) benefits. It boosts resources for the emergency food network and the Women, Infants and Children (WIC) nutritional program. It suspends SNAP's three-month time limits for the duration of the crisis, allowing unemployed workers not raising minor children to access SNAP food aid during the crisis.

As the crisis deepens, Congress must enact legislation that provides far greater resources to meet the needs of affected people, families and communities. There are many critical gaps in the Coronavirus Response Bill. For example, there are no funds for homeless people, who have no place to shelter, no place to be isolated if exposed and no place to recover if ill. The Coalition on Housing and Homelessness in Ohio (COHHIO) has called for \$10 billion to serve people across the country who are homeless and to divert people who are at immediate risk of becoming homeless during this crisis.

The Senate has started working on a third package that is far larger than the bills mentioned here. It is expected to surpass the fiscal stimulus of the last recession (the American Recovery and Reinvestment Act of 2009). To be effective, this fiscal stimulus must focus on everyday Ohioans, especially in communities of color, where recessions hit hardest. A recovery bill that

prioritizes tax cuts should be off the table. Millions of people are suddenly at risk of illness and poverty. The millions who struggle every day – the low-paid workers who lack essentials like paid sick days – will be hurt the most. Resources must address the poverty too many face today, and that many more fear they will face tomorrow.

Even as this issue brief is posted, it is not clear that the Coronavirus Response Act will pass the Senate with the provisions outlined above. The “Johnson Amendment,” offered hours ago by Senator Ron Johnson (R-Wisconsin), would gut the sick leave provisions of the bill. We remain a long way from understanding what kind of help the federal government will provide.

We are only as strong as our most vulnerable neighbors. For too many years, elected leaders have given tax cuts to the wealthy and corporations and cut critical services that people and communities need, from public health to economic security programs. Together, we can learn from this crisis and grow together, so we enact policies that put our shared needs first.