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Coronavirus: A Public Health Crisis That Threatens the Economic Security of Low-Income People

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March 11, 2020

CLASP
Policy solutions that work for low-income people

The COVID-19 (novel coronavirus) outbreak is testing our health and public health systems, our national response to an economic slowdown and potential recession, and our government's overall capacity to respond to a crisis. The outbreak is further exposing the weakness of our public policies on all three fronts when considering people with low incomes and people of color who have been most affected by the failures of the health system and the economy before the crisis.

Our country's hybrid public-private safety net already has many holes that individuals and families in low-wage and unstable jobs are likely to fall through and is not prepared for a disruption of this scale. The Trump Administration has also been promoting policies, such as work reporting requirements and block grants, that would make the safety net—specifically health care—even less responsive.

Federal and state lawmakers should take steps now to fully protect people with low incomes and, at a minimum, ensure they are not disproportionately harmed as this crisis unfolds. In some cases, solutions from previous natural disasters or large-scale crises, such as an economic recession, will be the right next steps for today. In other areas, we need to develop new approaches specific to the current context. This document offers the Center for Law and Social Policy's (CLASP's) initial policy recommendations to the outbreak, which we anticipate further developing in the coming days and weeks.

Recommendations for Federal and State Policymakers:

Ensure workers' access to paid sick days and paid family and medical leave.

National experts recommend that people stay home when they are feeling sick. However, more than 32 million workers don't have any paid sick days.¹ Low-wage workers, including 70 percent of those in the bottom 10 percent of wage earners, are the least likely to have jobs with paid sick days.²³ For many of these workers, taking unpaid sick time can lead to economic instability, forgone wages, and even job loss.⁴ Low-wage workers are also least likely to have paid family and medical leave to care for themselves or an ill family member. These workers also face agonizing choices when confronting illness and risk loss of significant income. One in 7 workers reports having lost a job to recover from illness or care for a family member.⁵

Every person should have the ability to stay home when feeling ill to care for themselves and to prevent spreading illness. Federal lawmakers introduced the *Paid Sick Days for Public Health Emergencies and Personal Family Care Act* last week, which builds on the *Healthy Families Act* and which Congress should pass to give all workers immediate access to paid sick days.⁶ To further shore up support for working families, Congress should also pass the *FAMILY Act*, providing 12 weeks of paid family and medical leave, so no one has to choose between their families' economic security and care of a loved one.⁷ Twelve states, including D.C., and 22 cities and counties that have enacted paid sick and safe day laws. Nine states, including D.C., have passed paid family and medical leave. State and local administrators of programs should ensure their paid leave programs allow quarantines, school closures, and child care closures as qualifying events.

Ensure that everyone can access health care

Expand affordable health insurance coverage. Individuals with health insurance coverage are more likely to seek medical care when they are ill. At a time when widespread illness and hospitalization is possible, people should be encouraged to seek the care they need without concerns about affordability. Yet, our country continue to have large gaps in health insurance coverage; nearly 9 percent of our residents, or approximately 28 million people, do not have health insurance.⁸ Moreover, the Trump Administration, and some states, have taken multiple actions to undermine Medicaid and other public health insurance programs over the past three years. Indeed, the Trump Administration should immediately withdraw its current invitation allowing states to seek waivers to overhaul Medicaid coverage, including by converting Medicaid programs to block grants with capped federal funding. Such waivers would reduce coverage and further risk public health.⁹

Congress should consider proposals to rapidly expand health coverage and simplify enrollment. Policymakers could use approaches such as creating a disaster Medicaid program that provides streamlined access to coverage for all who need it and taking on a larger share of Medicaid costs to bolster state economies and encourage increased enrollment. Congress should also allow states to automatically re-enroll anyone whose Medicaid is up for renewal during this crisis.

Even without Federal action, states have a clear path to expand health insurance coverage quickly by immediately expanding Medicaid. Medicaid expansion reduces the uninsured rate and improves health outcomes. States that have expanded Medicaid have a lower rate of uninsurance, particularly among people with low incomes. Medicaid expansion helps people access care and improves their health status.¹⁰ It also reduces health disparities, including disparities by race/ethnicity. Black and Hispanic populations are more likely to have low-wage jobs or to be involuntarily working part time, both of which are employment conditions that are less likely to include health insurance as an employee benefit and leaving workers particularly vulnerable to a national economic downturn or public health epidemic.

States can use strategies including presumptive eligibility and retroactive coverage to ensure that people get the health care services they need without waiting for a lengthy eligibility determination. Similarly, states should simplify their application and enrollment processes so overly burdensome paperwork policies don't prevent eligible individuals from seeking coverage.

Ensure immigrants and their families can access health services without fear. The Trump Administration has increased immigration enforcement actions and sought to deter immigrant families from getting health insurance. These efforts could make immigrant families less likely to seek needed health services if they experience illness. While longstanding policies restrict immigration enforcement actions in certain "sensitive locations," including health care facilities, several high-profile reports of enforcement actions in health care settings have caused many immigrants to avoid treatment.¹¹ If people don't feel safe to seek care and respond to inquiries from public health officials, it will undermine individual and collective health. All people should have access to the care they need to keep entire communities healthy. The Department of Homeland Security (DHS) should immediately issue public statements assuring immigrants that accessing health care services will not put them at risk of immigration enforcement. DHS should also ensure that immigration enforcement actions do not take place at or near health clinics, hospitals, or other places where individuals may be receiving health services related to the coronavirus, including receipt of testing or vaccines should they become widely available.

On February 24, the Department of Homeland Security and the Department of State began to implement their "public charge" regulations, which target immigrants with low- and moderate-incomes. The regulations discourage eligible immigrants from using public-assistance programs. Researchers have documented declines in Medicaid enrollment, the use of health clinics and

emergency rooms, and other social services by immigrant families.¹² Under existing law, disaster relief programs are already excluded from both restrictions on eligibility for immigrants and from being counted toward the public charge determination. To ensure that all immigrants seek the care they need without fear of immigration consequences, it is important that any new/expanded programs be clearly identified as falling under this exclusion, and that DHS and benefit-granting agencies clarify that services accessed during the COVID-19 public health emergency will not count toward a public charge determination. Congress should also pass the *Protecting Sensitive Locations Act* to expand and improve upon the existing sensitive locations policy.

Finally, those residing in close living quarters (e.g., mental health facilities, prisons, jails, immigration detention centers, shelters for people experiencing homelessness, nursing homes, and other institutions) are particularly vulnerable. That's why DHS should ensure adequate screening and medical attention for those working and held in detention facilities.

Strengthen and expand nutrition programs and other public benefits and income supports.

The nation's core basic needs programs, which support the health, wellbeing, and economic security of low-income families, should be available when people face unforeseen crises to prevent further hardship. These programs are also extraordinarily important in an economic crisis because they provide an automatic stabilizer—meaning they provide help when people are losing jobs and income.¹³

Yet, the Trump Administration's efforts to weaken these programs, along with other trends, have made them less effective in their stabilizer role. Many programs—including Unemployment Insurance (UI), Supplemental Nutrition Assistance Program (SNAP, formerly food stamps), and Temporary Assistance for Needy Families (TANF)—require individuals to be working or looking for work to receive benefits. Should the current public health crisis require people to stay home from work due to isolation, quarantine, or slowed or shuttered businesses, low-wage workers—who often work jobs that can't be done remotely—could face the loss of critical public benefits, in addition to forgoing earnings, if they can no longer meet such work requirements. And should the entire economy slow down, job loss could spread far beyond specific directly impacted workers.

The federal government and states should expand basic needs programs—including SNAP and UI—to alleviate hardship among individuals with low incomes and waive work requirements in basic needs programs so people who can't work won't be further penalized by the loss of benefits. Policymakers should expand UI and permit Disaster UI to address coronavirus-related job loss most effectively and quickly.

The U.S. Department of Agriculture's Food and Nutrition Services (FNS) should immediately suspend implementation of new regulations that would reduce access to SNAP, including the new rule that takes effect on April 1st. That regulation would take benefits away from childless adults who are unemployed or underemployed who don't have a documented disability. FNS should also adapt Disaster SNAP to be responsive to the current public health crisis and increase SNAP benefits to address lost income.

States can also simplify eligibility to streamline new applications and ensure clients don't lose benefits when their work hours drop. To further prevent economic hardship for people earning low wages who can't work and may be forced to take unpaid leave, states should make temporary cash assistance widely available to supplement the loss of income. Because the TANF block grant already fails to meet existing need, federal policymakers must allocate additional funding, as was provided by the TANF Emergency Contingency Fund during the 2009-2010 recession.

WIC, the National School Lunch Program and the Child and Adult Care Food Program (CACFP) provide critical nutrition services to millions of children every day. If schools, child care, and Head Start programs are closed temporarily as a result of the public health emergency, millions of children in households with limited financial resources will be at risk of missing meals that keep them healthy. States should seize flexibility in state-administered nutrition programs to respond to school closures and other realities on the ground.¹⁴ Lawmakers should also expand SNAP benefits to cover additional costs of food for families with children.

Include individuals with low incomes in economic stimulus supplementals.

As policymakers consider financial support for industries and small businesses impacted by the COVID-19 outbreak, it's imperative they consider the needs of individuals with low incomes and the negative impact the public health emergency could have on their health and economic circumstances.

Examples include:

- Reverse steps taken by this administration to constrain access to public benefits and expanding access, as discussed above, to provide an economic boost to families and communities during economic downturns.
- Provide paid sick days to workers with low incomes impacted by the COVID-19 public health crisis along with emergency financial assistance to compensate for lost earnings.
- Offer financial support to small businesses considered low-wage industries, such as child care, where employers and workers will need those supports to stay in business and remain economically stable.
- Include job creation strategies to make jobs accessible to everyone, including to young workers, workers of color, and parents. Given the hybrid nature of this crisis, a stimulus

should include investments in career pathways for crucial groups of workers including the public health workforce and infrastructure.

Congress should move swiftly to address the economic and public health needs of the country as it faces cumulative impacts from the COVID-19 outbreak. Prior to the current crisis, low income workers—predominantly workers of color—already faced disparities in health and economic outcomes. The current crisis threatens to worsen that reality. Any legislative response to the crisis must include supports for those individuals and families most in need. Federal and state administrators should also move swiftly to remove barriers and expand access to health, nutrition, and other critical supports for people with low income.

Endnotes

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