

CALL TO ACTION:

# STATE LEGISLATIVE RECOMMENDATIONS TO ADDRESS COVID-19



## Executive Summary

State legislatures who haven't already must act quickly to address the impact of the COVID-19 pandemic. The coming months will continue to bring significant health care and economic challenges, both for those who contract COVID-19 and require care and for those whose access to care is threatened or disrupted. Reliable access to affordable care is all the more critical during a public health emergency, and there is a time-sensitive need to pass policies that respond to immediate health care, fiscal, and safety concerns.

**The pandemic is illuminating structural gaps in existing policies that can, and should, be addressed for the long-term. There are several common sense steps that state legislatures should consider to protect access to health care for those who need it, which are outlined below. This document seeks to provide state legislators with a menu of policies that should be considered immediately this year.**

The list reflects what we are seeing in states, in public opinion polling, and what we are hearing directly from Americans through our community conversations. It complements the recommendations we have provided to [Congress](#) and [best practices we have elevated for states](#).

### State Legislators Can Take Immediate Action

*This unprecedented moment provides leaders with the unique opportunity to ensure that our health care system is responsive to the pandemic, is accessible, and affordable—now and into the future.*



## ABOUT USOFCARE

United States of Care is working to ensure that every single American has access to quality, affordable health care regardless of health status, social need, or income. As a team of experts with experience in health care policy, crisis management, and emergency response, we are leading the charge to ensure that a comprehensive set of effective policy solutions to address the ongoing COVID-19 pandemic are being considered at all levels of government. These solutions aim to center people over partisan politics and meet the demand for cross-sector rapid outcomes that reflect people's needs.

## TALK TO US

For more information, policy support, and tools to pass and implement these state actions, visit [usofcare.org/covid-19](https://usofcare.org/covid-19) or contact us at [help@usofcare.org](mailto:help@usofcare.org)

## THE FOLLOWING CHECKLIST OF POLICY PRIORITIES REFLECTS PEOPLE'S SHARED NEEDS.

 **People want to be protected and provided with clear recommendations** and steps they can take to remain safe and avoid getting sick.

- Policy Action:** Provide **accurate and up-to-date information**.
- Policy Action:** Protect populations at high-risk of contracting COVID with **safe care and shelter**.
- Policy Action:** Resource and implement **contact tracing** by utilizing existing programs in state health departments, expanding executive action, pursuing public-private partnerships, or app-based solutions.
- Policy Action:** Create **consumer assistance programs** to help people facing disruptions in coverage navigate their health care options.

 **People want a reliable health care system** that adequately supports front-line workers.

- Policy Action:** Increase quality health care workforce capacity by waiving for **scope of practice and licensure** requirements and pairing them with expanded training and assessment.
- Policy Action:** Support **rural hospitals** by expanding their access to funding.
- Policy Action:** Establish specific state-wide COVID **mental health hotlines** and **expand mental health services and community workforce** to meet increased need.

 **People want the financial and health care security** they need to weather the impact of COVID-19.

- Policy Action:** Protect against high **out-of-pocket costs**.
- Policy Action:** Expand access to **telehealth services** for people with all coverage types.
- Policy Action:** Extend **Medicaid coverage for new moms** to address disparities and remove financial barriers to care.
- Policy Action:** Ensure **insulin is affordable** for a population at greater risk for serious COVID complications.

 **People want equitable and responsive health care safeguards** that meet the needs of the **most vulnerable during the pandemic**.

- Policy Action:** Establish state **coordinated data collection** to address needs and gaps, especially in vulnerable and minority communities.
- Policy Action:** Adopt a comprehensive approach to people's overall health by addressing **social determinants of health** through Medicaid programs.



# Introduction

[State and federal-level action](#) to address COVID-19 is continuing to progress, most recently with passage of a next round of federal legislation allocating additional cash into the Paycheck Protection Program and putting \$25 billion towards COVID-19 testing. While policymakers at every level have a role to play to improve health care, many state legislatures are coming back in session over the next few weeks with an urgency to address the complex challenges the COVID-19 crisis has placed on their states. This provides a window for states to both create policies addressing people's needs related to COVID specifically, and also to advance additional health care legislation aimed at improving access to quality, affordable health care that is critical during the pandemic and on an ongoing basis.

**Before legislative sessions come to a close in 2020, there are a number of policies legislators could push forward in response to people's ongoing health care needs.** Governors across the country have signed [Executive Orders](#) to swiftly address COVID-19, and this is a prime opportunity for legislators to use their constitutional authority to improve and codify these executive actions. More significantly, states can pass critical health care legislation during the window their legislatures are back in session.

These insights also offer ideas for the states as legislators look towards their 2021 sessions. It is clear the [long-term effects](#) of the pandemic on states will be profound, [particularly on state budgets](#), requiring significant state responses. Further, if proper analysis is done to understand what temporary policies are effective during COVID, those policies can later be enacted into law permanently through legislation.

While the status of each state's legislature returning to session is [changing on an ongoing basis](#), a number of states are coming back in session or are currently in session. Due to the unprecedented times we are in, some of these legislatures will reconvene for remote sessions, short sessions, or special sessions called by the Governor.

## PROMISING STATE POLICIES TO RESPOND TO PEOPLE'S NEEDS

States are all experiencing the pandemic, though the severity and timing has looked different across states. Governors and their administrations are leading the response. At the same time, legislators have an equally important role to play, including identifying gaps in their state's response, providing funds for critical activities, and planning for the long-term implications for their state's economy and health care system. **Based on our evaluation of ongoing trends and people's continued needs, state legislators should consider policies during their legislative sessions to:**

- Protect people and provide the information and clear recommendations that **people need to be safe from the virus**
- **Provide people with the financial and health care security they need** to weather COVID-19 and other health care needs
- Build a reliable health care system that is adequately resourced to **support front-line workers and available when people need it—both now and after the pandemic**
- **Build an equitable COVID-19 response and health care system** which cares for all, especially the most vulnerable



## PRIORITY AREA #1

# Protect people from the virus and give them the information they need to be safe.

Public opinion polling shows that Americans [are feeling anxious](#) about the safety and health of themselves and their loved ones. The [majority of people](#) are taking this pandemic seriously and want to do their part to stay safe and slow the spread of COVID. To do so, they need protections and accurate, up-to-date information on the pandemic. This includes providing safe long-term and home- and community-based care as well as developing adequate contact tracing. These initiatives work together and should be prioritized by state legislators.

## Providing Accurate and Up-To-Date Information

State and community leaders should continue to provide public health precautions and tips, as well as data on the impact of the pandemic within the state and within communities. [Best practices on messaging](#) can be found here. States should also collect and share key data about the pandemic and their state's public health infrastructure and capacity, including the number of COVID-19 tests performed and measures of hospital capacity.

## Providing Safe Care and Shelter

Those at risk of contracting COVID and those recovering from COVID need to be protected and adequately cared for. Policies need to address the full gamut of people's needs—from protecting people in long-term care and skilled nursing facilities, to providing post-acute care to people during recovery, to establishing places for people to isolate. These efforts need significant federal resources, but states can bolster those programs as well. As much as possible, these should be supported by telehealth and virtual care.

States have been recognizing this [risk](#) and are developing protocols and policies to both protect and provide care to their residents. For example, many states, including [Indiana](#), have limited access and are screening visitors of nursing homes. Additionally, [Kentucky](#) has developed a COVID Long-Term Care Task Force to protect vulnerable Kentuckians and the health care workers who serve them.

Responding to those risks needs to be balanced with the [increased need](#) as well, as more people will need postacute care at skilled nursing facilities when they recover from COVID-19. States have responded to this, including:

- [Connecticut](#) and [Massachusetts](#) have created COVID-only skilled nursing facilities specifically for those recovering from COVID-19.

- [Michigan](#) is working with long-term care facilities across the state to establish COVID-19 designated regional hubs, providing higher levels of care and services to treat patients with increased COVID-related needs.
- Maryland's Governor [signed an Executive Order](#) protecting residents and staff at nursing homes in a variety of ways including: increasing testing of all nursing home residents and staff; requiring daily evaluation of residents by a physician, nurse practitioner, physician's assistant, or registered nurse; developing a surge plan; and providing regular informational updates for residents, resident representatives, and staff regarding COVID-19 infections.

Other post-acute care can be provided through home and community-based services, but protections also need to be put in place for those providing care, such as nurse aides, home health aides, [family caregivers](#), and personal and home care aides. Their protection is vital not only to their own health and ability to offer care, but also to the at-risk populations they serve. States can designate direct care workers as essential personnel to ensure access to personal protective equipment (PPE). As legislators monitor their state's distribution of PPE, they should ensure that all health care workers have the equipment they need to safely care for people in their homes.

Another critical component to protecting people from the spread of the virus is to provide isolation facilities to better enable people to quarantine. Isolation facilities can serve people exhibiting COVID-19 symptoms, those with untenable living situations, and/or those who could have been exposed to the virus (such as essential front-line or health care workers). To address this, for example, Minnesota has robust [legislation pending](#) that would require health plans to cover quarantine services related to COVID without cost-sharing.

## Supporting the Scaling of Contact Tracing to Prevent Virus Spread

Slowing the spread of the virus also requires infected individuals to know that they are infected and to take precautionary measures, which can be challenging with a potentially asymptomatic disease. A historically proven public health surveillance technique is [contact tracing](#), which helps to inform individuals if they have potentially been exposed to the virus and encourages them to isolate during the 14-day incubation period. For America to get back to its day-to-day normalcy, the Centers for Disease Control and Prevention [recommends immediate action](#) to implement widespread contact tracing. Local and state Health Department personnel have historically done this work, but it will [need to be scaled up](#) to slow the transmission of COVID-19.

Robust contact tracing programs should be established and funded through legislative action. States can build on the existing contact tracing programs within their health departments. For example, Alabama state health officials [built](#) contact tracing efforts that will, in part, shift state employees into roles where they can do contact tracing. Similarly, Michigan's Department of Health and Human Services announced the launch of a [large-scale effort that expands contact tracing capacity through a public-private partnership](#), with more than 2,200 trained volunteers to aid local and state agencies in contact tracing. However, these and similar efforts could be more robust with additional federal or state funding.

[Without an influx of federal funding](#), many states will not be able to mount adequate contact tracing programs to meet the needs of their residents. While not adequate on their own, app-based solutions may be a tool states can deploy as part of a broader contact tracing effort. For example, [North Dakota](#) and [South Dakota](#) established partnerships with Care 19, a free mobile app that helps identify individuals who may have had contact with people who have tested positive. Technology-based contact tracing tools should be vetted carefully to ensure they [maintain appropriate privacy protections](#) for individuals. [Massachusetts](#) partnered with Buoy Health to monitor individuals with positive results, provide people with information, check their symptoms, and refer them to testing.

## Providing Consumer Assistance

State legislators should also work to create programs that conduct broad outreach to provide education and consumer assistance. These programs will help the many people facing disruptions in their health coverage who need assistance navigating their health care options. For example, in addition to Medicaid enrollment increasing, marketplace enrollment is expected to [increase significantly](#) due to COVID as people churn off other coverage sources. However, people need to know about and understand these and other coverage options in order to enroll and benefit.

---



## PRIORITY AREA #2

# Build a reliable health care system that is adequately resourced to support front-line workers and available to care for people when they need it—both now and after the pandemic.

The COVID pandemic has put a visible strain on our health care system. It has highlighted systemic, resource, and infrastructure limitations needed to provide adequate, reliable, and accessible care for all, especially during the challenge of a public health emergency. Legislative action can help increase the capacity of our health care system and build on much of the executive action that has already taken place, including executive action to increase personal protective equipment access and testing capacity. As many types of providers face decreases in their business and revenue, states also need to take steps to make sure that providers can successfully weather this period and reopen as the spread of COVID begins to ease. Providers and practices need to be supported now so they can continue to provide care to people during and post-COVID.

## Waiving Scope of Practice and Licensure Requirements

State legislatures can advance policies to address health care workforce capacity, providing assistance to front-line workers and people in need of care alike. These policies should be multidimensional and flexible to allow states to prepare for future surges in COVID-19 cases, address built-up demand for non-critical procedures that were paused to preserve capacity and personal protective equipment, and alleviate issues like provider burnout and crisis fatigue as the country enters a sustained recovery.

While federal guidance on licensure and scopes of practice has changed significantly in light of the pandemic, [professional licensure](#) is often regulated at the state level. In the short term, many states have temporarily waived scope of practice and licensure requirements to, for example, allow out-of-state providers or retired medical professionals to provide care in their state or allow [physicians](#) to practice in another state. Some [states](#) that haven't already statutorily removed regulatory requirements to allow nurse practitioners and other clinicians to independently see patients have done so under their emergency declarations, expanding access to care both in person, and through telemedicine during the COVID-19 pandemic.

Regulation of scope of practice for licensed providers can sometimes be viewed as controversial policy. To help ensure people are getting both access and high-quality care from these providers, [future policy conversations](#) about which emergency-declared regulatory changes should be adopted into state statutes need to be informed by analysis of clinical best practices and [recommendations](#) on criteria like training, supervision, and education. This will enable providers to safely and appropriately practice to the top of their license beyond the period of the pandemic while utilizing lessons learned during the crisis.

## Protecting Rural and Critical Access Hospitals

Rural and critical access hospitals are facing [unique needs and challenges](#) as they navigate COVID. Even with the [recent allocation of federal funds to hospitals](#), there will still be tremendous strain put on rural hospitals during and after the pandemic. State legislatures should take action to ensure they are able to provide needed care to people living in rural areas. For example, with the [approval](#) of the Centers for Medicare and Medicaid Services (CMS), Kentucky can now recover Medicaid federal match rates and provide federal funds for a payment that benefits over 50 rural hospitals. Though not all efforts to help rural hospitals require legislation, legislators can consider policies to strengthen or improve actions taken by their governors to do so.

## Meeting Mental Health and Wellbeing Needs

COVID-19 has taken a particular toll on our mental health and well-being. Specifically, [COVID-19 has increased our anxiety and fear](#) with almost half the country recognizing the virus has had a negative effect on their health. Physical distancing has led to further isolation, which has negative [effects](#) on mental health. Additionally increased anxiety, limited physical activity, job loss, and possible mourning of a loved one are all contributing factors to one's mental health and are occurring

at [an increased rate](#) during this pandemic. Further, having an underlying condition—which could lead to complications by COVID-19—is a [risk factor to many mental health disorders](#), underscoring the need to focus on this critical area. Providers themselves will have increased mental health care needs as they provide care in this high-stress environment, [necessitating policy responses](#). State legislators should create policies to prevent an overburdened mental health system from being further strained.

While not sufficient on their own, states are addressing mental health needs of people by creating specific state-wide COVID mental health hotlines including [New York](#), [South Carolina](#), and [Texas](#). These are operated through a variety of ways including volunteers, contracting with a mental health facility, and funded through emergency disaster declaration funds. Providing this type of support remotely is important, but states must also take action to expand access to mental health services through other avenues, such as telehealth and Medicaid.

Without a specific focus on mental health and addiction, [this epidemic festering beneath the COVID-19 pandemic](#) will cause a [second wave of problems for our country](#) to address. To this end, there are three main ways that states can begin to tackle these issues:

- **Create a clear framework:** Without a vision for what excellence looks like for mental health and well-being, many states in their response to COVID-19 will not have a comprehensive enough response to address the issue. There are examples of frameworks that can be used that integrate mental health more seamlessly across the clinical to community continuum, and legislators can establish a task force or other comprehensive effort to help their state build a more robust mental health care system.
- **Develop a community facing workforce:** Prior to COVID, there was a backlog of referrals to an already at-capacity behavioral health workforce, and states are trying a variety of approaches to meet health care needs. For example, [California](#) is building a Health Corps, which includes behavioral health professionals. States could build on this concept by creating a community health service corps to provide needed services, modeled after the National Health Service Corps, that can be deployed in our communities for both economic development (e.g. jobs) as well as immediate support to those in crisis. This peer driven workforce would be able to not only complement the system, but become the frontline of help for millions.
- **Support alternative payment models for team-based care:** Most states continue with payment models that pay for mental health and medical services in different ways. These antiquated and often fragmented payment structures do not facilitate integration of mental health and team-based models of delivery.



## PRIORITY AREA #3

# Provide people with the financial and health care security they need to weather COVID-19 and other health care needs they face.

The coming months will continue to bring significant health care challenges, both for those who contract COVID-19 and require health care, and for those whose access to care is threatened or disrupted due to job loss amid the economic crisis. Reliable access to affordable care is all the more critical during a public health emergency, and there are several common sense steps that state legislatures should consider to protect health care for those who need it, outlined below.

## Protecting People from High Out-of-Pocket Costs for COVID Care and Surprise Bills

[Throughout](#)—and [before](#) the COVID-19 pandemic—people have had serious concerns about being able to afford their health care. Legislatures can take action to protect consumers from high out-of-pocket costs when seeking care and treatment for COVID-19 and other health care issues.

State legislatures can limit out of pocket costs for COVID treatments and dedicate funding to ensure COVID-related care is available to people who are uninsured. So far, [several states](#) have waived cost-sharing for COVID treatment, and [Michigan](#) and [New Jersey](#) have legislation pending that would eliminate cost-sharing for COVID treatment. These and other states can advance this important legislation to better provide care to people in need.

No one should ever worry that they will face an astronomical “surprise” medical bill, but the importance of these protections is all the more acute during a public health emergency when someone may need to seek care at an out-of-network facility because of capacity concerns. [Many states](#) have already passed legislation to protect people from surprise medical bills, and, while there is [some ambiguity at the federal level](#) related to surprise billing for the duration of the pandemic, states [can further protect consumers](#) by enacting their own legislation to ban surprise billing. For example, Massachusetts’ Governor recently issued an [order](#) that built on existing surprise billing protections by, in part, eliminating cost-sharing for COVID treatment services provided by in-network and out-of-network providers in inpatient and emergency settings. Legislators can follow these leads in order to provide people with financial security and peace of mind knowing that their services will be covered—both during and after the pandemic.

## Improving Access to Telehealth

To keep people safe and healthy while physically distancing, care needs to be provided outside of traditional settings, including through telehealth. These telehealth services can be for patients experiencing mild COVID-related symptoms as well as other health care needs, including mental

health needs. Telehealth services should be available to people with all coverage types as well, including Medicaid. States have been making progress in this area, including:

- New Jersey's legislature passed a [law](#) requiring the State Medicaid program, NJ FamilyCare programs, health insurance carriers, and the State and School Employees' Health Benefits Programs to provide coverage and payment for expenses on services provided through telemedicine or telehealth during the declared public health emergency.
- [Massachusetts](#) is partnering with Buoy Health to develop and promote an online tool that screens people for COVID-19 symptoms and connects them with appropriate health care resources based on their responses.

However, it is important to craft policies that recognize that not all populations—such as people in rural areas with limited broadband or those with limited computer literacy—will be able to access or utilize telehealth services in the same way.

Legislators should carefully monitor the impact of these changes in care delivery, and use the lessons learned from the pandemic to craft long-term policy to utilize technology to improve access to care without worsening pre-existing inequities in access to care. Changes to improve access to telehealth services is an area that states can explore in the long term, especially after we understand the lessons learned and how to solve issues that present themselves.

## Additional Protections for People Enrolled in Medicaid

Medicaid should be at the core of a state's health care response to COVID and will continue to be a critically-important safety net program during and after the pandemic. Preserving and strengthening Medicaid will be paramount as more people utilize Medicaid during this time. While state executive action on Medicaid has been [relatively robust](#) and there are [even more steps](#) governors and their administrations should take, there are also a number of policies states can pursue legislatively. For example, prior to the pandemic, [many states](#) were working to reduce significant [maternal disparities](#) by extending postpartum Medicaid beyond the traditional 60 day period. Extending the length of time that a new mother is covered under Medicaid can provide important continuity of care, which is all the more important during this time of disruption. State legislators should protect new moms by creating legislation that bolsters action [taken at the federal level](#). Alabama, for example, recently introduced [legislation to expand postpartum Medicaid for new mothers](#) for up to one year post-birth.

Additionally, state legislatures can eliminate out-of-pocket costs for COVID related care for anyone enrolled in Medicaid or Children's Health Insurance Program (CHIP) programs that require cost-sharing. In addition, in states that have Medicaid/CHIP premiums, legislatures can remove those premiums so people have fewer financial barriers to care.

## Improving Insulin Affordability

The cost of life-sustaining insulin has put millions of people's lives at risk, and with millions of people losing their jobs and potentially their health insurance, many more people with diabetes won't be able to pay the [average \\$300 to \\$800 monthly cost of insulin](#). These same individuals – those who have challenges managing their condition – are at greater risk for [serious complications](#) as a result of COVID-19. In response to this and [rising insulin costs](#), Minnesota lawmakers passed the [Alec Smith Insulin Affordability Act](#), which created a program to provide emergency access to insulin. Prior to the outbreak, several states passed legislation capping monthly out-of-pocket costs for insulin—including [Illinois](#), [New Mexico](#), [New York](#), [Utah](#), [Washington](#), and [West Virginia](#)—and other states can take similar approaches to address the affordability of insulin during this pandemic and beyond.

## Expanding Workers' Compensation Coverage

Essential workers across the country are risking their own lives and health every day on the job.

Recognizing the risk first responders are taking, policy makers are expanding eligibility for workers' compensation benefits. The Minnesota legislature passed a [law](#) to make first responders, including health care workers, who contract COVID eligible for workers' compensation benefits based on the rebuttable presumption that they were infected on the job. North Dakota Governor issued two executive orders expanding eligibility for workers' compensation benefits for [first responders](#), [health care workers](#), and [funeral directors](#) who test positive for COVID and can demonstrate it resulted from exposure to a deceased individual who tested positive. More states should follow their lead.



### PRIORITY AREA #4

## Build an equitable COVID-19 response and health care system which cares for all, especially the most vulnerable.

The COVID-19 pandemic is shedding light on existing inequities and care gaps within the American health care system, including implicit bias and structural barriers to care, as well as our limited capacity to care for people with complex needs. This pandemic amplifies many existing somber realities for us as a nation. [But it also provides us with the opportunity to live the principles we as a nation claim to value.](#)

It is clear that infectious diseases don't specifically target minority populations, yet the negative outcomes from COVID are disproportionately impacting [minority groups and underserved populations](#). Vulnerable populations can include seniors, people with disabilities, and people with chronic and underlying conditions, whose health care needs our system has long struggled to meet. There is an urgent need for legislation to address these inequities and put forward people-centered solutions that provide adequate access to comprehensive and affordable care.

## Improving Coordination and Data Collection

The first step in developing an equitable COVID response and health care system is to ensure a well-rounded data set is collected and shared, and that actions across the state are coordinated to meet the needs and gaps illuminated by the data. State legislatures can require important data be collected and reported on in their states. Data collection during this pandemic should include race and ethnicity, and be aggregated by rates of infection, hospitalization, ICU stay, and mortality. However, as of April 22 only [27 states](#) report cases by race, and [21 states](#) are also reporting on ethnicity. New Jersey enacted [a law](#) which requires hospitals to report COVID-related demographic data to the state including race and ethnicity of those who tested positive, passed away, and tried to get tested but were turned away. Particular data collection should also be obtained from vulnerable care centers. For example, Massachusetts has a [pending bill](#) that requires assisted living and long-term care facilities to report COVID data to the state.

Some states have developed task forces to coordinate data collection on how the pandemic has disproportionately impacted vulnerable and minority communities, and develop policy responses to ensure their health and safety. Examples include [Louisiana's](#) development of their COVID-19 Health Equity Task Force, [Pennsylvania's](#) Health Disparity Task Force, [Michigan's](#) Coronavirus Task Force on Racial Disparities, and [New York's](#) COVID-19 Maternity Task Force.

## Addressing Social Determinants of Health

States must also look beyond health care alone. Even before the pandemic, states have been marshaling resources and crafting policies to address social determinants of health through their Medicaid Programs; [North Carolina's](#) Healthy Opportunities Pilots are one great example. As legislators and organizations at all levels have pivoted to responding to COVID, many are focused on weaving together solutions to medical and social health needs. In [New York City](#), a collection of cross-industry organizations have come together to form the COVID-19 Rapid Response Coalition. Using claims data, they are locating and digitally reaching out to high-risk New Yorkers in an effort to connect them with pre-existing support and resources around the city. Ensuring all community members have secure access to basic services like food and housing makes everyone safer.

As COVID highlights disparities in access and health outcomes, comprehensive approaches to health will be all the more necessary—and improving coordination between state agencies will be critical to the success of these efforts.

# Funding Considerations

States are facing [unprecedented fiscal challenges](#). While Congress appropriated nearly [\\$250 billion for states and local governments to respond](#) in the Coronavirus Aid, Relief, and Economic Security (CARES) Act and an additional \$25 billion in the most recent package, further funding from the federal government will be necessary to provide fiscal relief for states to successfully stop the spread of the virus while waiting for an effective vaccine or treatment and respond to the economic recession. States have been called upon to lead the public health response to the Coronavirus—an unprecedented public health response effort for which states have not budgeted. This is required at the same time their revenues are in freefall.

Additional federal funding for state budget stabilization, as well as more funds for testing, contact tracing, and self-isolation, will be critical for states to effectively respond to the pandemic. At the same time, states should consider state-level funding mechanisms to continue providing services to people in need. Long-term recovery will require states to make difficult budget decisions—both now and in the future—that balance people’s needs with the financial situation the state is facing. Nearly half of states have passed legislation to address immediate budgetary issues and provide additional resources to their state health departments to respond to Coronavirus. In some cases, this includes reallocating existing appropriations and also tapping existing budget reserves. Others are considering policies to add new revenue streams, such as [New Mexico legislators pursuing](#) the establishment of a state health insurance assessment to replace the previous federal tax.

In addition, states are facing increased demands on safety net programs for their constituents, including Medicaid. Millions of people in America have lost their jobs and, therefore, their access to health care or ability to afford coverage. Legislatures should consider creating rainy day funds to fill revenue gaps when there are unanticipated budget gaps. These funds can be established now and [require deposits into the fund when state revenues exceed forecasts](#). [States with robust rainy day funds](#) are better positioned to blunt the impact of an economic downturn. For example, Tennessee established a Medicaid rainy day fund, the [TennCare Reserve](#), to ensure there are resources available to serve a surge in Medicaid eligibility during an economic downturn.

## CONCLUSION

Legislators are returning to work in many states with long to-do lists and many needs to balance. And as the public health crisis caused by COVID-19 continues, while at the same time, states are confronting unprecedented economic slowdowns and budget gaps. Legislators must prioritize the actions that will help people remain healthy, safe, and able to take care of their families in these turbulent times.