



The Worker Health Coverage Protection Act

Background

As a result of COVID-19, an overwhelming number of employees are facing layoffs, furloughs, or reduced hours. Record numbers of workers have applied for unemployment insurance since mid-March and the number of workers likely to experience layoffs, reduced hours, or decreased pay could reach as many as 37 million.

Rising unemployment also means that the 55 percent of people in the United States who rely on employer-sponsored plans for their health insurance may lose access to their coverage. A recent report projected that [3.5 million workers](#) were at high risk of losing their job-based health insurance in the last two weeks of March alone.

Without coverage, COVID-19 treatment could cost patients tens of thousands of dollars if they are hospitalized. Moreover, with millions of Americans already experiencing economic hardships, those who lose their insurance may struggle to manage chronic conditions or tend to other health needs.

Health Coverage Challenges for Workers Who Are Laid Off or Experience Reduced Hours During the COVID-19 Crisis

Workers temporarily without work or subject to reduced hours can access coverage through the *Consolidated Omnibus Budget Reconciliation Act* (COBRA), which allows workers and their families to keep their job-based plan for a limited period of time. This helps maintain workers' coverage without forcing them to change plans, leave their provider networks, restart annual deductibles, or face a potential coverage gap.

Unfortunately, COBRA coverage can be prohibitively expensive, particularly for those with lower incomes, because workers must pay both the employee and employer share of the premium. During past national emergencies, Congress has provided subsidies to improve affordability for displaced workers. For example, in 2009, the *American Recovery and Reinvestment Act* provided subsidized COBRA coverage for workers impacted by the Great Recession.

Health Coverage Challenges for Furloughed Workers During the COVID-19 Crisis

During this crisis, workers across the country are also being furloughed, rather than laid off, as employers face the economic consequences of COVID-19.

Unfortunately, furloughed workers still have to pay for health care premiums despite receiving substantially lower wages or no wages at all. As a result, these workers may no longer be able to afford their health insurance, forcing them to discontinue their coverage, leave their job, or, in some cases, become uninsured.

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The Worker Health Coverage Protection Act recognizes that, during this pandemic, it is paramount that as many people as possible maintain access to health coverage and continuity of care. This provides stability and peace-of-mind for workers and their families and supports businesses by preserving the link between employers and employees during this ongoing economic turmoil.

The Worker Health Coverage Protection Act covers the full cost of **COBRA premiums** for workers who receive coverage through their job, but have been laid off or subject to reduced hours.

- A full subsidy will maximize affordability and continuity for temporarily laid off workers until they can return to work or transition to Marketplace or other health coverage.
- Importantly, this policy will directly support coverage for workers already hurt by the decreased demand for goods and services, including those in construction, entertainment, and retail.

The Worker Coverage Protection Act covers the full cost of insurance premiums for furloughed workers to help them maintain their current coverage and reduce the pressure to disrupt their coverage during the plan year or immediately find another job that provides insurance.