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SB 275 (Pan and Leyva): The Healthcare and Essential Workers Protection Act

Purpose

One of the hard-learned lessons of the COVID-19 pandemic is the need for a well-managed supply of personal protective equipment (PPE) to keep California's healthcare workforce and other essential workers safe. SB 275 creates a reliable supply of PPE to ensure healthcare workers, essential workers, and the public at large are protected during the next health emergency.

Background

The COVID-19 pandemic exposed California's failure to adequately plan and prepare for a pandemic. Inadequate supplies of unexpired PPE, such as respirators, surgical masks, and gowns left healthcare workers vulnerable to infection and death in hospitals and nursing homes. Some workers relied on makeshift PPE, using materials like bandanas and trash bags to provide protection against infection. The lack of PPE also harms patients who come into contact with potentially exposed workers or by cross contamination from the reuse of PPE. According to DPH, as of June 13, local health departments have reported 12,173 confirmed positive cases in health care workers and 73 deaths statewide.

The shortage of PPE also leaves other essential workers without necessary protection. Outbreaks of COVID-19 have occurred in settings like grocery stores and prisons, endangering workers and the public. Communities of color are overrepresented in essential jobs; and have suffered high infection rates. For instance, the rate of infection for working-age Latinos is close to 20 percentage points higher than their share of the California population.ⁱⁱ Marginalized communities have also seen some of the highest hospitalization and death rates from COVID-19. One study found that African Americans at a Northern California health system were more than twice as likely to be admitted to the hospital as whites, and individuals with Medicaid or who were uninsured were twice as likely to be admitted as individuals with commercial insurance.ⁱⁱⁱ African American, Latino, and Native Hawaiian/Pacific Islander deaths from COVID-19 are disproportionately higher than their representation in the statewide population.^{iv}

The COVID-19 crisis has also exposed major flaws in supply chains. By definition, a pandemic affects multiple countries, which makes it especially difficult to procure needed supplies in the midst of an

emergency. In some cases, overseas manufacturers limited distribution of PPE to their home countries or were forced to stop production due to the pandemic. The U.S. stockpile held only a fraction of the amount of PPE necessary to protect workers. While some domestic suppliers quickly ramped up manufacturing, shortages persisted and led to dramatic cost increases, with some markups reaching over 6,000%.^v In order to protect lives in a pandemic, California must establish strategic stockpiles and in-state PPE manufacturing capability to avoid price gouging when replenishing PPE supplies.

Bill Summary

The Healthcare and Essential Workers Protection Act ensures that healthcare workers, first responders, school employees, child care workers and other essential workers have equitable access to PPE in the event of a pandemic or other health emergency. SB 275 achieves this by:

- **Establishing a PPE stockpile at the Department of Public Health**

SB 275 requires DPH to establish a stockpile sufficient to supply unexpired PPE for a 90-day period in the event of a pandemic or other health emergency. To minimize the impact on the state budget, DPH is only required to purchase 20% of the amount required for the stockpile each year, for five years, until it is fully stocked. DPH is required to distribute PPE from the stockpile when the Governor declares a State of Emergency or when selling and replenishing PPE as part of the stockpile management program. During a shortage of PPE, distribution will be prioritized to healthcare providers and essential workers in low-income communities and other medically underserved areas.

- **Requiring healthcare providers to maintain their own stockpile**

SB 275 requires healthcare providers to maintain their own 90-day PPE stockpile to provide sufficient protection to their workers and patients during a pandemic or health emergency. Providers, including hospitals, nursing homes, clinics, and physician offices would be required to provide PPE to their workers upon request.

- **Establishing in-state PPE manufacturing capability**

Finally, SB 275 requires DPH and, to the extent permissible by federal law, healthcare providers, to purchase at least 25% of PPE in their stockpiles from California manufacturers. To ramp-up manufacturing capacity, the Governor's Office of Business and Economic Development, through the Made in California Fund, would provide grants, loans, loan guarantees and other incentives.

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ⁱ <https://cepr.net/a-basic-demographic-profile-of-workers-in-frontline-industries/>

ⁱⁱ <https://www.cdph.ca.gov/Programs/CID/DCDC/Pages/COVID-19/Race-Ethnicity.aspx>

ⁱⁱⁱ <https://www.healthaffairs.org/doi/full/10.1377/hlthaff.2020.00598>

^{iv} <https://www.cdph.ca.gov/Programs/CID/DCDC/Pages/COVID-19/Race-Ethnicity.aspx>

^v http://cdn.cnn.com/cnn/2020/images/04/16/shopp.covid.ppd.costs.analysis_.pdf