

A reasoned response to the COVID-19 crisis

Badger Institute analysts and visiting fellows have weighed in on the COVID-19 health and economic crisis from a number of perspectives over the past several weeks. Some of the articles and commentaries are summarized here. To read the full articles and to access all of our related crisis coverage, go to badgerinstitute.org/COVID-19

State guidelines for addressing an emergency

In the battle against COVID-19, Wisconsin lawmakers should make sure the cure isn't worse than the disease. The following principles provide a free-market framework for confronting this public health and economic crisis.

Lawmakers must resist actions that grow the size and scope of government permanently. Avoid ongoing appropriations, permanent full-time equivalent positions and new layers of red tape.

Be careful not to create a long-lasting, one-size-fits-all solution for future health emergencies. Each challenge brings its own unanticipated difficulties, requiring unique approaches and tools.

Don't plunge the state into a sea of debt that will make matters worse over the long term. Responsible policies contributed to a state budget surplus that helped soften the blow of this economic crisis. Maintain fiscal prudence while supporting those who lost their jobs.

Wisconsin's economy will recover, but before we know the true cost and recovery curve, legislators must be cautious about signing a check that they can't cash.

— David Fladeboe



Licensing barriers hinder health care workers

Even before the onset of this new coronavirus crisis, Wisconsin was experiencing a worker shortage in health care professions. Policymakers should streamline the

regulations that make it difficult for health care workers to get licensed here.

Take certified nursing aides (CNAs), who serve on the frontlines at nursing homes and long-term care facilities. In Wisconsin, CNAs are required to complete 120 hours of training to secure a license. Neighboring states of Minnesota, Michigan and Iowa, as well as federal rules, require only 75 hours. Mounting evidence shows the connection between occupational regulations and worker shortages.

One out of four direct caregiver positions in Wisconsin's nursing homes and assisted living facilities are vacant, according to a statewide survey of providers. One-third of respondents said they were unable to admit new residents because of unfilled jobs.

Wisconsin lawmakers also should look at expanding the scope of practice for physician assistants to address a growing shortage of primary care physicians. The state will face a shortage of 745 primary care physicians by 2035, according to one source.

— Julie Grace

Markup law inflates cost of prescriptions

Given that the COVID-19 crisis has significantly reduced many people's income and is increasing the demand for prescription drugs, now would be a good time to reverse an antiquated law that artificially inflates prices in Wisconsin.

The Unfair Sales Act, commonly known as the minimum markup law, precludes retailers from selling items below cost. In 2006, Walmart began selling generic prescription drugs used to treat everything from high cholesterol to diabetes to heart ailments — for just \$4 for a 30-day supply and \$10 for a 90-day supply.

The retailer surmised that charging a uniform low price

across a wide array of drugs would encourage shoppers to get all of their prescriptions at Walmart — and make other purchases at the same time. It was a great deal for consumers, and other large pharmacies followed suit.

Wisconsin blocked the deal — in the name of protecting consumers — forcing Walmart to charge a higher price here than in other states.

— *Ike Brannon*



Alternative to gas tax needed as fuel sales dive

Gasoline sales are projected to drop by more than half during the first few months of the pandemic. That means revenue from per-gallon gas taxes also will plummet, likely leading to a \$100 million deficit in Wisconsin's transportation budget. If the slowdown continues into summer, it could be disastrous.

Long-term prospects aren't much better. As fuel-stingy new cars and affordable electric cars replace gas-guzzling vehicles, the amount of gas sold will be in a long-term decline.

Wisconsin needs a transportation funding alternative to the gas tax. Research shows that the best option is charging per mile driven rather than per gallon consumed.

The transition could begin on interstates that are being widened or rebuilt. Transponders or license-plate reading could determine the number of miles traveled. The new charge would replace the gas tax, not add to it.

— *Robert W. Poole Jr.*

Loosened telemedicine rules should remain

Health care providers are utilizing telemedicine, which connects doctors and patients remotely. Telemedicine allows patients to discuss symptoms with a physician, learn treatment options and even get prescriptions. Doctors can go as far as monitoring readings from remote medical devices.

Telemedicine is highly regulated. Gov. Tony Evers

recently signed an emergency order allowing licensed doctors from other states to practice telemedicine in Wisconsin during the crisis. The state also expanded telehealth for mental health services and temporarily lifted other regulations.

Telemedicine can reduce the need for in-person visits for most patients and improve efficiency in the health care system, even when there's not a pandemic. Policymakers should permanently remove barriers to these services.

— *Martha Njolomole and Julie Grace*

Civil society: Compassion and innovation

In Wisconsin, thousands have come forward to help their neighbors — from Wausau to Madison, La Crosse to Green Bay and virtually every community in between. Volunteer Wisconsin, a project begun by United Way of Wisconsin, can match virtually anyone who wants to help with a neighbor in need.

Volunteerism has surged since the outbreak, says Charlene Mouille, United Way of Wisconsin's executive director.

In addition to making protective masks, many are providing online tutoring for homebound students or distributing food to the needy.

"COVID-19 is creating economic havoc, and the long-term negative impact is hard to predict," says Michael M. Miller, research fellow at the Acton Institute. "There is a possible positive outcome, however.

If businesses, voluntary organizations, churches and families make decisions to self-regulate within their circle of influence, if they find creative ways to help others and find new ways to integrate and solve problems, it is possible that the citizens of the United States could come out of this crisis with a deep confidence in our ability to self-govern.

"It would show Americans and the world that, despite serious problems, America's civil fabric is actually thicker and richer than we thought. And this could have a profoundly positive impact on the economy."

— *Marie Rohde*

