ML STRATEGIES

COVID-19 Insights Week in Review — April 17, 2020

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Your team at ML Strategies continues to monitor **federal** and **state** legislative and regulatory responses to the public health and economic crisis. Each week, ML Strategies will provide updates from Massachusetts and Washington, DC to keep you informed and aware of relief opportunities and guidance for your businesses.

This installment of our COVID-19 Insights Week in Review includes:

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FEDERAL UPDATE

CARES Act 2.0 and Phase 4 Stimulus

As reported in last week's *COVID-19 Insights Week in Review*, Senate Republicans sought to move a bill to provide an additional $250 billion in additional funding for the Small Business Paycheck Protection Program (PPP) created by the CARES Act. While Democrats support adding funding to the program, they had additional priorities for the bill, including directing half of the additional SBA funding to very small companies (

In addition to an interim relief bill to bolster the CARES Act, Congress is considering the next stimulus package. House Democrats are largely driving the discussion of the next major bill. Among their priorities are extending support for small businesses beyond the eight weeks provided by the PPP, significant infrastructure spending, and numerous policy changes.

Bipartisan Call for Waiver of Restrictions for Medical Professionals with Visas

A bipartisan group of nearly 50 Senators and House members have called on the Administration to waive requirements that medical professionals holding H1-B and J-1 visas only provide medical care at locations or in specialties specifically approved for their immigration status.
Read the letter here...

Rural Hospital Exclusion from SBA Paycheck Protection Program

As negotiations continue on the next legislative response to the COVID-19 pandemic, a bipartisan group of nine Senators wrote to Senate Majority Leader McConnell (R-KY) and Senate Minority Leader Schumer (D-NY) regarding the challenges small rural hospitals are facing during the pandemic. Noting that many of these hospitals are facing revenue declines as high as 80 percent, the letter states that many are small, county-owned public hospitals currently denied access to funding created by the CARES Act. The senators urge that the next stimulus measure clarify that publicly owned hospitals are eligible entities for the Paycheck Protection Program administered by the Small Business Administration.
Read the Senate letter here...

More than 70 members of the House of Representatives also wrote to Treasury Secretary Mnuchin and SBA Administrator Carranza asking that they ensure rural hospitals and Rural Health Clinics (RHCs) that have facilities owned or operated by counties or districts are eligible for the Paycheck Protection Program, as well as other critical financial assistance programs.
Read the House letter here...

Senators Urge President to Act on Counterfeiting and Price Gouging of Medical Supplies

A group of 15 Senators wrote to President Trump regarding counterfeiting and price gouging of medical supplies during the COVID-19 pandemic. The Senators called for the President to develop a comprehensive, efficient, and nationwide strategy designed to ensure that quality medical supplies are produced and effectively distributed to areas of critical need. They also urged the President to direct law enforcement and regulatory agencies to swiftly investigative claims of price gouging and counterfeiting.
Read the letter here...

House Republicans Support AV Legislation – Labor Groups Oppose

Republican members of the House Energy & Commerce Committee published a blog post on April 8 titled, “Self-Driving Cars Can Pave Way During COVID-19. Let’s do so in the U.S.,” which stated that autonomous vehicles (AVs) can help seniors and those with disabilities become more self-sufficient; deliver tests, medical supplies, groceries, and other necessities; jump start our economy by creating new jobs; improving roadway safety; and enable the United States to lead on the world stage.
Read the blog post here...

In response, five labor groups – the Amalgamated Transit Union, the International Brotherhood of Teamsters, the SMART-Transportation Division, the Transportation Trades Department of the AFL-CIO, and the Transport Workers Union of America – wrote to the Chairman and Ranking Member of the committee opposing efforts to pass autonomous vehicle (AV) legislation during the current crisis, saying that Congress should instead focus on critical services like health care, internet, utilities, and personal protective equipment.

Senate Democrats Challenge Recent EPA Actions in Letter to Administrator Wheeler

A group of 18 Democratic senators wrote to the Environmental Protection Agency raising concerns about recent actions they say will worsen air pollution and could, according to a recent study from the Harvard School of Public Health, result in higher death rates among COVID-19 patients. Citing recent EPA actions regarding automotive emissions and national ambient air quality standards, the senators asked EPA Administrator Wheeler to respond by April 21 to a number of questions about what the agency is doing to enforce existing air pollution requirements, improve air quality, and study the link between poor air quality and worse outcomes for COVID-19 patients.
Read the letter here...

Lawmakers Seek Flexibility in USMCA Requirements

Thirty-one House members are urging the Administration to allow for flexibility in the automotive Rules of Origin requirements of the United States-Mexico-Canada (USMCA) trade agreement. The bipartisan letter states, “Taking the time to do this process right will allow manufacturers and their workforces across the country to maximize the intended benefits of the agreement and will minimize disruption during a particularly challenging time for the industry.”
Read the letter here...

Treasury Launches Coronavirus Relief Fund for State, Local, and Tribal Governments

Created by the CARES Act and funded at $150 billion, the Coronavirus Relief Fund provides payments to State, Local, and Tribal governments navigating the impact of COVID-19. The funds must be used only to cover expenses that (1) are necessary expenditures incurred due to the public health emergency with respect to COVID–19; (2) were not accounted for in the budget most recently approved as of March 27, 2020 (the date of enactment of the CARES Act) for the state or government; and (3) were incurred during the period that begins on March 1, 2020, and ends on December 30, 2020.

Eligible governments are required to provide payment information and required supporting documentation not later than 11:59 p.m. EDT on April 17, 2020.
Read more about the Coronavirus Relief Fund here...

Access the certification forms here...

Recent ML Strategies Federal Insights on COVID-19

The Federal Reserve Main Street Lending Program: Terms and Considerations

Last week’s *COVID-19 Insights Week in Review* announced the Federal Reserve’s launch of the Main Street Business Lending Program. **Read what our colleagues at Mintz are saying...**

MASSACHUSETTS UPDATE

Baker Administration Launches Manufacturing Emergency Response Team (M-ERT)

On Monday, April 13, the Baker Administration announced $10.6 million in funding to support manufacturers producing PPE and other critical devices to combat the COVID-19 virus. Members of the new Response Team include representatives from the Massachusetts Life Sciences Center, Advanced Function Fabrics of America (AFFOA), MIT, MIT Lincoln Labs, UMass Lowell, Worcester Polytechnic Institute (WPI), Massachusetts Manufacturing Extension Partnership (MassMEP), and Associated Industries of Massachusetts (AIM). A total of $10.6 million is being allocated to help manufacturers rewire their operations to produce PPE and other critical devices. The Administration offered the following breakdown of the $10.6 million in grant funding:

- $5.6 million to be administered by MassTech and AFFOA through the Massachusetts Manufacturing Innovation Institute (M2I2) program
- $4 million made available through the Massachusetts Life Sciences Center
- $1 million dedicated to workforce training by the Executive Office of Labor and Workforce Development through its Workforce Training Fund Program (WTFP)

The M-ERT program will also offer guidance on what PPE and other COVID-19 materials are the highest priority for providers and health care facilities, regulatory compliance and FDA insight, identifying in-state testing centers and their specifications, training for workers on new production lines and standards, and

the sharing of designs for critical items.
Access grant applications for equipment, materials, and supplies here...

Updates to Collection and Reporting of COVID-19 Data

By way of a Department of Public Health (DPH) Order authorized by Commissioner Bharel on April 8, health care providers are required to make every reasonable effort to collect demographic data on those with a positive COVID-19 diagnosis including full name, date of birth, sex, race and ethnicity, address, and phone number. The reporting of this data from providers must be in accordance with 105 CMR 300.170, which provides guidance on "Laboratory Findings Indicative of Infectious Disease Reportable Directly to the Department by Laboratories." On Wednesday, April 15, Secretary Sudders of the Executive Office of Health and Human Services announced additional data collection and reporting requirements for publication by DPH. Along with demographic data, health care providers are required to report on statewide hospital capacity, personal protective equipment (PPE) distribution data, and cases identified in long-term care facilities. As of Wednesday, the Administration also announced that reporting on confirmed cases by cities and towns across the Commonwealth will also be available to help identify hotspots and deploy resources appropriately.
Access Commissioner Bharel's order here...

Access to daily reporting on testing, hospital capacity, and PPE distribution here...

Funding to Long-Term Care Facilities with Dedicated COVID-19 Units

Due to decreased MassHealth spending on elective invasive services as directed by DPH, the Baker Administration is reallocating funds from the FY20 base budget to provide new funding, expanded testing and distribution of PPE to long-term care facilities across the state. With the reallocation of MassHealth unspent funds, the Administration does not need to access monies in the Stabilization Fund at this time. Secretary Sudders provided the following breakdown of the $130 million package:

- A 10% MassHealth rate increase for all nursing facilities, which equals approximately $50 million
- A 15% rate increase for facilities establishing dedicated COVID-19 units, which equals approximately $50 million
- $30 million dedicated to continued efforts to establish skilled nursing facilities devoted to COVID-19 treatment services

Massachusetts COVID-19 Pending Legislation

On Tuesday, April 14, the House and Senate Committees on Ways and Means Chairs, Representative Aaron Michlewitz, and Senator Michael Rodrigues, along with Secretary Michael Heffernan of the Executive Office of Administration and Finance, hosted a virtual roundtable soliciting the input of economists covering various sectors. Federal economists, economists in academia, and leaders of power think tanks in the Commonwealth came together to provide insights into the status of Massachusetts's economy and the impact of COVID-19 on the fiscal year 2021 state budget. While the vast majority of testimony provided a sobering picture of the state's economy due to COVID-19, Treasurer Goldberg highlighted the balance of the state's Stabilization Fund, which is often referred to as the "Rainy Day Fund." With a balance of $3.48 billion available in the Stabilization Fund, a revised outlook to negative from rating agencies does not seem likely in Massachusetts, a silver lining in extremely dark financial times.

The Massachusetts Legislature continues to move bills through the legislative process, especially those targeting the COVID-19 crisis and supports for businesses, learning institutions, municipalities and local governments, and residents of the Commonwealth. Among those businesses at the focus of both the Administration and the Legislature is the community of long-term care facilities, such as nursing homes and assisted living facilities across the Commonwealth. On Thursday, April 16, the Joint Committee on Elder Affairs is scheduled to hold a virtual hearing on HB4635, *An Act relative to long-term care and elder housing COVID-19 reporting*. Filed by Representative Balser, this legislation requires DPH to report on the number of COVID-19 cases and deaths, as well as demographic data in assisted living, nursing homes, or long-term care facilities. The goal of expanding reporting requirements is to remain transparent in data collection and inform the state on which residents of the Commonwealth are being hit the hardest by COVID-19.

Authors