

COVID-19 Insights Week in Review — May 1, 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 week, ML Strategies monitored the following updates stemming from Washington, DC and the Commonwealth of Massachusetts:

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FEDERAL UPDATE

Federal Reserve Expands Scope & Eligibility of CARES Act Programs

On Thursday, the Federal Reserve released updated term sheets for the Main Street Lending Program. The Fed announced details of three facilities: the Main Street New Loan Facility, the Main Street Priority Loan Facility, and the Main Street Expanded Loan Facility. Together, they will provide loans to small and mid-sized businesses that were in sound financial condition prior to the COVID-19 pandemic. The crisis has limited access to credit and the economic downturn has increased the need for financing. The Main Street Lending Program is being supported by \$75 billion from the Treasury Department that was appropriated in the CARES Act.

[Access the term sheets here...](#)

Also on Thursday, the Fed expanded access to its Paycheck Protection Program Liquidity Facility (PPPLF) to additional lenders, and expanded the collateral that can be pledged. The changes will facilitate lending to small businesses via the Small Business Administration's (SBA) Paycheck Protection Program (PPP). As a result of the changes, all PPP lenders approved by the SBA, including non-depository institution lenders, are now eligible to participate in the PPPLF. Additionally, eligible borrowers will be able to pledge whole PPP loans that they have purchased as collateral to the PPPLF.

[Read more here...](#)

Federal Reserve Expands Scope & Duration of Municipal Liquidity Fund

On Monday, April 27, the Federal Reserve Board announced an expansion of the scope and duration of the Municipal Liquidity Facility (MLF). According to the Federal Reserve, the revised MLF will "purchase up to \$500 billion of short-term notes issued by U.S. states (including the District of Columbia), U.S. counties with a population of at least 500,000 residents, and U.S. cities with a population of at least 250,000 residents. The new population thresholds allow substantially more entities to borrow directly from the MLF than the initial plan announced on April 9. The facility continues to provide for states, cities, and counties to use the proceeds of notes purchased by the MLF to purchase similar notes issued by, or otherwise to assist, other political subdivisions and governmental entities. The expansion also allows participation in the facility by certain multistate entities."

[Read more here...](#)

Treasury Update on Support for Aviation & Critical National Security Businesses

On April 25, the Department of the Treasury provided an update on CARES Act payroll support and loan programs for passenger air carriers, air cargo carriers and contractors, and businesses critical to maintaining national security.

[Read the update here...](#)

President Issues Executive Order to Ensure Meat & Poultry Supply Chain

Stating that "It is important that processors of beef, pork, and poultry ("meat and poultry") in the food supply chain continue operating and fulfilling orders to ensure a continued supply of protein for Americans", President Trump issued an Executive Order this week using his authority under the Defense Production Act to require meat and poultry processors to continue operation during the pandemic.

[Read the Executive Order here...](#)

Negotiations Underway on Additional Stimulus Measures

The Senate returns to Washington next week, while the House of Representatives will continue to keep its members in their congressional districts for at least another week in light of the ongoing pandemic. However, negotiations are continuing on the parameters of additional stimulus measures.

Discussions are underway in the House and Senate for a proposed business recovery fund, modeled in part on the 9/11 Victims Compensation Fund. Going beyond the CARES Act's SBA Paycheck Protection Program and Main Street Lending Program, the fund would provide additional financial relief for businesses impacted by the pandemic in the form of grants designed to help employers reopen, retain or rehire employees, and maintain employee benefits. Grants from the fund would be administered by a Special Administrator with congressional oversight, and would be available to businesses of all sizes.

In a video discussion with the U.S. Conference of Mayors on April 29, House Ways and Means Chairman Neal (D-MA) said that assistance for cities and states will be a priority for the next stimulus and will include provisions on private activity bonds and Build America Bonds.

[Read a press release and access video of remarks here...](#)

21st Century Cures 2.0

Representatives DeGette (D-CO) and Upton (R-MI), who spearheaded the 2016 21st Century Cures Act, released a concept paper on Monday, April 27, outlining proposals they are looking to include in a second Cures bill or possibly in a future coronavirus measure.

In addition to addressing improvements to the regulatory process for digital health and modernizing reimbursement policies—the two policy areas widely believed to be the impetus for a second Cures bill—the concept paper outlines additional areas for legislation, including public health and pandemic preparedness, caregiver support, health literacy, and diversity in clinical trials. The concept paper also introduces an idea to enable the FDA to provide grants to support innovative clinical trial design and patient-focused drug development.

Cures 2.0 could also be a legislative vehicle for other health care priorities, including medical device servicing, clinical lab test oversight reform (i.e., the VALID Act), cosmetics oversight reform, and surprise billing, among others.

[Read the concept paper here...](#)

Senators Seek Phase 4 Stimulus Provisions for Disabled Americans

Noting that an estimated 25% of U.S. adults – or 61 million people – have a disability, 20 Democratic senators sent a letter on April 29 urging House and Senate leadership to prioritize the needs of people with disabilities as House and Senate leadership negotiates the next COVID-19 stimulus. The senators ask that the stimulus increase Medicaid funding to support people with disabilities, provide at least \$50 billion in additional funding for Medicaid home- and community-based services, provide emergency income release for people with disabilities, protect the civil rights of people with disabilities, expand paid leave protections for the disability community, ensure people with disabilities can access food and medication, and expand access to Personal Protective Equipment for people with disabilities and their caregivers.

[Read the letter here...](#)

Bipartisan Senate Letter on U.S.-Mexico Supply Chain and Essential Business Definition

Led by Senators Cornyn (R-TX) and Feinstein (D-CA), a bipartisan group of senators sent a letter to Secretary of State Mike Pompeo on April 29 urging him to request the Mexican government clarify their definition of essential businesses to resolve uncertainty in the U.S.-Mexico supply chain during the coronavirus pandemic. Signing the letter were Senators McSally (R-AZ), Loeffler (R-GA), Perdue (R-GA), Ernst (R-IA), Cruz (R-TX), Blumenthal (D-CT), Sinema (D-AZ), Lankford (R-OK), and Merkley (D-OR).

[Read the letter here...](#)

Senators Seek PPP Access for Local Trade and Professional Associations

Senators Cassidy (R-LA) and Machin (D-WV) were joined by 17 of their Senate colleagues in sending a bipartisan letter to Senate Majority Leader McConnell (R-KY), Senate Minority Leader Schumer (D-NY), and the chairman and ranking member of the Senate Small Business & Entrepreneurship Committee asking that local trade and professional associations become eligible for assistance through the Paycheck Protection Program (PPP) in any future coronavirus stimulus bill. These entities include

regional chambers of commerce, nursing professional organizations, state certified public accountant societies, state restaurant associations, and tourism and hospitality leagues, among others.

[Read the letter here...](#)

Senators Press Administration on Protecting Federal Workers

Senators Warren (D-MA), a member of the Senate Health, Education, Labor and Pensions (HELP) Committee, along with Senator Murray (D-WA), ranking member of the Senate HELP Committee, and Senator Peters (D-MI), ranking member of the Senate Committee on Homeland Security and Governmental Affairs, led 19 of their Senate colleagues in writing to the Office of Management and Budget (OMB) and Office of Personnel Management (OPM) regarding the safety of federal workers during the coronavirus pandemic. The senators are requesting information on the agencies' efforts to ensure that agencies maximize telework across their workforce, collect and provide data on current teleworking practices at federal agencies, standardize the procedures by which positive cases of COVID-19 are handled and disclosed, and on how OMB and OPM are evaluating when it is safe for federal employees to return to work at their physical job sites.

[Read the letter here...](#)

Speaker Announces Democratic Members of Coronavirus Select Committee

Created by the CARES Act, the new bipartisan House Select Committee on the Coronavirus Crisis is tasked with oversight of the federal response to the pandemic and is chaired by Majority Whip Clyburn (D-SC). This week, Speaker Pelosi (D-CA) announced that the Democratic select committee members are Reps. Waters (D-CA), Maloney (D-NY), Velázquez (D-NY), Foster (D-IL), Raskin (D-MD), and Kim (D-NJ).

[Read more here...](#)

MASSACHUSETTS UPDATE

Additional Funding for the Commonwealth's Nursing Homes

On Monday, April 27, Governor Baker announced a second \$130 million funding package dedicated to the Commonwealth's 386 nursing homes. On April 15, the Governor and Secretary Sudders announced the first \$130 million package allocating rate increases to all nursing homes and nursing homes with dedicated COVID-19 units, as well as \$30 million dedicated to skilled nursing facilities with a particular focus on COVID-19 treatment services. This second package, to be made available to nursing homes on May 1, will support increased staffing, cleaning services and availability of personal protective equipment (PPE). Additional funding will be dependent on nursing homes meeting specific requirements relative to the testing of all staff and residents, a 28-point infection control checklist and adherence to PPE requirements.

Second Allotment of Funds to Residential Congregate Care Providers

On Monday, Secretary Sudders announced a second wave of funding for residential congregate care providers across the Commonwealth. On March 30, the Secretary announced the first financial package of \$95 million to residential providers supporting some of the Commonwealth's most vulnerable constituents, children and individuals with intellectual and developmental disabilities. The second financial package allocates \$44 million to address unbudgeted services as a result of COVID-19, including staffing needs and overtime costs, infection control, PPE, and cleaning services. The Commonwealth also plans to increase monthly reimbursements to state agencies from 10% to 15% in May and June. In total, Massachusetts has dedicated \$139 million to residential congregate care providers over two months, which qualifies the state for a federal reimbursement for 75% of the total cost paid out.

Extension of Non-Essential Business Closures

On Tuesday, April 28, as the Commonwealth approached the existing May 4 closure date, the Governor announced an extension, until May 18, to the non-essential business closure order, stay at home advisory and 10 person limit for gatherings (COVID-19 Order No. 30). This extension was made to ensure public health experts are confident in a staged return to work process backed by data from hospitals and other public health organizations.

Read previous COVID-19 Orders here:

March 23, 2020 - [COVID-19 Order No. 13](#)

March 31, 2020 - [COVID-19 Order No. 21](#)

To access Gov. Baker's COVID-19 Order No. 30, [click here](#).

Economic Reopening Advisory Board

Following the extended non-essential business closure, the Baker Administration established an economic Reopening Advisory Board to develop a plan for reopening the Commonwealth and getting residents back to work. Led by Lieutenant Governor Polito and Secretary of Housing and Economic Development, Secretary Kennealy, the Board will bring together seventeen members from the health care and business communities, as well as municipal leaders, to develop a prudent strategy for reopening the state. With three public health officials, three municipal officers and eleven business leaders, the Board will gather input from a variety of constituencies to ensure reopening the economy is done with guidance from public health data and equity in mind.

To review the 17-member Reopening Advisory Board members, [click here](#).

Remote Legislating Package at an Impasse

On Tuesday, House Democratic leaders announced an 11-page rules package to establish protocols for members to debate, offer amendments and vote on legislation before the body during the COVID-19 pandemic, which traditionally occurs during in-person formal sessions. With hopes of adopting HB4674, *Order for Emergency Rules* in an informal session on Wednesday, which required unanimous consent, the attempt failed as House Minority Leader Brad Jones objected to the package. With Leader Jones noting concerns over limits on the amount of times a member may be recognized, a 10 am deadline to sign up to debate, and a change in the roll call threshold from 10% to 25% (which the House dropped in a second draft), Rep. Jones objected to the package and the session adjourned without advancement. Due to the inability to pass the emergency rules order, the House will not have the ability to fully debate, in a formal session, legislation filed by Governor Baker to protect cash balances by allowing the Treasurer to borrow funds to dedicate to pandemic-related expenses. This would have occurred in a full formal session on Thursday.

While the House struggles to strike a deal on remote legislation, the Senate plans to convene a seven-member bipartisan working group, led by Senate Majority Leader Cynthia Creem, to develop a plan to begin holding formal sessions by early June. Safe voting options may include traditional in-person voting while wearing a mask, court officers' verifying senators' presence in their respective offices and voting on their behalf in the chamber (this option would require a change in Senate rules), or voting by proxy through another present member.

To read the House's emergency rules order, [click here](#).

To read Gov. Baker's legislation on protecting the Commonwealth's cash balances and extending the state income tax deadline, [click here](#).

Massachusetts COVID-19 Pending Legislation

While the Legislature's attempts to strategize ways to safely assemble as a complete body while adhering to social distancing guidelines rule the day, bills continue to pass through the legislative process and land on the Governor's desk for final sign-off. This week, legislation relative to virtual notarization during the COVID-19 pandemic was signed by Gov. Baker on April 28. With the passage of SB2645, *An Act providing for virtual notarization to address challenges related to COVID-19*, a notary public is now allowed to perform their duties virtually by video conferencing in real time, such as designating wills, trusts and health care proxies. These powers will extend three days after the termination of the Governor's state of emergency.

While the Legislature appears consumed by moving critical COVID-19 related legislation to the end line, bills filed before the start of the crisis continue to receive attention. Many joint committees are requesting

extension orders on legislation to ensure committee members and staff have the ability to fully understand the landscape of policies before them and make prudent decisions relative to next steps.

The FY2021 budget remains a major focus of both chambers as the clock continues to tick toward the end of FY2020 on June 30. Strategies for passing a state budget during the COVID-19 pandemic are circulating within the State House; however, many questions remain unanswered about the timeline, if 1/12 budgets will be passed until the process is ironed out and whether or not the 2019-2020 legislative session will be extended past July. While the COVID-19 pandemic forges on and questions surrounding legislative progress remain uncertain, ML Strategies continues to stay on top of all issues arising from Beacon Hill, ready to answer any questions you may have during these tumultuous times.

We hope you and your families remain safe and healthy.

Authors