



Federal Relief to Address the COVID-19 Pandemic

To help keep you apprised of the various Federal relief packages to address the COVID-19 pandemic, please find below key information regarding the status, summary of key provisions, and other relevant information, in reverse chronological order.

Coronavirus III – Economic Aid

Status: in development

The Senate plans to stay in session until the third legislative package (Phase III) is complete. Senate Majority Leader McConnell reports that development of a package is moving rapidly because the situation demands it. Congress could vote on the third coronavirus bill as early as next week.

Senate GOP Process and Task Forces

According to Majority Leader McConnell, Senate Republicans will work with the Trump administration on their own version of a third coronavirus bill. They hope to “reach an agreement among ourselves as to what Senate Republicans and the administration favor doing next,” before negotiating with Democrats on a final version that could become law. McConnell said he assigned a group of senators to lead three task forces to prepare for the third coronavirus bill, a broader economic stimulus that could cost more than \$1 trillion. One task force is focused on an airline assistance package, which may include collateralized lending, while another task force (headed by Sens. Susan Collins (R-Maine) and Marco Rubio (R-Fla.)) is focused on small business relief.

Schumer Coronavirus Proposal

Minority Leader Schumer has [presented](#) congressional appropriators with a comprehensive proposal for the third part of Congress’ legislative response to the coronavirus. The package totals \$750 billion and would include \$400 billion in emergency appropriations to support seniors, public housing, schools, and children. The proposal from Senate Democrats would provide federal funding to:

- Address hospital and treatment capacity issues;
- Expand unemployment insurance and increase Medicaid funding;
- Ensure affordability of all COVID-19 treatment;
- Provide immediate loan payment forbearance for all federal loans and moratoriums on evictions/foreclosures;
- Deliver immediate help to small businesses;
- Fund emergency childcare, especially for health care workers and first responders;
- Help schools with remote learning;
- Ensure senior citizen medicine and food delivery;
- Provide assistance to keep public transportation running;
- Utilize the Defense Department to provide personnel, equipment, supplies, and critical response capabilities to support on the nationwide response; and
- Address public health and economic needs in Indian Country.

House Proposal

The House is considering a range of targeted policy options including refundable tax credits for self-employed workers, expanded unemployment insurance, and direct payments. The package may contain provisions to ensure ill individuals can access longer-term leave, increase the scope of allowable uses of family and medical leave, and address paid leave for first responders and health care workers. On March 18, Energy and Commerce Health Subcommittee Republican Leader Michael Burgess, M.D. (R-TX) urged that any upcoming COVID-19 legislative package include H.R. 4870, the [United States Public Health Service Modernization Act of 2019](#) which was introduced by Dr. Burgess and Health Subcommittee Chairwoman Anna Eshoo (D-CA) to improve the Ready Reserve Corps which can be quickly summoned to serve during public health emergencies.

White House Proposal

According to Secretary Mnuchin, President Trump supports the passage of a \$1.2 trillion economic stimulus [package](#) which includes direct payments of at least \$1,000 to every American over the next two weeks. Mnuchin is negotiating with Speaker Pelosi and Senate Republicans on issues ranging from a payroll tax cut, support for small and medium-sized businesses, and relief to the hotel industry and airlines (which have requested \$58 billion in aid). On March 17, the Office of Management and Budget (OMB) sent a [letter](#) requesting an additional \$45.8 billion to help address the pandemic, as well as revising requested FY20 budget amounts for the Centers for Disease Control and Prevention (CDC) and the National Institutes of Health (NIH). Separately, the President is considering declaring the pandemic a “major disaster,”¹ which would add additional levels of Federal assistance. It’s unclear if the additional OMB request would be part of a 3rd package or perhaps a 4th package.

Coronavirus II.5 – Defense Production Act

Status: invoked

On March 18, the President invoked the [Defense Production Act \(DPA\)](#), which allows the federal government to compel companies through loans, loan guarantees, purchases and purchase commitments to prioritize and expedite the manufacture of medical supplies that are in short supply. For more information on the DPA, visit [here](#). Separately, General Motors Co. Chief Executive Officer Mary Barra offered to manufacture hospital ventilators in auto factories closed because of the coronavirus outbreak, according to top White House economic adviser Larry Kudlow.

Coronavirus II – Testing and Paid Leave

Status: passed the House and Senate

The House passed [H.R. 6201](#), the *Families First Coronavirus Act*, in the early hours of March 14. The large-scale economic relief plan aims to support Americans in combatting the spread of the coronavirus through the expansion of paid leave, food assistance, and unemployment assistance and through increased federal Medicaid funding. Speaker Pelosi and Secretary Mnuchin worked to negotiate the House-passed legislation, which was backed by President Trump. The bill would increase federal medical assistance percentages (FMAP) for state Medicaid programs by 6.2 percentage points. Medicaid funding for U.S. territories would also be increased. The bill includes a prohibition against cost sharing and prior authorization for certain coronavirus testing and related services, such as provider visits for testing. It also appropriates \$1 billion for the National Disaster Medical System to reimburse costs associated with testing the uninsured. The bill would add personal respiratory protective

¹ See March 13 [letter](#) which states: “In addition, after careful consideration, I believe that the disaster is of such severity and magnitude nationwide that requests for a declaration of a major disaster as set forth in section 401(a) of the Stafford Act may be appropriate.”

devices as a covered countermeasure under the Public Readiness and Emergency Preparedness Act and allow HHS to provide liability protections for certain emergency response products.

The chamber later passed “technical corrections” to the emergency aid bill which scale back “qualifying need” for Family and Medical Leave Act (FMLA) leave to circumstances in which an employee cannot work or telework because a child’s school, day care, or childcare is unavailable. The original version of the bill would have required employers to provide employees with 12 weeks of partially paid FMLA leave for quarantine, to care for a family member, or to care for a child. The Senate passed the bill unamended on March 18, by a vote of 90-8.

Coronavirus I.5 – Emergency Declaration

Status: emergency declared

On Friday, March 13, 2020, President Donald Trump [declared](#) a national emergency with respect to the COVID-19 pandemic. By declaring the emergency, billions of dollars in the Disaster Relief Fund and additional resources from the Federal Emergency Management Agency (FEMA) and other parts of the government are now available. The declaration also makes more federal funds available along with supplies, personnel, and other support. The emergency order confers new broad authorities to HHS Secretary Alex Azar. Azar has [waived](#) certain laws and regulations to give doctors and hospitals maximum flexibility to test and respond to the virus. In addition, as part of the emergency declaration, the Small Business Administration is now able to offer Economic Injury Disaster loans – up to \$ 2 million – for small businesses impacted by the virus.

Coronavirus I – Emergency Appropriations

Status: signed into law

President Trump signed into law a \$7.8 billion emergency spending bill ([H.R. 6074](#)) (P.L. 116-123) to combat the coronavirus outbreak on March 6. The bipartisan *Coronavirus Preparedness and Response Supplemental Appropriations Act, 2020* also allows the Medicare program to spend \$500 million on telehealth programs used in response to the virus. The legislation includes \$6.5 billion for the U.S. Department of Health and Human Services (HHS), \$1.25 billion for the State Department and the U.S. Agency for International Development (USAID), and \$20 million for the Small Business Administration (SBA). The bill provides:

- \$3.1 billion for the Public Health and Social Services Emergency Fund to be used to develop and purchase vaccines and medical supplies;
- \$300 million in contingency funds to purchase vaccines if necessary;
- \$100 million for community health centers;
- \$2.2 billion to the CDC, including \$950 million for state and local preparedness grants, \$300 million for global disease detection and response, and \$300 million for the Infectious Disease Rapid Response Reserve Fund;
- \$836 million for the NIH;
- \$10 million for worker-based training and health worker protection;
- \$435 million for international public health programs, including \$200 million for the U.S. Emergency Reserve Fund; and
- \$300 million for humanitarian and health assistance in areas affected by the virus.

The bill will also allow HHS to regulate the commercial price of a coronavirus vaccine. It was advanced by the House of Representatives by a vote of 415-2 and was passed by the Senate by a vote of 96-1. Reps. Ken Buck (R-Colo.) and Andy Biggs (R-Ariz.) as well as Sen. Rand Paul (R-Ky.) voted against the measure.