

## COVID-19 Weekly Public Policy Recap

May 8<sup>th</sup>, 2020

### Congressional Updates

The Senate returned to Washington this week to resume work despite ongoing concerns about virus exposure as cases continue to rise in the Washington, DC area. The next installation of a coronavirus-related recovery package was at the top of the agenda as House Democrats rushed to finalize the agenda in order to present a package by next week. As McConnell and the Senate GOP move to pump the brakes on House Democrats plan for another coronavirus relief package, Speaker Pelosi pushed committee chairs to finalize their portions as soon as possible.

The package is expected to cost more than a trillion dollars as Speaker Pelosi backs aid to cash-strapped state/local governments and an \$80 billion infrastructure investment for broadband development, in addition to an ever-expanding list of demands. She also previewed additional small-business relief that Democrats plan to include in their next coronavirus bill, including an extension of the loan forgiveness period of the Paycheck Protection Program.

Disputes are still unfolding over liability protections with Senate Majority Leader McConnell saying early this week that preventing a “litigation epidemic” is a “red line” for Senate Republicans, but he is under mounting pressure from his GOP colleagues to increase financial assistance to state and local government. The GOP proposals (proposed by Sen John Kennedy of Louisiana) with the most momentum would give state and local governments flexibility to use \$150 billion in stabilization funding passed by Congress in March to cover budget shortfalls. Still, House Democrats are now considering separate pots of money totaling as much as \$500 billion for state governments, and up to \$300 billion for cities, counties and towns.

### Administration Updates

#### *CARES Act-Related Funding*

The Medicaid and CHIP Payment and Access Commission (MACPAC) sent a letter to Department of Health and Human Services (HHS) Secretary Alex Azar expressing concerns that Medicaid providers are being shortchanged by HHS' distribution of coronavirus emergency relief funds. This marks the second time in a month that the commission has called on the administration to protect Medicaid providers as HHS distributes emergency funds. The HHS allocation formula changed to be based on providers' 2018 net patient revenue meant to benefit providers with few Medicare patients.

More than 40 publicly traded companies, who received a combined \$337.1 million, said they will return loans obtained through the Paycheck Protection Program (PPP) after Treasury Secretary Steve Mnuchin warned of legal ramifications. A recent investigation found that at least 147 publicly traded companies, some with market values exceeding \$100 million, received loans totaling \$555 million. Mnuchin has given those large corporations until May 14 to return the money without penalty.

#### *Food and Drug Administration*

After facing criticism for allowing coronavirus tests to enter the market without review, the FDA moved on Monday to assert more oversight by outlining expectations for antibody test developers including requiring emergency use authorization requests be filed and recommending specificity and sensitivity

for all tests. Up until Monday, test makers were allowed to sell antibody tests after validating their own data and notifying the FDA, but this led to several fraudulent test kits on the market. These tests, which detect whether a person has been exposed to the coronavirus and therefore has antibodies, could be the key to determining release of social distancing practices.

The Food and Drug Administration (FDA) cleared the Moderna coronavirus vaccine for a phase 2 trial on Thursday after FDA shifted policies to fast-track vaccines. Moderna warned that development of treatments for other diseases are being disrupted and delayed. Affected treatments include a potential personalized cancer vaccine and others. As the race continues to develop a vaccine, many drug makers are ramping up the manufacturing process ahead of approval so it can rapidly distribute doses should their drug prove effective.

### **State Updates**

Governors in at least 30 states have begun allowing some businesses to operate or announced plans to do so this month, but the total number of cases each day is still staggering. More Than 26K cases were reported in 24-hour span this weekend while states begin reopening.

Three states have already cut back state spending on Medicaid since the pandemic hit, and more are warning of painful cuts to benefits and services. State officials are worried that they'll have to slash benefits for patients and payments to health providers in the safety net insurance program for the poor unless they get more federal aid. Medicaid naturally faces heightened demand as economic conditions worsen. But that leaves states facing more need at the same time that they have less money.

### **In Other News**

- [Reopening In The COVID Era: How To Adapt To A New Normal](#)
- [FDA gives emergency authorization for CRISPR-based diagnostic tool for coronavirus](#)
- [Pelosi to lay down multitrillion-dollar marker with new coronavirus package](#)
- [Harris, Sanders and Markey want to give every American \\$2,000 per month](#)
- [Will Gilead price its coronavirus drug for public good or company profit?](#)
- [Fauci's absence from hearing draws bipartisan rebuke from House lawmakers](#)
- [Pelosi calls for federal standard to reopen country](#)
- ['Shark tank' competition for new virus tests draws strong interest](#)