

Coronavirus Disease (COVID-19) in the US - Policy and Government Update

March 6, 2020

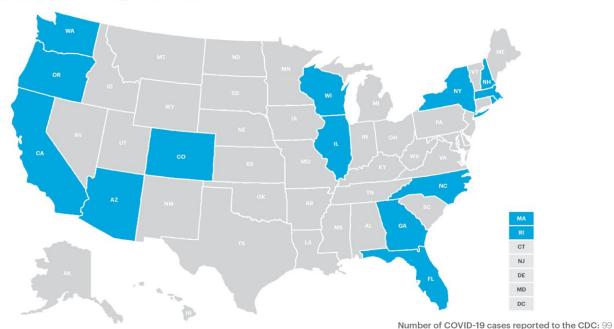
David C. Quam Counsel, Washington, DC D +1 202 496 7220 david.quam@dentons.com John R. Russell, IV Principal, Washington, DC D +1 202 408 6392 john.russell@dentons.com

大成DENTONS



Coronavirus Disease (COVID-19) in the US

March 6, 2020



Indicates states with confirmed and presumptive positive cases of COVID-19

States with confirmed and presumptive positive cases of COVID-19:

Florida

Hawaii

Idaho

٠

.

Georgia

- . Alabama
- Alaska 14
- Arizona .
- Arkansas .
- California .
- Colorado .
- . Connecticut
- Delaware .
- Illinois Indiana
- lowa
 - Kansas
- Louisiana Maine Maryland Massachusetts
 - Michigan Minnesota

Kentucky

Mississippi

14

12

.

18 - E

.

.

- . New Mexico ٠
 - New York

÷. Missouri

*

.

2

.

.

Montana

Nebraska

New Jersey

New Hampshire

Nevada

- North Carolina
- North Dakota .

.

- Ohio .
- Oklahoma . .
- Oregon Pennsylvania
- Rhode Island . .
- South Carolina
- . South Dakota . Tennessee
- . Texas
- Utah . .
- .
- .
- Wisconsin
 - Wyoming

Number of states reporting COVID-19 cases to the CDC: 14

Totals do not include cases among persons repatriated to the US.

- Vermont Virginia
- Washington
- West Virginia .

2

Date updated: March 6, 2020

Source: CDC, www.cdc.gov/coronavirus/2019-ncov/cases-in-us.html



Federal Response - Top Line RESPONSE R and D RECOVERY

- Federal Reserve Makes Emergency Rate Cut: The central bank cut interest rates by half a percentage point, its biggest single cut in more than a decade, as a pre-emptive move to protect the economy from the coronavirus.
- **Congress Passes Emergency Supplemental:** \$8.3 Billion in new spending to combat the spread of the deadly coronavirus.



Federal Response

Coronavirus Funding Would Be About \$8 Billion

Dollars in millions

Department/Agency	Emergency appropriations
Health and Human Services Department	\$6,497.0
 Public Health and Social Services Emergency Fund* 	3,400.0
 Centers for Disease Control and Prevention 	2,200.0
 National Institutes of Health 	836.0
 Food and Drug Administration 	61.0
State Department & U.S. Agency for International Development	1,250.0
Small Business Administration	20.0

Sources: H.R. 6074, Senate Appropriations Committee summary, House Appropriations Committee summary

*Amount includes an additional \$300 million in contingency funds.

Bloomberg

4

Centers for Disease Control and Prevention (CDC) \$2.2 Billion

- State and Local Preparedness Grants : \$1 billion for state and local preparedness and response, half of which will go to states, cities, and tribes within 30 days. Each state will receive no less than \$4 million.
- **Global Health Security**: \$300 million to continue CDC's global health efforts that are critical to the health and security of the United States.
- Infectious Diseases Rapid Response Fund: \$300 million

Public Health and Social Services Emergency Fund, HHS Office of the Assistant Secretary for Preparedness and Response \$3.1 Billion

RESPONSE

- For procurement of medical supplies to supplement the Strategic National Stockpile and support federal and state response efforts; research and development of vaccines, therapeutics, and diagnostics; and hospital and health system preparedness
 - An additional \$300 million is made available for the purchase of vaccines, therapeutics, and diagnostics; ensuring all Americans will have access to the drugs they need to combat coronavirus.
 - Health Resources and Services Administration: \$100 million for community health center



Medicare

RESPONSE

Contains a provision that waives certain telehealth requirements during the coronavirus public health emergency to ensure Medicare beneficiaries can receive the care they need at home to avoid placing themselves at greater risk of this virus



State Department and USAID \$1.25 Billion

RESPONSE

- Diplomatic Programs: \$264 million for consular operations, evacuation expenses, and emergency preparedness
- Global Health Programs: \$435 million, including \$200 million for the Emergency Reserve Fund
- International Disaster Assistance: \$300 million to address humanitarian and health needs in affected areas
- Economic Support Fund: \$250 million to address related economic, security, and stabilization requirements
- Office of the Inspector General: \$1 million for oversight of resources provided in the package
- Increases transfer threshold for emergency evacuations from \$10 million to \$100 million



National Institutes of Health \$836 Million

R and D

- \$826 million for the National Institute of Allergy and Infectious Diseases for research and development of vaccines, therapeutics, and diagnostics
- \$10 million for the National Institute on Environmental Health Sciences for worker-based training to prevent and reduce exposure for hospital employees, emergency first responders, and other workers on the front lines combatting the virus

Food and Drug Administration \$61 Million

R and D

Pre- and post-market work on countermeasures, therapies, and vaccines; to monitor and mitigate any medical product shortage; and to strengthen the U.S. medical product manufacturing sector



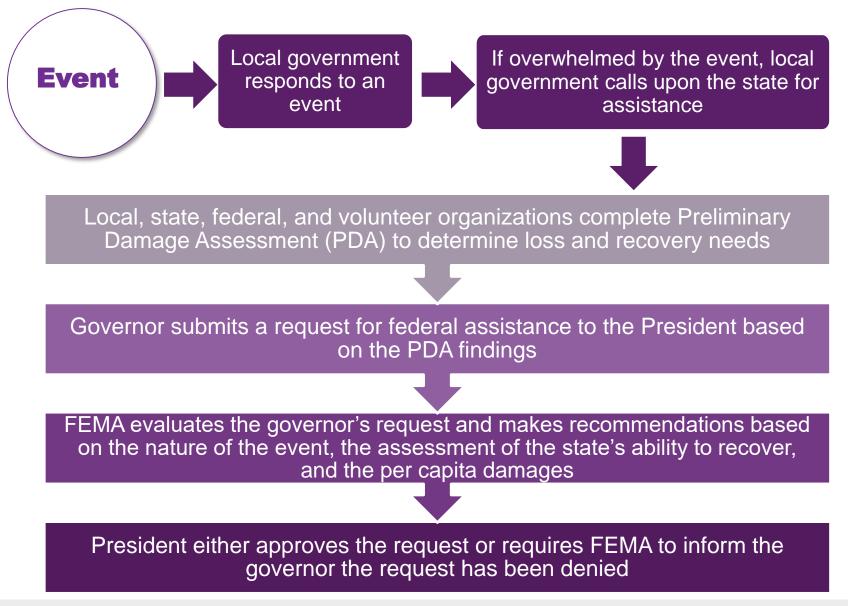
Small Business Administration \$1 Billion

RECOVERY

\$1 billion in loan subsidies for small businesses, which Democrats said would enable the Small Business Administration to provide \$7 billion in low-interest loans for companies affected by the outbreak.



STATE AND FEDERAL RELATIONSHIP IN A DISASTER



Immediate State Spending

- Purchasing of new equipment to provide rapid diagnosis in state public health laboratories
- Additional staffing support to conduct disease investigations, including clinic visits or mobile home testing teams for uninsured/underinsured persons meeting case definition who need testing to confirm infection
- Obtaining and maintaining quarantine isolation housing capacity
- Data analytics and surveillance systems for rapid case detection and response
- Transport for uninsured/underinsured persons with symptoms for medical evaluation

State Takeaways

- First time in 50 years that the United States has established a quarantine program in response to a public health threat. (ASTHO letter to the President, Feb. 24, 2020)
- Primary authority for emergency response rests with Governors
- Immediate impact on states
 - Quarantine: Impact on major public events; schools; hospitals
 - Medicaid: Care for Medicaid populations and the uninsured
- Long term impact on states
 - Economic impact in lost revenues and fees at local, regional and state levels
 - States lag the downturn
 - Economic impact on state budgets follows any national slowdown



Take Aways

- GOVERNMENT RESPONSES TO PAST DISASTERS SHOW A PATTERN
- IMMEDIATE RESPONSE
- ECONOMIC RESPONSE
- POLITICAL RESPONSE
- WE ARE EARLY IN THE IMMEDIATE RESPONSE PHASE



Key resources to keep you informed



Questions?



Thank you



David C. Quam Counsel, Washington, DC D+1 202 496 7220 david.quam@dentons.com



John R. Russell, IV

Principal, Washington, DC D+1 202 408 6392 john.russell@dentons.com

444101

© 2020 Dentons. This document is not designed to provide legal or other advice and you should not take, or refrain from taking, action based on its content. We are providing information to you on the basis you agree to keep it confidential. If you give us confidential information but do not instruct or retain us, we may act for another client on any matter to which that confidential information may be relevant. Attorney Advertising. Please see dentons.com for Legal Notices. Dentons is a global legal practice providing client services worldwide through its member firms and affiliates.