

Washington Update: April 5

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As we continue to monitor the spread of the coronavirus, we wanted to update you on what is being discussed about next steps for the two institutions on the front lines of the response to this epidemic: local and state governments and our healthcare workers and hospitals.

Speaker Nancy Pelosi has gone on record stating that any Phase 4 bill must include more aid for state and local governments facing budgetary shortfalls. While the House Democrats latest proposal did not include a provision on general direct aid for state and local governments, many of the measures in it fund existing federal programs that provide loans and grants directly to state, county, and city governments. Republicans have thus far preferred to analyze the needs of state and local governments once the more complete implementation of Phase 3 has taken place. House GOP Leadership has argued that many of the relief provisions of Phase 3 that put money directly back into consumers' pockets will go a long way towards helping state and local governments. However, they have acknowledged that the lack of revenue from local sales taxes during a lockdown will definitely take its toll. It seems highly likely that circumstances will require, and Congressional leadership will agree to, additional relief for state and local governments, especially for municipalities under 500,000 that were excluded from direct relief aid in the Phase 3 legislation. However, it remains to be seen exactly what form that will take.

Almost immediately upon completion of Phase 3, Speaker Pelosi called for additional support for frontline healthcare workers and hospitals combatting the virus. House Majority Whip Jim Clyburn has called the nation's healthcare infrastructure "strained," especially in rural and low-income areas. There is demonstrated widespread need for personal protective equipment, tests, ventilators, and other medical supplies that Congress will certainly attempt to meet in any Phase 4 package. There is already some bipartisan consensus in the House around addressing surprise medical billing and providing support for community health centers. On a conference call with reporters, Minority Leader Kevin McCarthy and Republican committee Ranking Members stressed that

Phase 4 would need to particularly focus on hospitals and the medical community. Beyond the obvious, pandemic-related need for supplies, hospitals and other medical centers are risking bankruptcy and may need additional aid. Due to the scarcity of both beds and medical professionals, many healthcare providers have had to stop performing the elective surgeries that generate the revenue needed to keep the lights on. A direct cash-infusion may be necessary for many hospitals either during Phase 4 or beyond.

I do wish to give a huge THANK YOU to all the healthcare professionals, first responders and essential workers that in this time of crisis continue to work every day in the front lines to ensure that the rest of us stay healthy and safe. While many of us remain in quarantine, these brave men and women continue to heal our sick, protect our streets, and keep us fed. We all owe them an enormous debt of gratitude and we will forever remember their sacrifice in our time of need.